

PERFORMANCE MONITORING 2015/16 - QUARTER THREE

Report of the Finance Director and Company Secretary

1. SUMMARY

- 1.1 This report summarises the performance of Derby Homes for the third quarter of 2015/16, October 2015 to December 2015, for key performance measures reported to Derby City Council and provides details on the year-end performance targets.
- 1.2 Results are assessed using traffic light criteria, according to their performance against improvement targets. Accountable officers have provided commentary to put performance into context and identify actions that they are taking to address poor performance as shown at Appendix 1.
- 1.3 At the end of quarter three (up to 31 December 2015), 86% of measures, where data was available, achieved or exceeded their quarterly target, up 12% on quarter two. 97% of performance measures are forecast to meet or exceed their year-end target, up 12% on quarter two.
- 1.4 Targets are an essential tool for supporting improvement and focusing effort. They provide information about the actual and expected performance of an indicator. Targets are set during the annual delivery planning process and this commits the service to working towards the achievement of that target for the duration of the year.

2. RECOMMENDATION

- 2.1 To note the report.

3. MATTER FOR CONSIDERATION

- 3.1 Performance monitoring underpins Derby Homes' performance framework in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation of variances in outturns enables remedial action to be taken where appropriate.
- 3.2 The contents of this performance report and supporting appendices is based on priority measures as approved by the Board and contained in the Delivery Plan 2015/16. This incorporates 29 priority measures reported on a monthly / quarterly basis and 36 in total.

- 3.3 Level 1 and 2 performance measures within Derby Homes' Delivery Plan are monitored through DORIS on a quarterly and monthly basis. The traffic light criteria used by DORIS is as follows:
- Blue – performance above target by 2% or more
 - Green – performance meets target
 - Amber – performance within 5% of the target
 - Red – performance more than 5% adverse of target
- 3.4 Three priority measures are included within the Council Scorecard (Appendix 1). The criteria used for identifying measures for the Council Scorecard reflects factors such as; corporate importance, previous and comparative performance levels, importance to external inspections, impact on the Council's reputation and budget implications. Performance has improved for the two Scorecard measures YA&HPM03 (NI156) and YA&HPM06 (DH) and more details on this are available at 3.7.8 of this report. Furthermore, it should be noted that the 'new homes' measure is reported annually and will be presented at the end of March 2016.
- 3.5 At the quarter 3 point of the financial year (April to December) trends have formed and year end performance can be predicted with more certainty. Forecasting year end performance at quarter 3 point is particularly important because it can assist in setting targets for measures to be included in the Delivery Plan for 2016-17 year.
- 3.6 **Performance Monitoring 2015/16 – Quarter Three**
- 3.6.1 A detailed summary of the performance measures is shown in Appendix 1, together with a guidance sheet for the summary at Appendix 2.
- 3.6.2 Summary performance results for monthly / quarterly priority measures as approved by the Board and contained in the Delivery Plan are as follows:

Traffic Light Status	Q3 performance against Q3 target	Forecast against year-end target	2014/15 Performance
Green / Blue – met or exceeded target	86% (24)	97% (32)	84%
Amber - missed target by up to 5%	3% (1)	3% (1)	6%
Red - missed target by more than 5%	11% (3)	0% (0)	10%

The performance measures highlighted as red at the end of quarter three are as follows:

- *DH Local 67– % satisfied with the way ASB case was handled –Target 87% Actual 78%.*
- *DH Local 89 – Number of tenants seen by money advice with rent arrears – Target 186 Actual 108*
- *DH Local 39a Adaptations – Average time from referral to large adaptations_– Target 80 Actual 89.7*

3.7 Key issues to note from Quarter 3

3.7.1 Rent Arrears

The majority of the rent arrears measures suite is on target for quarter three and predicted to meet year end targets, with an improvement in the overall quarter three position. In particular, there has been an improvement on the quarter two slippage in the measure *DH Local 43 'Rent collected as a % of rent due (excludes rent brought forward)'*. Although the collection rate has slightly decreased when compared to quarter four in 2014-15, collection has improved by 1.46% this quarter largely due to a successful rent free week campaign. The measure is now on target for quarter 3 but predicted to be slightly below target for year end. Key reasons for some of the slippage this year include:

- fewer housing benefit payments and discretionary housing payments (DHPs) so far this year
- an issue with payments taking longer to be credited to the rent accounts since the new payment system was introduced by the City Council in April 2015.

Further to the above a number of issues are anticipated to impact on future performance for rent collection and arrears...

- The decision of future awards of DHPs will have an impact on all the arrears indicators and future performance expectations will need to take this into account.
- Universal Credit went live in Derby on 25 January 2016. It is expected that there will be a spike in claims during February due to single tenants coming out of temporary work and claiming Universal Credit which may impact on the arrears outturn during quarter four.

One of the two measures that had a revision of targets at mid-year is still off target for quarter three '*DH Local 89 'Number of tenants seen by money advice with rent arrears'*'. The target was changed from 320 to 250 but the measure is short of the 186 quarter three target (currently at 108). The main reason for this is that data collection on tenants with rent arrears seen by money advice is based on closed cases. When open and on-going cases are taken into account, the prediction is that the year-end target will be met.

3.7.2 Voids & Relets

Performance in relation to priority measures for voids continues to be an area of strength for Derby Homes...

- Re-letting void properties was 21.5 days against a target of 24 days. Upper quartile performance is 25 days. This is short of previous years out turn but the year-end forecast is 23 days and within target.

To reflect the positive profile of performance at the end of quarter two targets for the following measures were revised to make them more challenging and aligned with the HRA business plan...

- *DH Local 06 'Percentage of rent lost through dwellings becoming vacant'*. Following a data correction for October and November rent loss at quarter three stands at 0.7% still the lowest for a very long time and in line with upper quartile performance. The measure is predicted to meet the more challenging revised target of 1.0%
- *DH Local 79 'Amount of rent lost through dwellings becoming vacant'*. The measure also had a data correction for October and November with a slight increase in rent loss to £317,501. The measure is ahead of quarter 3 target and predicted to be within the more challenging revised target of £590,000.

3.7.3 Maintenance

Performance in completing responsive repairs across tenants' homes remains consistent, with 100% of emergency repairs being completed within target timescales. The full suite of repairs measures are on target for quarter three and predicted to meet year-end targets.

Gas servicing is a legal requirement and as such it is vital that we gain access to a property to service and maintain gas appliances. We have maintained our 100% compliance in relation to electrical and gas safety, with all homes having a yearly gas safety check carried out.

3.7.4 Investment

There is some slippage for the performance measure *DH Local 39a 'Adaptations - average time from referral to large adaptations'* as a consequence of a number of referrals initially waiting for re-housing rather than adaptation. However, the need for the applicants was such that further delay waiting for re-housing was not acceptable and the adaptations had to be carried out to meet the needs of tenants. This has resulted in an increase in the average waiting time on actual cases completed. Performance has improved in quarter three from 110.1 to 89.7 days, although still off target. It is anticipated that now these referrals have been completed that the actual days to complete adaptations will continue to reduce and over the next quarter the average will fall to be in line with the year-end target.

3.7.5 Satisfaction

Three out of four satisfaction measures are out-performing quarter three targets. During quarter three a total of 427 responses were received to satisfaction surveys with 90% of tenants reporting that they are satisfied overall with the services provided by Derby Homes. There has been a 4% improvement on last quarter's figures and the measure is above target. Since the introduction of the 'doorstop campaign' the rate is now in the upper quartile of our comparator group (threshold 89.25%). The measure is predicted to be 3% above our year-end target.

78% of respondents were satisfied that their views are taken into account. This is a 1% improvement on last quarter. This measure remains 8% above target and is predicted to be 6% above the revised target of 70%.

'DH Local 67 satisfied with the way ASB case was handled'. The data collection problem has been resolved; the measure is off target but expected to be on or near target at year end.

3.7.6 New Homes

A total of 11 homes have been delivered against a target of 120 by the end of quarter three, 188 new homes had been delivered against the overall target of 700 new homes by April 2019...there are more in the pipeline with imminent completions expected:

- 11 properties currently under construction by Derby Homes on 3 sites (Hillcrest/Alum/ Seymour) were due for completion by 31 December but were delayed due to bad weather, now due for completion by in quarter four.
- 15 properties waiting start on site at Ashlea Hostel (demolition completed).
- planning permission granted for 9 properties (Nightingale Road and Richmond Road)
- 16 properties at 5 sites being worked up for planning
- 1 Ordinary Lives Housing Pathway property (bungalow) to be submitted for planning at Berwick Close
- 6 new sites have been identified and are being put through early feasibility
- 7 new properties to be purchased at completion by DCC using empty homes grant funding at Elton Road.
- 82 homes at Parkland View Extra Care facility - completion expected in quarter four.

3.7.7 Sickness Absence

Derby Homes has continued to demonstrate strong levels of attendance and remains within the target of 6.8 at an average 6.1 days lost to sickness at the end of December 2015. We continue to manage attendance in a proactive and supportive way.

3.7.8 Housing and Advice

Our ability to deliver advice and assistance for homeless households and prevent homelessness is critical to managing homelessness acceptances. With the increase in homeless acceptances, resources need to be diverted from preventative work to deal with households in crisis when they are homeless. The numbers we are able to therefore prevent from becoming homeless are falling

and this is reflected in a reduced target for 2015/16.

So far this financial year we have prevented 744 households from becoming homeless (slightly below the 750 quarter three target) and we forecast a year end out-turn of 1,000 households, which would still be above the 2014-15 year-end out-turn of 951. Although diversion of resources from preventions is one key factor, seasonal factors have contributed to lower numbers in quarter three.

There has been an improvement in performance in the other three measures within this service area which are exceeding quarter 3 targets and forecast to meet or exceed year end targets. So these are no longer 'red' but instead 'blue' and/or 'green', with two measures featuring in the Council Scorecard...

- *YA&H PM06 – Number of Homeless Acceptances* (Council Scorecard measure) - Homelessness acceptances reached a peak in 2013/14, following the reduction in Housing Related support in Derby, and have remained consistently high since then. Recent performance shows the highest level of homelessness acceptances in the past 5 years. To reflect this trend we have increased the target to a more achievable goal of 370. At quarter three acceptances are at 263 within the quarter three target of 279 and forecast to be at 350 against the new year-end target. So performance is back on track.

The main reasons for acceptances include:

- loss of rented or tied accommodation
- domestic violence
- relatives or friends no longer willing or able to accommodate
- required to leave accommodation provided by the Home Office as asylum support.

Key actions to manage current performance to year-end include:

- implementing a refreshed Homelessness Strategy which included establishing the Homelessness Liaison Forum (HLF) with partners,
- increasing financial support and advice, mitigating the impact of benefit changes
- developing written procedures to improve awareness about the steps to settled accommodation.

- *YA&H PM04 – Number of Households placed in Bed & Breakfast Accommodation* - A key component of successfully managing temporary accommodation is limiting the use of bed and breakfast accommodation to no more than 10 families / households which Derby had done successfully for the last two years. To support in this the target for use of bed and breakfast accommodation was reduced from 10 to 8 families for 2015/16, believing there could be efficiencies through strengthening our approach to managing temporary accommodation. Conflicting priorities have resulted in a delay to this work, which is now scheduled for 2016/17. So the target for this measure has been revised back up to 10 families. Current performance is in line with the refreshed target proposals. For quarter three 5 families were placed within bed and breakfast accommodation, well within the limit of 10.
- *YA&H PM03 – Number of households living in Temporary Accommodation* (Council Scorecard measure) – Over the last five years we have consistently

limited the use of temporary accommodation to below 30 families / households. This has become increasingly challenging in 2015-16. A key reason for this is a reduction in the number of social housing properties becoming available to let. Any reduction in the supply of affordable housing will have a knock on effect to our ability to accommodate homeless households, creating pressures on continued use of temporary accommodation and bed and breakfast placements. For quarter three an improved position was mainly due to fewer households being placed in bed and breakfast accommodation but we had 5 more vacancies as a seasonal factor because families are willing to assist with temporary housing in the festive period. This may not be the case in quarter four but our forecast is that we will be on target for year end.

The Board should note that a targeted update report for homelessness was presented to Corporate Scrutiny in December 2015.

3.8 Delivery Plan

The 2015/16 Delivery Plan contains 42 actions under the four strategic objectives. All objectives within the Delivery Plan are monitored on a quarterly basis by the Senior Management Team and reported to the Chairs Briefing Meeting at quarters three and four and to the Board annually.

4. COUNCIL

Three of the measures are included in the Council Scorecard and are reported to Council Cabinet on a quarterly basis (highlighted in Appendix 1).

5. EQUALITIES AND IMPACT ASSESSMENT

The performance measures and wider performance framework provide information regarding outcomes for vulnerable and equality groups.

The areas listed below have no implications directly arising from this report:

Consultation
Legal and Confidentiality
Personnel
Financial and Business Plan Implications
Environmental
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

Author: Kas Sahota / Improvement Officer / 01332 643481 / kas.sahota@derby.gov.uk

Background Information: None

Supporting Information: None