

**PERFORMANCE MANAGEMENT – QUARTER TWO 2018/19**

Report of the Finance Director and Company Secretary

**1. SUMMARY**

- 1.1 This report presents a summary of performance for quarter two 2018/19 from key performance measures reported to Derby City Council.
- 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, identifying actions that they are taking to address poor performance, as shown at Appendix 1.
- 1.3 At the end of quarter two (up to 30 September 2018), 65% of measures, where data was available, achieved or exceeded their year-end target and 82% are currently forecast to meet or exceed their year-end target.
- 1.4 In specific circumstances targets can be revised during the reporting year providing a clear rationale for any revision is presented and appropriate approval sought. This report presents the Operational Board with proposed changes to the scorecard following a mid-year review. The changes have been agreed with Derby City Council.

**2. RECOMMENDATION**

- 2.1 To discuss and note the quarter two 2018/19 performance results.
- 2.2 To approve the proposed changes to the priority performance measures and targets, made as part of the mid-year target review, set out in Appendix 2.

**3. REASON(S) FOR RECOMMENDATION**

- 3.1 The Board of Derby Homes has delegated responsibility to the Operational Board for the management of Derby Homes' performance measures. This report provides information to enable the Operational Board to carry out this responsibility.

**4. MATTER FOR CONSIDERATION**

- 4.1 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.

- 4.2 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 2018/19. This incorporates 44 priority measures reported on a monthly / quarterly basis and 52 in total. 7 are not yet measurable as they are annual targets. 12 measures do not have targets.
- 4.3 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
- 4.4 Each year Derby City Council agree a small basket of priority performance measures to ensure that Chief Officers and Members are cited on key performance issues and outcomes. The criteria for the selection of measures for inclusion within the scorecard are:
- measure is linked to an area of significant budget pressure / income source (1)
  - a reflection of demand for services (2)
  - key inspection / reputational / compliance risk area (3)
  - measure links to a commitment in the latest edition of the Council Plan, and also meets at least one of the criteria above (4).
- 4.5 Four of Derby Homes' priority measures are included within the Council Scorecard (Appendix 1) for 2018/19:
- DH Local 01 Rent arrears of current tenants as a percentage of rent roll (scorecard rationale 1,2) –see 4.7.1
  - DH Local 62b Number of New Homes Delivered (scorecard rationale 2,4) – see 4.7.5
  - DH Local 142 Total number of cases resolved under 'prevention duty' (scorecard rationale 1,2,3) – see 4.7.6
  - DH Local 143 Total number of cases resolved under 'relief duty' (scorecard rationale 1,2,3) – see 4.7.6
- 4.6 **Mid-year Review**
- 4.6.1 A mid-year review of both measures and targets has been completed. The purpose of this exercise is to make sure that the performance report reflects the right measures and that the targets set for improvement are SMART (specific, measurable, achievable, relevant and time-bound). As part of this, we consider whether:
- a) The target is not sufficiently stretching based on latest performance results or latest benchmarking information; *or*
  - b) The target is too stretching based on changing performance due to external factors (i.e. increasing demand, loss of capacity / resources etc.).

- 4.6.2 There is one measure where a change to the target is proposed:
- **DH Local 118** Number of tenants registered for My Account on line

It is also proposed that the measure:

- **DH Local 119** Percentage of expired apprenticeship levy funds is deleted.

These changes are set out in Appendix 2. All proposed changes to measures and targets were discussed at Senior Management Team (SMT) during the week of 22 October 2018.

- 4.6.3 All proposed changes to targets have been discussed and agreed at the Strategic Partnership Board meeting on 20 November 2018.

#### 4.7 Performance Monitoring 2018/19 – Quarter Two

- 4.7.1 A detailed summary of the performance measures is shown in Appendix 1.
- 4.7.2 Summary performance results (where data is available) as approved by the Board and contained in the Delivery Plan are as follows:

Traffic Light Status	Q2 performance against Q2 target	Forecast against year-end target	2017/18 performance
<b>Green / Blue – met or exceeded target</b>	65% (20)	82% (31)	70% (21)
<b>Amber - missed target by up to 5%</b>	23% (7)	8% (3)	3% (1)
<b>Red - missed target by more than 5%</b>	13% (4)	11% (4)	27% (8)

*Note: The comparative figures in previous years may relate to a different set of performance measures as the measures are reviewed and refreshed annually.*

*Disparity in calculations is due to rounding.*

The performance measures highlighted as red are as follows:

- DH Local 76 – Average working days lost to sickness absence – Target 7.0, Actual 7.5, Projected year-end forecast 7.5
- DH Local 118 – Number of tenants registered for My Account on line – Q2 Target 4,500, Actual 3,350, Year-end target 8,000, Projected year-end forecast 4,100
- DH Local 145 – Number of new positive private sector placements from April 2018 (accommodation with a reasonable prospect of being available for 6 months or more) – Q2 Target 80, Actual 56, Year-end target 160, Projected year-end forecast 110
- YA&H PM04 – Number of households placed into B&B accommodation (snapshot at period end) – Target 15, Actual 19, Projected year-end forecast 15
- DH Local 62a - Number of new homes started in year – Annual measure, Target 60, Projected year-end forecast 42

The performance measures highlighted as amber are as follows:

- DH Local 11 – Number of tenants evicted as a result of rent arrears – Q2 Target 28, Actual 29, Year-end target 55, Projected year-end forecast 55

- DH Local 32 – Average time taken to re-let local authority housing (days) – Target 24, Actual 24.9, Projected year-end forecast 24.5
- DH Local 52 – Satisfaction with new home (new build and re-let) – Target 94% Actual 90.6%. Projected year-end forecast 92%
- DH Local 67 – Satisfaction with the way ASB case was handled – Target 93% Actual 91.8%, Projected year-end forecast 93%
- DH Local 77 – Percentage of respondents satisfied with their neighbourhood as a place to live – Target 84%, Actual 82.8%, Projected year-end forecast 84%
- DH Local 79 – Amount of rent lost through dwellings becoming vacant – Q2 target £225,000, Actual £229,332, Year-end target £450,000, Projected year-end forecast £450,000
- DH Local 146 – Percentage of Councillor and MP enquiries responded to within timescale – Target 90%, Actual 88.7%, Projected year-end forecast 90%
- DH Local 120 - Energy efficiency-average SAP rating of new build – Annual measure, Target 85, Projected year-end forecast 83.

#### 4.8 **Key areas to note**

##### 4.8.1 **Arrears**

Universal Credit (UC) full service was rolled out in Derby on 11 July 2018. By the end of September 2018, there were over 500 UC cases up and running. These 500 cases will have contributed to the marginal increase in arrears figure as universal credit is paid in arrears, along with the predicted upward trend at this time of the year, when arrears levels historically increase. As previously reported we expect arrears to initially increase before new payment patterns bed in after which performance trends are expected to become more settled. Despite the current increase, performance measures for rent arrears have continued to either meet or exceed their quarterly targets, which were reviewed and refreshed as part of the business planning process for 2018/19. It is likely that the real impact of Universal Credit will be felt more and more over the next few years, as the number of tenants moving on to this benefit continues to increase.

The team continue to focus on supporting tenants to maximise their income and sustain their tenancy. Our Welfare Reform Team are working with all tenants moving onto UC claims and we now have access to the Department for Work and Pensions (DWP) landlords portal, which assists our officers in checking UC applications and making applications for (Alternative Payment Arrangement) APA'S to cover the housing costs and direct payments for rent arrears.

Evictions are higher compared to the same period last year (29 compared to 20) and this is showing a slight slippage against the quarter two target. However last year's eviction figures were exceptionally low when compared with previous years. At this point in time, the high number of evictions is not likely to be due to Universal Credit, but just the current period of austerity, including impact of previous welfare reforms.

##### 4.8.2 **Housing Maintenance**

Performance in completing responsive repairs across tenants' homes continues to remain consistent, with 100% of emergency, very urgent and urgent repairs

completed within timescale, and 99.7% of non-urgent repairs completed within timescale. In total, 11,026 priority repair jobs have been completed since April 2018 with only 19 (under 0.2%) out of timescale.

We are currently unable to report on the 'number of appointments kept by the landlord as a percentage of all appointments made' due to reporting issues. However, we can report that 3 appointments have been missed this quarter and 13 have been missed in total this financial year.

Tenant satisfaction with repairs remains high and above target at 99.67%. Out of a total of 3,891 text surveys sent out this quarter, we have received only 15 negative responses. A total of 8,255 text surveys have been sent out to date this financial year, with only 27 (0.3%) responding that they are dissatisfied with the service.

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 continue to maintain our 100% compliance in relation to both electrical and gas safety, with all homes having a yearly gas safety check carried out.

#### **4.8.3 Customer Services**

All complaints measures have either met or exceeded their targets at the end of quarter two, with 98.4% of complaints resolved at Stage One. Six complaints have been investigated and resolved at Stage Two, to date, this financial year. There have been no complaints escalated to Stage Three. Where, as a result of a complaint investigation, good practice or lessons learnt are identified, this is brought to the attention of the Head of Service and disseminated to the relevant officers.

At the end of September 2018, 3,350 customers had registered on My Account which is below the Q2 target of 4,500. The 'Get on Line' incentive scheme is in its second year with a new campaign ('24/7 initiative') launched in August 2018 to promote registering and accessing services via My Account. However, the annual target of 8,000 is not realistic this year and the revised target of 5,000 is an appropriate and recommended reduction.

#### **4.8.4 Satisfaction**

Three of the six quarterly satisfaction measures have met or exceeded their targets.

Overall 'Satisfaction with Landlord' has shown consistent improvements over the last three years. 93.71% of respondents said that they were satisfied with the services provided by Derby Homes, compared to 93.2% at quarter one. Furthermore, the quarter two figure is 8% higher than the same period last year. Only 2% (15 of the 842 respondents in total since April 2018) expressed dissatisfaction with the service.

Although there has been a slight dip in performance compared to quarter one, 'Satisfaction with views taken into account' remains 8% above target. 4% (11) of the tenants who responded to this question so far this financial year have expressed dissatisfaction.

'Satisfaction with new home' has increased this quarter from 89% at quarter one to 91% at the end of quarter two, but still remains slightly below the annual target of 94%. One of the surveys this quarter related to views on a new build property. We always use feedback as a learning opportunity and will be contacting those tenants who responded that they are dissatisfied with their new home to take any further appropriate action / learning.

'Satisfaction with the way Anti -Social Behaviour (ASB) cases was handled' has decreased from 92.59% in quarter one to 91.79% in quarter two, and is slightly below the revised 2018/19 target of 93%.

82.76% of respondents are satisfied with their neighbourhood as a place to live. Although disappointed that performance is below target we anticipate that, as the local customer priorities were agreed during quarter two and a soft launch is programmed in for quarter three, satisfaction in this area will increase and be on target by the end of the year.

#### **4.8.5 New Homes**

A total of 366 new affordable homes have been delivered as at 30 September 2018, since 2013 in partnership with Derby City Council, with 12 completions [so far](#) in this financial year. However, we are not expecting any further completions on new build properties until quarter four. In terms of acquisitions, there are up to 9 units at various stages of conveyance at the time of writing this report, and we expect to purchase some more by the end the year to utilise as much Right To Buy funding as possible.

17 new homes started on-site during quarter two giving a total of 19 new homes started since April 2018. While we do not expect to achieve the year-end start on site target of 60 for 2018/19, we have a year-end forecast of 42 units (DH Local 62a), we are now seeing some more land becoming available for future homes which should help in future years.

#### **4.8.6 Homelessness**

The Local Authority has a statutory duty to give advice to anyone who is homeless or at risk of homelessness. The introduction of the Homelessness Reduction Act (HRA) in April 2018 provides a new legal framework, placing a legal obligation on local authorities to prevent homelessness. There is now a 56 day prevention duty, meaning that some cases may be dealt with earlier than previously and early intervention will lead to successful resolution of threatened homelessness. Moving forward the number of preventions will increase, along with the number of relief duties.

We have seen an increase in the number of successful preventions during quarter two as the work of the team becomes more prevention focussed. 69 cases were resolved under 'prevention duty', giving an overall total of 119 since April 2018. The greater resources in terms of staffing, including the introduction of the Rehousing, Engagement and Support Team (REST) has given more opportunities to prevent homelessness, rather than dealing with the crisis of actual homelessness.

117 cases were resolved under 'relief duty' in quarter two giving an overall total of 204 since April 2018. This figure reflects the number of households for whom a positive resolution was found for their homelessness. It should be noted that both the 'prevention' and 'relief' duty measures are new for 2018/19 introduced under the HRA and as such there are no historical comparisons. As we get to grips with the wider preventative duties we anticipate these figures will increase.

The number of homeless approaches, where an HRA application is activated on RARS, (520 at quarter two) is also a new measure for 2018/19, under the new legislation, and it is therefore difficult to draw any comparison with previous indicators. An increase in this figure is expected as we provide a prevention, relief and homelessness duty, all of which will be recorded as an approach to the authority and the total number of approaches since April 2018 is 970.

There were 32 Main Duty Homelessness acceptances in quarter two. The figure has increased since quarter one but this was expected. The nature of the new legislation is such that the period before a main duty decision can be made has potentially increased to in excess of 112 days from the application. With the exception of legacy cases households seen within the first quarter were unlikely to have moved through the process to a main homelessness decision, however by the end of the second quarter more households will have reached this decision stage. 56 households have received a Main Duty Homelessness acceptance to date this financial year.

There were 31 new positive private rented sector (PRS) accommodation options secured during quarter two, giving an overall total of 56 since April 2018. This is accommodation in the private sector with a reasonable prospect of being available for 6 months or more. The quarter two outturn is below the half yearly target of 80, but represents a positive start for Derby. Prior to April we did not have the resource to work to develop relationships with the private sector in responding to housing need. We therefore may not meet our challenging year-end target of 160, which was based on a projection of need following the implementation of the Homelessness Reduction Act. The current year-end forecast is 110 which would still demonstrate significant progress.

The HRA requires placements into temporary accommodation for certain homeless individuals and families who are owed an interim accommodation duty. 49 new households have been placed in local authority owned temporary accommodation since April 2018. This is comparable with the same period the previous year where the figure was 48. The average stay in this type of temporary accommodating is 141 days.

We do not have enough temporary accommodation to meet growing demand, notwithstanding an increase in the number of local authority owned units. We therefore have to rely on making temporary placements in bed and breakfast establishments for some who are owed interim accommodation duties. During quarter two there have been 54 household placements, the same as the previous quarter, giving a total of 108 to date in this financial year. This level is higher than usual and is reflective of the increased number of approaches that we have seen since the introduction of the Homelessness Reduction Act in April 2018.

#### **4.8.7 Empty Homes**

The average time to re-let local authority homes at the end of quarter two was 24.9 days, whilst this is slightly above the target of 24 the figure has reduced month on month since April. We continue to work closely with other teams to ensure that vacant properties are let in a timely manner.

The percentage of rent lost through dwellings becoming vacant at the end of quarter two remains positive at 0.79%, against a target of 0.8%.

#### **4.8.8 HR**

At the end of quarter two, sickness absence has reduced to 7.5 days, per full time equivalent (FTE). However, this is still above the year-end target. Management continue to analyse trends amongst the workforce and take prompt actions when an employee has hit a trigger. We are also working closely with Derby City Council Human Resource Advisors to advice and support on attendance management cases.

#### **4.8.9 Asset Management**

100% of properties continue to meet the Decent Homes standard. The average SAP rating has risen slightly to 74.7 due to additional data being recorded within Keystone and we are on track to exceed our year-end target.

The average SAP for new build homes is currently below target; however our new build properties are built to current building regulations, with high levels of thermal insulation. The outturn figure is still well above the average for the housing stock.

#### **4.8.10 Governance & Corporate Services**

The number of data protection breaches has increased since quarter one, with a total of 14 breaches compared to 3 at the same period last year. This increase may appear high however it should be noted that we are also recording breaches that other organisations would class as a 'near miss'. We continue to raise awareness on data protection including secure email awareness, which has taken place with a number of teams during quarter two and training is made available for other teams as necessary.

It is proposed to delete the measure 'DH Local 119 % of expired apprenticeship levy funds as we are unable to report on this measure until May 2019. This is due to the apprenticeship levy funds expiring after two years', the levy was only introduced in May 2017 and will not expire until May 2019.

Derby Homes now have a total of 25 apprentices following this year's recruitment. We recruited 14 apprentices across a range of different service areas, from local schools and our first Degree Level Apprenticeship. Within this year's recruitment, it is also pleasing to report that we have recruited two females into trade apprenticeships.

A total of 10 apprentices have gained a role at Derby since April 2018.



A new measure was introduced this year to monitor the percentage of Councillor and MP enquiries that are responded to on time. 88.7% have been responded to within timescale, cumulatively, this financial year, which is slightly below the year-end target of 90%. However, performance for quarter two has improved compared to quarter one, with 93.29% of enquiries responded to on time (85.6% in Q1).

## 5. OTHER OPTIONS CONSIDERED

5.1 Not applicable

## IMPLICATIONS

### 9. COUNCIL IMPLICATIONS

9.1 This is a matter which requires the approval of the Council. Approval will be sought at the next available meeting of the Council Cabinet.

### 12. EQUALITIES IMPLICATIONS

12.1 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  
Financial and Business Plan  
Legal and Confidentiality  
Personnel  
Environmental  
Health & Safety  
Risk  
Policy Review

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

Valerie Watson / Performance Planning Officer / 01332 643457 / Valerie.watson@derby.gov.uk

Background Information: None

Supporting Information: None

**This report has been approved by the following officers:**

<b>Finance Director</b>	David Enticott	[Date]
<b>Head of Service</b> (Operational Board reports)	Heather Greenan	18/11/18
<b>Managing Director</b>	Maria Murphy	[Date]