

REVIEW OF KEY PERFORMANCE INDICATORS AND TARGETS 2016/17

Report of the Finance Director & Company Secretary

1. SUMMARY

To present the key performance indicators and targets for 2016/17.

2. RECOMMENDATION

The Operational Board is asked to note the performance indicators and targets for 2016/17, subject to approval by Derby City Council.

3. MATTER FOR CONSIDERATION

- 3.1 We are required in the management agreement with Derby City Council to have key performance indicators in place to be monitored by the Council and to seek approval of these indicators.
- 3.2 Each year we are required to review the performance indicators we report on and the performance targets which have been set to ensure that they remain relevant, challenging and realistic.
- 3.3 Senior Management Team and their managers have undertaken a review of all key performance indicators currently reported by Derby Homes and targets have been set accordingly and were accepted by Derby Homes Board at their meeting on 31 March 2016.
- 3.4 The proposed targets for 2016/17 are based in part on the previous year's performance; an understanding of existing or new demands, comparative data from similar housing providers via Housemark; and the resources available to maintain or improve current performance.
- 3.5 During the review we consider whether the indicator:
 - is appropriate and should be retained
 - requires an amendment
 - is not required and can be deleted
 - should continue to be reported to Derby Homes Board, Operational Board and Derby City Council
 - should continue to be collected but used as management information
 - whether any new indicators are required.

- 3.6 Targets are frequently used as a means for continuous improvement but where performance is already at a high level they are more often used as standards to provide assurance that performance is being maintained, especially if further improvement is unrealistic without investing in additional resources.
- 3.7 Detailed proposals in relation to the proposed performance indicators and the targets set are included in Appendix 1.

Key Areas to Note:

3.8 Maintenance & Investment

The Maintenance and Investment section currently have a total of 13 key performance indicators detailed in Appendix 1.

3.8.1 New Homes

Annual targets were set and agreed by Derby Homes and Derby City Council in 2014/15 with an overall target of 700 new homes. The annual targets (milestones) have been reviewed accordingly and continue to demonstrate cumulative performance towards the 700 overall target. Our plans have evolved over time and will continue to do so and the milestones need to remain reasonably deliverable.

3.8.2 Investment

The indicator 'Adaptations – average time from referral to large adaptation (days)' has been deleted as a key performance indicator but retained as a management performance indicator. This indicator was introduced at a time when there was effectively a waiting list for adaptations. Now that there is no waiting list this indicator has lost most of its relevance, it is merely measuring how many cases that have been considered for re-housing are coming back into the system for adaptations, bearing less resemblance to the time taken to actually adapt homes.

3.8.3 Maintenance

Since Derby Homes started providing an in-house repairs service productivity has continued to increase from an average of 91% of all repairs completed within target to the current average outturn of 99.9% completed within the target time. Given the increased need to ensure value for money and set realistic targets, it has been agreed to set the target to 99% for all measures with the exception of statutory areas.

3.9 Housing Management

The Housing Management section has a total of 13 performance indicators detailed in Appendix 1. The majority of targets are maintaining or increasing their current targets (see Appendix 1).

3.9.1 Voids and Relets

Despite the effects of Welfare Reform performance in this area remains positive

and the target for 'percentage of rent lost through dwellings becoming vacant' was reduced at the quarter two review to reflect this. The corresponding monetary target for this indicator has been reduced to reflect the reduction in social rents by 1% a year for the next four years.

3.9.2 Satisfaction

The indicators for 'tenant satisfaction' and 'views taken into account' have been reviewed with a view to consolidating recent improvements yet continued progression towards top quartile of our benchmarking peers.

'Customer satisfaction with the Customer Services Team' has been reduced due to the new processes that will be coming into place, with the aim for it to raise again once the new processes have been tried and tested with our customers.

The 2015/16 target for the indicator 'percentage satisfied with the way ASB case was handled' was set at too challenging a figure and has been reduced to reflect current performance. Stepped improvements are necessary to achieve top quartile by 2018/19.

3.9.3 Housing Advice

There are continual pressures on housing and the affordability crisis which has happened as a direct result of both economic pressures and benefit changes.

2016/17 targets for the indicators in this section remain unchanged. However, to reflect the reduced staffing structure for homelessness preventative work, targets for future years have been reviewed and amended accordingly to reflect the anticipated increase in homeless acceptances and placements in temporary accommodation and bed & breakfast. We are unable to quantify the impact and so future targets are an estimate at this stage.

3.10 Income Management and Advice

The Income Management and Advice section currently have a total of 7 performance indicators detailed in Appendix 1. The majority of targets are increasing their current targets (see Appendix 1).

Arrears

Rent and income targets have been revised based on the changing wider economic factors. The proposed targets take into account those external factors which will impact on performance; Universal Credit, Under Occupation Charge, Benefit Cap and the Discretionary Housing Payment Policy but continue to remain challenging in order to maximise income collection over the next 12 months in a targeted and pro-active way.

The two indicators for 'amount of rent arrears collected after money advice intervention' and 'number of tenants seen by money advice with rent arrears' have been removed as a key performance indicator but will be retained as a management information indicator. The money advice team came under the management of Derby Homes in 2014. These were new indicators for 2014/15

put in place to focus the money advice team on rent collection through effective money management case work in order to achieve the aims of the integration to support customers to maximise their income and sustain their tenancy. The integration of the team has been successful and it is now felt that the level of monitoring for these indicators can be reduced.

3.11 Corporate

The Corporate section has a total of 3 performance indicators as detailed in Appendix 1.

4. CONSULTATION IMPLICATIONS

Performance Indicators and Targets have been reviewed and amended where necessary and agreed by Derby Homes Board. We are currently in consultation with the Council and awaiting final approval.

5. LEGAL AND CONFIDENTIALITY IMPLICATIONS

It is a requirement of the management agreement with Derby City Council to review the key performance indicator targets annually and set targets for the next year.

6. COUNCIL IMPLICATIONS

This is a matter which requires the approval of the Council. For indicators which feature in the Council's Scorecard, approval will be sought at the next available meeting of the Council Cabinet. Approval for all targets will be agreed by the City Council.

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

Financial and Business Plan
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy Review

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

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Background Information: None

Supporting Information: Derby Homes Delivery Plan 2016/17