



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**12 JULY 2005**

Report of the Director of Policy

## **Derby Homes' Performance Monitoring Quarter 4 2004/05**

### **RECOMMENDATIONS**

- 1.1 To consider Derby Homes' 2004/05 fourth quarter performance.
- 1.2 To note that the Community Regeneration Commission considered the report on 5 July 2005.

### **SUPPORTING INFORMATION**

- 2.1 The relationship between the Council and Derby Homes is specified in the Contractual Agreement between the two bodies. This Agreement lays out the roles and responsibilities delegated by the Council to Derby Homes. The Council monitors Derby Homes' performance in delivering these delegated functions on a monthly basis and reports to Council Cabinet each quarter.
- 2.2 Derby Homes' Delivery Plan 2004/05 includes a series of performance standards that Derby Homes has pledged to meet. These are monitored by means of performance indicators – PIs, with each PI having a target for 2004/05 set by the Council. This report examines the performance of Derby Homes during the period 1 January to 30 April 2005.

#### **Rent collection and arrears**

- 2.3 To enable comparisons on performance for 2001/02, 2002/03, 2003/04 and 2004/05, performance information has been provided in Appendices 2 and 3, which can be found on the Council's website at <http://www.derby.gov.uk/NR/rdonlyres/C03C4DD2-49ED-4594-8DBD-163BCCCCF287/0/CabAppend4.pdf>

The charts show trends for both rent collected and rent arrears. The total rent collected in 2003/04 was £35.5m.

- 2.4 BVPI 66a: A reservation was placed on this indicator in late 2003, because of an error in calculation that had existed for a number of years and had effectively increased the percentage of rent collected within the formula.
- 2.5 Derby Homes amended the year-end figures for 2003/04, with the Council's approval, to show the correct calculation, and the reservation was lifted. The target figure for 2004/05 was originally set at 99.53%. This figure reflected the anticipated outturn using the incorrect calculation, and a more appropriate figure was needed. The Audit Commission's top quartile of 98.3% was adopted as the target for 2004/05.

- 2.6 Steady progress was made on this indicator during quarters 2 and 3, where profiled targets were beaten. The performance for quarter 4, at 97.79%, continues the trend for increased performance, but is disappointingly below the revised target of 98.3%. It does, however, show a slight increase on last year's performance.
- 2.7 The structure of this indicator will change during 2005/06, to split the rent revenue from services revenue.
- 2.8 Appendix 3 illustrates that, in comparison with collection rates of previous years, the end of year performance is much improved.
- 2.9 DHL 1: Rent arrears of current tenants continued the excellent improvements made in quarters 2 and 3. Fourth quarter results, with a result of 2.24% exceeded the target figure of 2.54%. The second chart in Appendix 3 illustrates this trend of continued progress in reducing arrears of current tenants.

### **Relets and void management**

- 2.10 DHL 5: Derby Homes expected their strategy, of bringing longer-term void properties back into use, to have an initial adverse impact on relets. This has been the case, but steady month-on-month progress has managed to produce an outturn of 34.5 days. This is still short of the target for 2004/05, but exceeds the outturn for last year by 1.5 days. We will continue closely to monitor this indicator's performance.
- 2.11 DHL 8: At 0.71% the percentage of active voids, that is, properties fit-for-letting but standing empty, has exceeded the year-end target of 0.9%. There is a correspondingly good impact on the number of active voids.
- 2.12 DHL 9 – 10: Active voids up to three months achieved an excellent outturn of 98, against a target of 120. Active voids over three months regained the momentum lost in quarter 3, and finished with a performance of eight properties against a target of ten.
- 2.13 DHL 11 – 12: Given the significantly increased public sector capital programme to bring all the Council's properties up to the Decent Homes Standard, it is important that we check the programme is being managed effectively and that properties are not being held vacant while undergoing works, being used for decant purposes, or awaiting disposal for any longer than the minimum they need to be. The Council has therefore set stringent targets for these types of voids, termed 'passive voids'.
- 2.14 The overall number of passive voids has exceeded target by 26, with a total of 136. This is a decline in performance compared to the quarter 3 figure, which was only marginally above target. All indicators rose, with passive voids up to six months reaching the target of 60, and those between six and twelve months increasing to 43. These were either on, or a little above target. However, passive voids between 12 and 24 months increased from 16 in quarter 3, to 23 in the final quarter, against a target of 10. Passive voids over 24 months were already above target in quarter 3, and increased this to 10 in quarter 4, against a zero target.

## **Bringing the Council's properties up to the Decent Homes Standard**

- 2.15 The Homes Pride Programme is on track to deliver its targets.
- 2.16 BVPI 184b and DHL 17 – 24: Most of the decent homes indicators are cumulative and will increase as the year progresses. They are also dependent on the nature of the work done in each quarter; some quarters may involve work on fewer properties because they need more extensive work to make them decent. The indicators continue to be above target.
- 2.17 DHL 25a/b: The figures for tenant satisfaction were still unavailable at the time this report was prepared. We are assured that these figures will be available for the next report, when a full update will be provided.

## **Repairs**

- 2.18 BVPI 185 and DHL 26 – 27: In the fourth quarter, the percentage of repairs for which an appointment was both made and kept was 47.07% against a target of 65%. Analysis of the more detailed indicators shows that, while 98.04% of appointments are kept compared to a target of 95%, there are still not enough appointments being made; 48.01% compared with a target of 70%.
- 2.19 Improved liaison between staff and contractors, together with a successful Enquiry Centre operation, have produced slightly better results on appointments made and kept. However, the ongoing technical problems experienced during the year have impacted heavily on the number of appointments that could be made and recorded for inclusion in these figures. Derby Homes are working on the long-term solution. In the short-term, we will need to watch this indicator closely.
- 2.20 DHL 29 – 30: In the fourth quarter, the average time to complete non-urgent repairs continued the upward trend from quarters 2 and 3, at 11.1 days, compared to a target of 9.5 days and an outturn for 2003/04 of 9.9 days. The percentage of urgent repairs carried out within government time limits was also slightly worse than the quarter 3 figure, at 96.1%, which is below the target of 99%. We will continue to keep the performance of this indicator under close review, and expect to involve Commercial Services in future discussions on performance.

## **Equalities**

- 2.21 DHL 32: percentage of letting to BME households. This indicator has shown erratic results over the year, but has finished significantly above the outturn for 2003/04, with a return of 20.4% against a previous figure of 16%.

## **Ensuring choice and access to council housing**

- 2.22 DHL 34: The end of year performance for lettings through Derby Home Finder choice-based lettings was a very healthy 94% against a target of 70%.

<b>For more information contact:</b>	Mark Hillary 01332 255189 e-mail <a href="mailto:Mark.Hillary@derby.gov.uk">Mark.Hillary@derby.gov.uk</a>
<b>Background papers:</b>	Derby Homes Delivery Plan – available from the Housing and Strategy Development Unit, Room 30, The Council House
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Delivery Plan Performance Indicators Appendix 3 – Charts showing trend analysis of % of rent collected of rent due and % of rent arrears of rent due

<b>IMPLICATIONS</b>
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**Financial**

1. In order to further motivate Derby Homes to meet the targets set by the Council, the Delivery Plan includes indicators on which Derby Homes must meet the target set, with allowances for small variations. A contingency fund of £50,000 has been set aside within Derby Homes' resources to remedy any underperformance in the specified areas of service. The Delivery Plan makes it clear that the Council and Derby Homes will need jointly to agree on the nature of any remedial action taken and discussions are taking place concerning BVPI 185. If the contingency is not used by December / January each year, then by agreement it is released and is available for Derby Homes to use along with the rest of the Management Fee. This is what happened in 2003/04 and 2004/05.

**Legal**

2. None arising directly from this report.

**Personnel**

3. None arising directly from this report.

**Equalities impact**

- 4.1 This is the fourth quarterly report that contains information relating to the percentage of lettings made to BME households on the Joint Housing Register. It can be seen, therefore, that there is little comparative data for this indicator.
- 4.2 The prime objective of Derby Homes is to make sure that decent, affordable housing is available to meet the needs of all groups including minority ethnic communities, disabled people, general needs, older people and extended families.

**Corporate objectives and priorities**

5. Derby Homes' activity, notably the Homes Pride programme, contributes strongly to the Council's objective of **a shared commitment to regenerating our communities.**