

**Derby Homes' Performance Monitoring –  
Third Quarter 2003/04****RECOMMENDATIONS**

- 1.1 To consider Derby Homes' 2003/04 third quarter performance.
- 1.2 To note the release of the contingency fund to Derby Homes.
- 1.3 To note the audit reservation put on BV66a, rent collected as a percentage of rent due, and BV185 responsive repair appointments made and kept.
- 1.4 To note Derby Homes' responsibility to continue to deliver Best Value and the requirement to update monitoring protocols within the 2004/05 Delivery Plan to take into account the current Support Services Review.

**SUPPORTING INFORMATION**

- 2.1 Derby Homes' Delivery Plan 2003/04 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 2003/04 set by the Council. This report examines the performance of Derby Homes over the third quarter of 2003/04.

**Contingency fund**

- 2.2 As reported in Derby Homes' Performance Monitoring – Second Quarter 2003/04 report to Cabinet, in order to strengthen the Council's ability to direct Derby Homes to tackle areas of under-performance arising in the future, the Council has specified the establishment of a contingency fund of £50k in the 2003/04 Derby Homes Delivery Plan. This is to be used, under the joint direction of the Council and Derby Homes, to improve any existing or potential under-performance by Derby Homes on key PIs, identified from the second quarter onwards. However, at the end of the second quarter Derby Homes had forecast that they will exceed or achieve target against all key PIs.

**Best Value Performance Indicator Audit 2002/03**

- 2.3 Pricewaterhouse Coopers, who conducted the 2002/3 audit on the Council's Best Value performance indicators have placed a reservation on BV66a, rent collected as a percentage of rent due, and BV185, non-urgent repair appointments made and kept.
- 2.4 The audit is part of the requirements laid out in the Local Government Act (LGA) 1999. Section 7 of the Act states that the Council's auditor is required to audit the performance plan published by a best value authority under section 6 of the Act.

- 2.5 The audit of Best Value performance indicators is part of the auditor's statutory duties in relation to the Best Value Performance Plan. Specifically, the auditors must carry out their audit of the Best Value Performance Plan to review and, where appropriate, examine evidence relevant to:

*"the adequacy of the systems that the audited body has put in place to collect and record specified performance information"*

*paragraph 74(b)*

- 2.6 The reservation was placed on BV66a because the auditors were unable to confirm whether Derby Homes had used the proper definition in calculating this indicator.
- 2.7 The reservation was placed on BV185 because Derby Homes were unable to distinguish between the total appointments made and the totals appointments made and kept.
- 2.8 Work is being done on the calculation of both of these indicators to address the issues raised by the auditors. The outcome of this work will be reported in the Derby Homes' Performance Monitoring – Fourth Quarter 2003/04 Cabinet report.

### **Best Value Reviews**

- 2.9 The Management Agreement between the Council and Derby Homes sets out that

*'The Council is subject to Best Value and must make arrangements to secure continuous improvement in the way in which its functions are exercised have regard to a combination of economy, efficiency and effectiveness. In discharging its responsibilities under this Agreement the Organisation [Derby Homes] must make arrangements to secure continuous improvement in the way its objects are achieved and the services are performed having regard to combination of economy, efficiency and effectiveness.'*

*paragraph 5.1*

- 2.10 To make sure they are fulfilling this responsibility, Derby Homes are currently undertaking a Best Value Review on support services, which includes reviewing support service provided internally by their own organisation and support services provided to them by the Council.
- 2.11 The Best Value review is due to be completed in April 2004, and the final report and improvement plan will be reported to the Derby Homes Board on 29 April 2004.
- 2.12 Discussions will then take place between the Council and Derby Homes to agree how the Improvement Plan will be taken forward and protocols for monitoring progress against the actions will be agreed and included in the 2004/05 Delivery Plan.

### **Third quarter performance**

- 2.13 All of the indicators, targets, unitary top quartiles that are available, and monthly or quarterly performance information, is provided in Appendix 3.

## **Rent collection and arrears**

- 2.14 Comparisons on performance for 2001/02, 2002/03 and 2003/04, are presented in Appendix 2 for BVPI 66a and DHLocal 1 / old BVPI 66b. The charts show a trend for 2001/02 and 2002/03 for both rent collected and rent arrears enabling the 2003/04 performance to be compared to the trends. This trend will allow for variations in performance throughout the year while monitoring progress towards the target.
- 2.15 The overall pattern of rent collection and arrears is consistent with previous year's performance, including the positive impact the rent-free weeks have on performance. However, the rent-collection figure of 97.83% and the rent arrears figure of 2.94% are both showing an improvement on the trends for the previous two years.
- 2.16 However, although the figures produced are consistent and demonstrate a positive trend, the work currently being undertaken to address the issues raised by the audit detailed in paragraph 2.3 may result in these figures being amended. The amendments are unlikely to affect the trend, but it may have a positive or negative impact on the level of improvement currently shown.

## **Relets and void management**

- 2.17 **DH Local 5 / old BVPI 68:** The average relet time continues to show good performance. The cumulative performance for April to December is 34.5 days, which is consistent with achieving the target of 37 days.
- 2.18 **DH Local 6 and 7:** The percentage of rent lost through dwelling becoming vacant including and excluding major repairs/decants are already at, or just below the target at 1.80% and 1.42% respectively, with the trend showing it is likely to continue to increase over the next three months. Analysis of performance has highlighted that properties that are currently being held vacant while decisions are being made on their future use are a contributing factor to this poor performance. Further analysis is currently being undertaken to determine the extent of the affect these vacant properties are having on rent loss.
- 2.19 **DH Local 8, 9 and 10:** Total active voids as a percentage of stock and active voids up to and over three months continue exceed the targets of 1%, 140 and 20 respectively, demonstrating that the work being undertaken to improve performance by making sure properties are brought back into use as soon as possible is being effective.
- 2.20 **DH Local 11 to 14:** The overall number of passive voids has slightly increased from the second quarter by 5 to 152 but is still comfortably below the target of 197. The Homes Pride Programme is still affecting availability of properties and the number of voids that are under 12 months has increased by 16 from the second quarter to 106. However, there is improved performance in the number of voids that are over 12 months and these have reduced by nine from second quarter to 46. This is mainly owing to properties that were held for modernisation or decants being brought back into use.
- 2.21 It is worth noting that the decant properties being used for tenants who need to be moved out of their homes during modernisation are classed as passive voids although they are often occupied. Rent continues to be collected on the property that is being modernised.

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

- 2.22 **BVPI184b and DH Local 17 to 20:** Good progress is being made against Decent Homes targets. It is expected that in excess of 650 additional homes will be made decent this year as a result of £6 million being brought forward from 2004/05 to be spent in 2003/04.
- 2.23 **DH Local 22:** Overall progress on the Homes Pride Programme continues to be ahead of programme, with performance at 103%. This means that the number of properties completed and handed over is more than was expected within the first nine months of the programme. It is anticipated that the programme will deliver the 100% of the programme at the end of the year.
- 2.24 **DH Local 23:** Homes Pride programme time based indicator was below the target of 90% at 88%.
- 2.25 **DH Local 24:** Homes Pride programme cost based indicators is exceeding the targets of 90% with 95%. The figures continue to demonstrate that the programme is delivering within the costs that were forecast.
- 2.26 **DH Local 25:** Tenant satisfaction with the modernisation has continued to improved and is now exceeding target the target of 90% at 93%. It is believed that the increased number of responses to the questionnaire is giving a more accurate figure that earlier in the year.

### **Repairs**

- 2.27 **BVPI 185:** Percentage of responsive repairs for which appointments were made and kept continues to improve performance. However, the proportion of the increase has reduced making it more difficult to achieve in the last quarter.
- 2.28 **DH Local 26 and 27:** This splits BVPI 185 into two separate indicators; appointments made and those appointments kept. Performance in this area has been consistent, with improvement on last year's performance being reflected in BV185. However, the introduction of a new system is still bedding in and performance in 'appointments made' has still some way to go before achieving target.
- 2.29 **DH Local 28:** This shows tenants' satisfaction with repairs, differentiated into Derby Homes and contractor. Performance is relatively consistent with the second quarter, and therefore below the targets of 94% and 93% at 89.84% and 85.16% respectively. Work continues to be done to assess any issues identified by tenants to improve services in the future, and the impact on tenant satisfaction will continue to be monitored.
- 2.30 **DH Local 29 and 30:** The average time taken to complete non-urgent repairs and the percentage of urgent repairs carried out within government time limits continue to performance slightly worse than target at 10.4 days, and slightly better than target at 98.7% respectively. Further work will be done to bring the average time to complete non-urgent repairs back in line with the target of 9.5 days, however current performance still places Derby Homes in the 2001/02 Unitary Top Quartile position.

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

- 2.31 **DH Local 36 and 37:** The 2003/04 information will be used to establish a baseline for future monitoring of the time from accepted offer to occupancy of homeless households and the time from accepted offer to occupation of all lettings.
- 2.32 **DH Local 38 and 39:** The average time from referral to small and large adaptation have increased from the second quarter at 37.6 and 77.2 days respectively. However, they are both continue to be well below the targets of 80 and 120 days and we will need to make sure that the targets for 2004/05 are more challenging.
- 2.33 **DH Local 40:** the target for the number of adaptations carried out as part of the Homes Pride programme – excluding referrals was an estimate. This has now been identified as unrealistic as the first year of the Homes Pride Programme included areas where there are only a few sheltered homes, which is where the biggest proportion of this work will be done.

## **General management**

- 2.34 **BVPI 8:** the percentage of invoices paid within 30 days has been consistently around the target, with performance in December of 94%.

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<b>Background papers:</b>	Derby Homes Delivery Plan – available from the Community and Housing Strategy Unit, Room 237, The Council House
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Charts showing trend analysis of % of rent collected of rent due and % of rent arrears of rent due Appendix 3 – Table of performance

## IMPLICATIONS

### Financial

- 1.1 Derby Homes' performance against the targets set by the Council relating to rent arrears, rent lost of void properties and rent collection is vital and will have an impact on the Council's £36 million Housing Revenue Account.
- 1.2 Performance is ahead of the targets set for rents and voids, and consistent with top quartile performance. It is therefore impacting only in a positive way on the HRA financial position.

### Legal

2. 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.

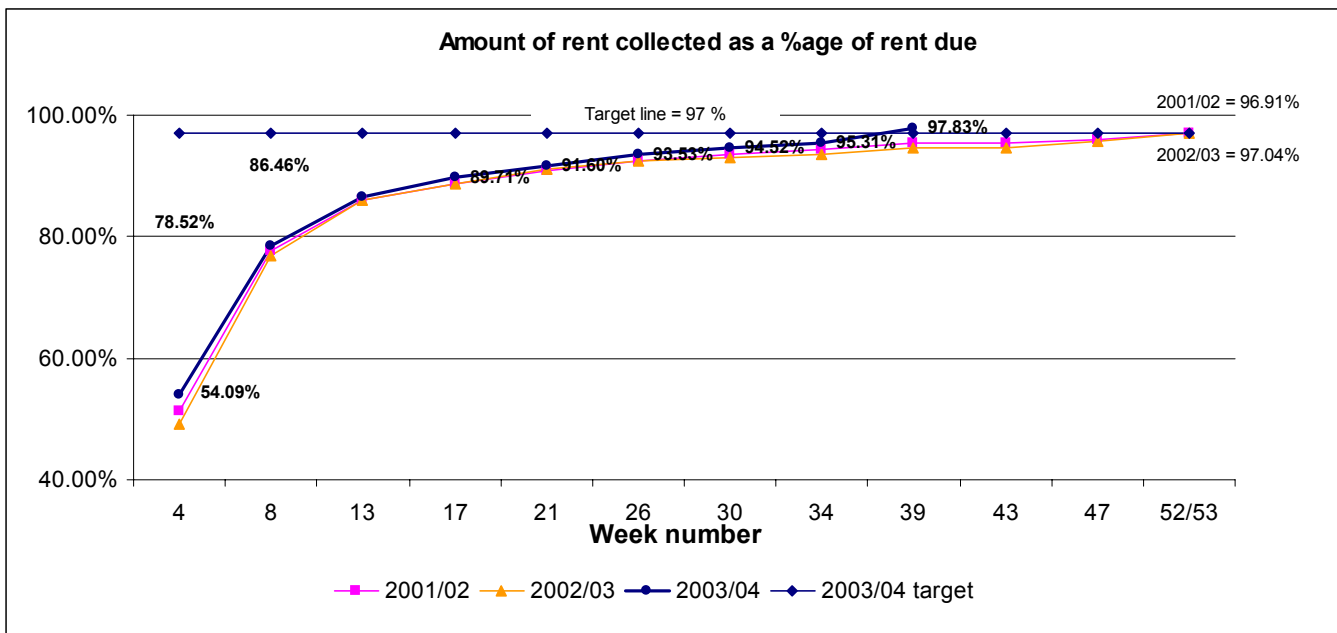
### Personnel

3. None arising directly from this report.

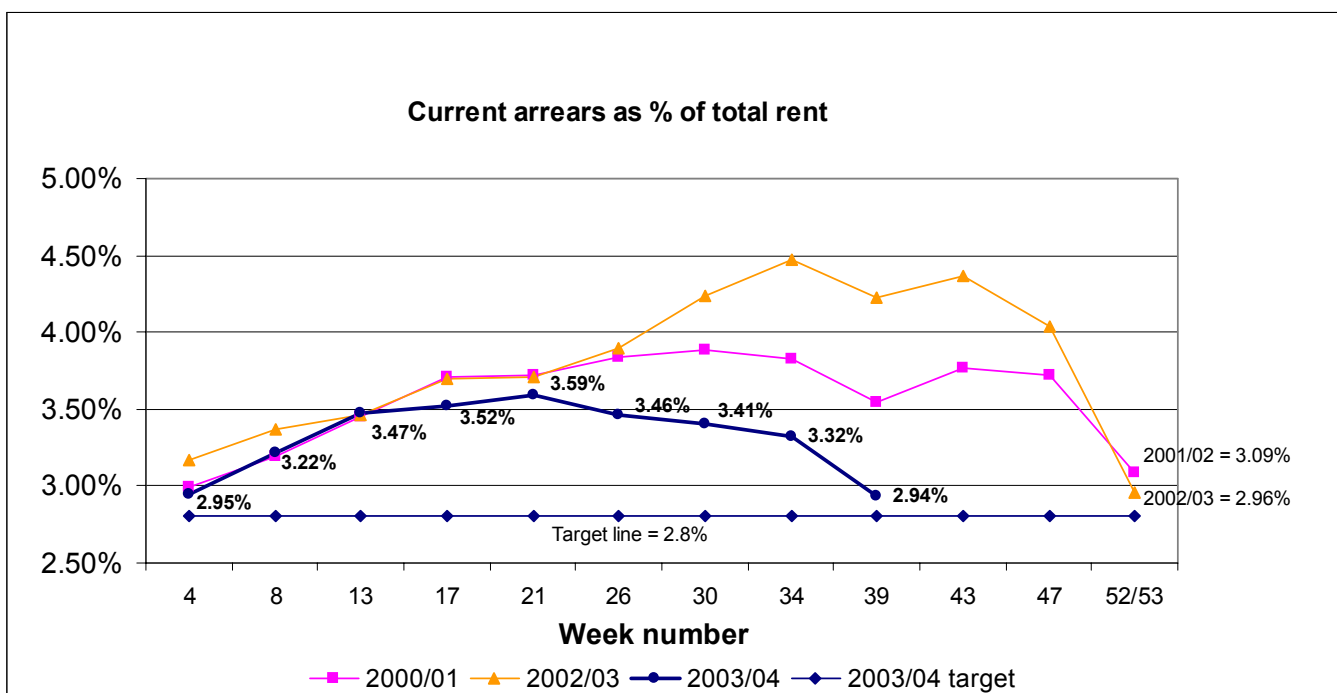
### Corporate objectives and priorities

4. Derby Homes' activity links to two of the Council's corporate objectives - **protecting and supporting people** and **a healthy environment**.

## BV66a



## DHLocal 1 old BV66b







Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		OCT	NOV	DEC	First quarter	Second quarter	Third quarter	Collection cycle
Rent collection and arrears													
BVPI 66a	Rent collected as a % of rent due	97.04%	97%	97%	TOP	TOP	96.32%	97.05%	97.83%				Cumulative Monthly
DHLocal 1 – old BVPI 66b	Rent arrears of current tenants as a % of rent roll	2.96%	2.8%	2.7%	MIDDLE	MIDDLE	3.35%	3.27%	2.94%				Cumulative Monthly
DHLocal 2 – old BVPI 66b	Rent arrears of current tenants		984,760				1,198,723	1,192,458	1,176,903				Cumulative Monthly
DHLocal 3	Arrears owing to Housing Benefit		Target not applicable				158,100	157,700	143,400				Monthly
Relets and void management													
DHLocal 5 – old BVPI 68	Average relet time for local authority dwellings	42 days	37 days	37 days	TOP	TOP	31.09 days	33.8 days	31.5 days				Monthly
DHLocal 6 – old BVPI 69	% of rent lost through dwellings becoming vacant	2.23%	1.8%	1.3%	MIDDLE	MIDDLE	1.42%	1.65%	1.80%				Cumulative Monthly
DHLocal 7 – old BVPI 69 variance	% of rent lost through dwellings becoming vacant – excluding major repairs / decants	1.7%	1.5%				1.08%	1.27%	1.42%				Cumulative Monthly
DHLocal 8	Total active voids as a percentage of stock		1%				1.00%	0.95%	0.79%				Monthly
DHLocal 9	Active voids – up to 3 months		140				138	124	105				Monthly
DHLocal 10	Active voids – over 3 months		20				10	17	12				Monthly
DHLocal 11	Passive voids up to 6 months by: • Mods • Decants • Other		10 10 40				15 14 30	20 6 27	16 8 37				Monthly
DHLocal 12	Passive voids between 6 – 12 months by: • Mods • Decants • Other		30 30 40				15 12 14	13 11 18	13 11 21				Monthly

Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		OCT	NOV	DEC	First quarter	Second quarter	Third quarter	Collection cycle
					2002/03 outturn	2003/04 target							
DHLocal 13	Passive voids between 12 – 24 months by: <ul style="list-style-type: none"><li>• Mods</li><li>• Decants</li><li>• Other</li></ul>		10 15 10				7 20 5	6 12 10	6 13 10				Monthly
DHLocal 14	Passive voids over 24 months by: <ul style="list-style-type: none"><li>• Mods</li><li>• Decants</li><li>• Other</li></ul>		0 2 0				7 10 5	5 9 15	3 9 5				Monthly
DHLocal 15	Turnover		11.5%							8.84%	No information provided	No information provided	Quarterly
DHLocal 16	Turnover – by NRS areas		No more than 1.5 times the city-wide average by April 2005							Processes are still being established to extract the NRS area data in order to monitor this indicator			Quarterly
Bringing the Council's properties up to the Decent Homes Standard													
BVPI 184b	% change in proportion of non-decent homes	17%	32%		NEW PI FOR 2002/03					6.8%	15%	30%	Cumulative Quarterly
DHLocal 17	Number of non-decent homes made decent	1841	4153							830	1964	3117	Cumulative Quarterly
DHLocal 18	Number of non-decent homes made decent as a % of non-decent homes at year start plus homes becoming non-decent during the year	23%	50%				31%	43%	45%				Cumulative Monthly
DHLocal 19	Number of decent homes		10372							8806	8871	10307	Quarterly
DHLocal 20	Number of non-decent homes		4207							5982	5747	4193	Quarterly
DHLocal 21	Average cost to make a home decent		£7,437							£5,790	£6,133	£5,995	Quarterly
DHLocal 22	Overall Progress on Homes Pride programme		95%							87%	104%	103%	Quarterly
DHLocal 23	Homes Pride programme time based indicator		90%							91%	90%	88%	Quarterly
DHLocal 24	Homes Pride programme cost based indicator		90%							91%	95%	95%	Quarterly
DHLocal 25	Tenant satisfaction with modernisation		90%							84%	86%	93%	Quarterly
Repairs													
BVPI 185	% of responsive repairs for which appointment made and kept	31%	45%	NEW PI FOR 2002/03						38.13%	41.32%	42.07%	Quarterly

Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		OCT	NOV	DEC	First quarter	Second quarter	Third quarter	Collection cycle
					2002/03 outturn	2003/04 target							
DHLocal 26 – BVPI 185 split a	% of responsive repairs for which appointment made		50%				40.54%	37.51%	38.9%				Monthly
DHLocal 27 – BVPI 185 split b	% of responsive repairs for which appointment kept		90%							98.3	95.44%	94.29%	Quarterly
DHLocal 28	Tenant satisfaction with repairs <ul style="list-style-type: none"> <li>with Derby Homes</li> <li>with Contractor</li> </ul>		94% 93%							Not available	90.38% 84.62%	89.84% 85.16%	Quarterly
DHLocal 29 – Old BVPI 73	Average time taken to complete non-urgent repairs	9.9 days	9.5 days	13 days	TOP	TOP	10.2 days	10.4 days	10.4 days				Monthly
DHLocal 30 – Old BVPI 72	% of urgent repairs carried out within Gov't time limits	97.8%	98%	96%	TOP	TOP	99.0%	98.8%	98.7%				Monthly
<b>Ensuring choice and access to council housing</b>													
DHLocal 36	Time from accepted offer to occupation of homeless household		To be agreed in line with the Homeless-ness Strategy				Information not available			15.6 days		15.16 days	Quarterly
DHLocal 37	Time from accepted offer to occupation of all lettings		Baseline to be determined							16.8 days		15.03 days	Quarterly
DHLocal 38	Adaptations - average time from referral to small adaptation		80 days							35.4 days	35 days	37.6 days	Quarterly
DHLocal 39	Adaptations - average time from referral to large adaptation		120 days							43.8 days	41 days	77.21 days	Quarterly
DHLocal 40	Number of adaptations done as part of the Homes Pride programme – excluding referrals		300							Information not available	0	54	Quarterly
BVPI8	% of invoices paid within 30 days	83%	95%	88%	MIDDLE	TOP	93%	95%	94%				Monthly
DHLocal 43	Number of key meetings attended – meetings to be predetermined												Annual
DHLocal 44	% of information deadlines met		95%										Annual

