

**Derby Homes' Performance Monitoring**
Quarter 1 2005/06**SUMMARY**

- 1.1 This report examines the performance of Derby Homes during the period 1 April to 30 June 2005. Derby Homes' Delivery Plan 2005/06 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 2005/06 set by the Council. I have asked that we explore the possibility of the next delivery plan running for five years, but having annual updates if required.
- 1.2 There is concern, however, that although performance has improved in real terms in many areas, six indicators still performing badly are in crucial areas of activity. In particular, DHL 44 – the proportion of responsive repairs for which appointment made and kept - continues to perform significantly below target, and has now been a problem for the past two years. DHL 47 - Enquiry Centre percentage of abandoned calls, at 60% below target, is the other area giving cause for concern. I have asked that all of these indicators be the subject of close scrutiny over the next three to six months.
- 1.3 The Delivery Plan 2005/06 and Appendices 2, 3 and 4 are in the Housing section of the Council's website, under Council Housing, Derby Homes, which can be accessed using the following link: [Derby Homes Delivery Plan 2005/06](#).
- 1.4 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATIONS

- 2.1 To consider Derby Homes' 2005/06 first quarter performance.
- 2.2 To refer the report to the Community Regeneration Commission.

REASON FOR RECOMMENDATIONS

3. The final responsibility for the performance of Derby Homes rests with the Council.



Derby Homes' Performance Monitoring Quarter 1 2005/06

SUPPORTING INFORMATION / ADVICE

Overview

- 1.1 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.
- 1.2 Derby Homes started the new financial year requiring approximately 50% of performance indicators to be brought back on target. Against this seemingly difficult goal, the first quarter's performance is a significant improvement, with only six of thirty reportable indicators showing under target. However, the improvement in overall performance detailed in Appendix 2 is not entirely due to results specifically meeting targets but is, in many cases, as a result of performance meeting or exceeding previous years' trends.
- 1.3 At year end, it is possible to measure performance solely against a specific target, however, during the course of the year there are other factors to take into account, and we have done this when attributing the current status of each indicator. Where necessary, we illustrated the basis of this with charts showing performance trends over several years. Elsewhere, we have been able to set quarterly targets to give a truer picture of performance.

Rent collection and arrears

- 1.4 **Summary**

The definition used by the Audit Commission to measure rent collection and arrears has now been changed, and the figures produced no longer contain elements of service charges. A new system has also been put in place to differentiate between the two elements of rent revenue and service charges.
- 1.5 Progress in this area has been good, and is expected to continue at the current level of improvement.

1.6 BVPI 66a Rent collected as percentage of rent due.

Chart 1a of Appendix 3 shows that performance on rent collections is better in this first quarter of 2005/06 than the profiled months for last year. Results have risen throughout the three months, and, at just 3% below year-end target, this indicator gives no cause for concern.

1.7 BVPI 66b,c,d Rent arrears and evictions.

These are new indicators for 2005/06, and no comparable data is available for last year. Targets have been set, using available historic data, but the figures for these indicators may prove to be over ambitious, and need reviewing in the light of the year's experience. Performance will appear worse than the annual target throughout the year, since these are cumulative annually. We have, therefore, shown the quarterly profile figures to give a truer picture of performance. This is very good in the first quarter, with all three indicators showing better results than the quarterly targets.

1.8 DHL 1 and 2 Rent arrears of current tenants.

These indicators are worse than their annual targets, but, as Charts 1b and 1c of Appendix 3 show, they are considerably better than the monthly profiles for last year. Performance is, therefore, in line with expectations.

1.9 DHL 3 Arrears owing to Housing Benefit.

There is no target to meet on this indicator, but it is worth explaining why there was a sharp increase in these arrears in June 2005. This was primarily due to the implementation of an improvement to the processing system by the Benefits Office. It is hoped that the initial slowing down of payments will be outweighed by the subsequent improvement in their response times owing to the improved system.

1.10 DHL 4 Arrears written off.

Arrears written off have risen sharply against last year's outturn, owing in part to the start of the writing off process for pre-2000/2002 debt. This is expected to rise further during the year, as the full amount of this old debt is finally written off as being uncollectible. There is, however, sufficient bad debt provision to cover this write off.

Re-lets and void management

1.11 Summary

This area of activity presents a mixed set of results, and the overall performance is patchy. BV 212 - average re-let times, and DHL 6, 7, 41 - proportion of rent lost due to empty properties, are exhibiting good performances against target at this stage, and when compared to profiled months for last year. It is usual for these figures to move closer to target as the year progresses.

1.12 DHL 42, 8, 9, 10 - total and active void properties, are the real area of concern here. Only active voids older than three months have dropped to the target level. Since these indicators are performing marginally worse than the profiled months for last year, they will be closely monitored for the next three to six months.

1.13 BVPI 212 Average time taken to re-let local authority housing.

There has been steady improvement month-on-month, and performance is now less than 5% under target, and better than last year's outturn by nearly two days. Progress on this area has been considerable.

1.14 DHL 6, 7, 41 Percentage of rent lost through vacant properties.

In comparison to last year's outturns, results for this first quarter appear very good, but they will move closer to targets as the year progresses. Even so, figures are as expected and compare well against last year's profiled months, as can be seen in Charts 2a, 2b of Appendix 3.

1.15 DHL 42, 8, 9, 10 Total and active voids.

Active voids older than three months have dropped to target level during June, and Charts 2c, 2d of Appendix 3 will show that total active voids, and active voids under three months are marginally better than profiled months for last year. However they, together with total voids, are not meeting this year's targets. This situation will be closely monitored during the next quarter.

1.16 DHL 54 Total of passive voids

Performance on passive voids has continued to improve steadily month-on-month, and, while performance is slightly worse than target for the first quarter, it is expected to meet target within quarter 2.

Capital programme and repairs

1.17 Summary

There are just two areas of activity where performance is giving cause for concern - BVPI 211b - proportion of expenditure on emergency and urgent repairs, and DHL 44 - proportion of responsive repairs for which appointment made and kept. Derby Homes have commenced rectification programmes for these, but, since the effectiveness of these won't be apparent for many months, these indicators will continue to be closely monitored.

The majority of these indicators' results are looking very good against annual targets. We do, however, expect most of them to move much nearer to their targets as the year progresses, and more repairs and adaptations are brought into the calculations. A true picture of how well Derby Homes are performing in this area will not start to be seen until the end of the second quarter, going into the third.

1.18 BVPI 211a Proportion of planned repairs against responsive maintenance.

The definition for reporting on this indicator has recently been confirmed as including both planned and capital programme expenditure. Performance is excellent; exceeding target by over 25%.

1.19 BVPI 211b Proportion of expenditure on emergency repairs against non-urgent.

This indicator is a key measure of the effectiveness and efficiency of the repairs and maintenance service. The higher the proportion of expenditure on non-urgent repairs the better. Performance for this indicator is unacceptably below target, by over 25%, and urgent investigations into the reasons for this are now taking place. A crucial part of dealing with this will be to establish the difference between emergency, urgent and non-urgent repairs, and to make sure that all contractors agree and use Derby Homes' definitions when reporting this type of work.

1.20 BVPI 184a, b Percentage of non-decent LA dwellings, and percentage change.

The results for this first quarter are well above the profiled target and the programme is on track to meet the 2006 completion deadline.

1.21 DHL 44 Percentage of responsive repairs for which appointment made and kept.

Chart 3 of Appendix 3 shows that performance in relation to this indicator has been very poor for the last two years, and is still a very problematic area for Derby Homes. This situation doesn't stem from an inability to carry out the work required, nor of inspecting properties prior to works. The problem is simply one of making and recording appointments for work agreed at surveyors' visits, together with the urgent and emergency works, under the 'Right to Repair' programme. The IT programme used for scheduling work has a flaw. It doesn't allow the surveyors to input works they agree with the tenants into the system for scheduling. These two elements of required works account for approximately 30% of the total, and are not being included in the calculations for this indicator.

Derby Homes and DCC Commercial Services have now agreed a new IT system that will overcome this problem. This will be piloted during December 2005, and should see a vast improvement in this indicator's performance over the following year.

In the interim, areas relating to the performance of the recordable appointments will be improved. Staff performance will be monitored closely; the percentage of requests requiring surveyor visits is reducing, and will be reduced still further; time spent on dealing with queries on repairs will be reduced. It is expected that this will produce a noticeable improvement on this indicator's performance by the end of the next quarter.

1.22 DHL 29, 38, 39 Times taken on repairs and adaptations.

Performance in relation to all three indicators has significantly improved from last year, and all three are performing better than target. The results will move closer to the target figures as the year progresses, and no indication of year end performance can be taken from the first quarter's results. During the year, increased activity will produce greater numbers of repairs and adaptations, giving increased opportunities for slippage against targets.

1.23 DHL 17 and 19 Homes made decent.

The number of homes made decent and the number of decent homes are outstripping quarterly targets, and are well on the way to meeting the end of year targets.

1.24 DHL 20 Non-decent homes.

The number of non-decent homes is better than this quarter's target, and is on track to meet the end of year target. This is an especially good performance, since there are some 700 dwellings becoming non-decent during each year that are being absorbed into the Decent Homes programme.

1.25 The remaining indicators under this heading are all exceeding targets and we foresee no concerns in these areas.

Ensuring choice and access to council housing

1.26 BVPI 164 Equal access to social housing.

Derby Homes have achieved Level 2 on this indicator and will now make sure that this is embedded into their operational and staffing cultures. A full definition of what must be considered for attaining CRE Level 2 status can be seen in Appendix 4, on the Housing section of the Council's website, under Council Housing, Derby Homes, and can be accessed using the following link: [Derby Homes Delivery Plan 2005/06](#).

General Management

1.27 DHL 47 Enquiry Centre percentage of abandoned calls.

As noted in our Overview, the Enquiry Centre is one of two areas of activity giving greatest cause for concern. It has continued to perform poorly during the first quarter, missing monthly targets by over 60%, however, in response to this, external specialist advice has now been sought. The advice received has given Derby Homes clear pointers for increasing and improving the use of their resources in this area.

Additional staff are being recruited and all staff are being given exhaustive training. Staff usage is being managed and productivity monitored more stringently. Previous reliance on Derby Homes' Area Property Surveyors to provide technical assistance to Enquiry Centre staff, by telephone, is now being augmented by the attendance of a CSD Surveyor every morning at the Enquiry Centre. This will certainly help to resolve technical issues much more quickly, and release staff to respond to further calls.

A full report on the implementation is being prepared by the Enquiry Centre Manager, and this will be available for the next quarterly report.

The recommendations are being implemented during quarter 2, and are expected to show improvements in call answering times by quarter 3.

For more information contact:	Mark Hillary 01332 255189 e-mail Mark.Hillary@derby.gov.uk
Background papers:	Derby Homes Delivery Plan – available from the Housing and Strategy Development Unit, Room 30, The Council House
List of appendices:	Appendix 1 – Implications Appendix 2 – Delivery Plan Performance Indicators Appendix 3 – Charts showing trends for most indicators over the last three years Appendix 4 – CRE Equal access to social housing – definitions of levels

IMPLICATIONS

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 by the end of Quarter 2. The Delivery Plan makes it clear that the Council and Derby Homes will need jointly to agree on the nature of the remedial action taken. Proposed remedies for short falls on BVPI 211b and DHLs 8, 9, 42, 44 and 47 are being closely monitored.

Legal

2. None arising directly from this report.

Personnel

3. None arising directly from this report.

Equalities impact

- 4.1 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.
- 4.2 To this end they have embraced the guidelines of the Commission for Racial Equalities' Equal Access to Social Housing. Level 2 status has been achieved, and, as noted in our comments on BVPI 164, the tenets underpinning the guidelines are now being firmly embedded across the whole of Derby Homes' operations.

Corporate objectives and priorities

- 5.1 Derby Homes' activity, notably the Homes Pride programme, contributes strongly to the Council's objective of **a shared commitment to regenerating our communities**.
- 5.2 The proposal furthers the priorities of working towards improving customer service locally; working towards minimising increases in Council Tax and increasing value for money from our services; working in partnership to reduce crime and the fear of crime; better procurement to deliver VFM; working in partnership to achieve socially cohesive communities; improving business processes and the use of ICT; improving the Council's built assets for service delivery.