



## **Derby Homes' Performance Monitoring – Second Quarter 2003/04**

### **RECOMMENDATION**

- 1.1 To consider Derby Homes' 2003/04 second quarter performance.
- 1.2 To note performance of Derby Homes on the contingency targets.
- 1.3 To note the change in the use of indicators on lettings and discretionary offers.

### **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 second quarter of 2003/04.
- 2.2 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 will be used, under the joint direction of the Council and Derby Homes, to improve any under-performance by Derby Homes on key PIs, identified from the second quarter onwards. Discussions are currently taking place about the release of the contingency fund.
- 2.3 The ten key PIs used to determine the use of the contingency fund and the second quarter performance forecasts are detailed in Appendix 2. Derby Homes forecast that they will exceed target in three areas, achieve target in four areas and fail to achieve one target area – the average time taken to complete non-urgent repairs. However, the forecast for this indicator of 10.8 days is within the agreed 15% variance from the target of 9.5 days and therefore within an acceptable range. Derby Homes will continue work to improve performance, and the Council will continue to monitor performance on a monthly basis. The target of 9.5 days is very challenging, the Unitary top quartile performance for 2001/02 was 13 days, and the current forecast of 10.8 days will still place Derby Homes within the top five Unitary authorities.
- 2.4 Two of the indicators have been excluded from the contingency monitoring exercise as explained in paragraphs 2.5 to 2.8.
- 2.5 The introduction of Derby Homefinder has led to an increased focus on the effectiveness of the Council's allocation policy and identified the need to take a holistic approach to the monitoring of offers made through the choice-based letting system. The Housing Options service is therefore working on developing a number of indicators that will monitor the overall progress made through the Derby Homefinder.

- 2.6 Derby Homes is now working in partnership with the Housing Options service and therefore no longer has any discretion to make offers where there is not an agreed Hotspot or Local Lettings Plan – LLP. Hotspots and LLPs set out where there is a need for intervention at a local level when offering properties to ensure the sustainability of the area, for example there is currently a Hotspot agreement at Britannia Court and LLPs at Osmaston, Old Sinfin. Derby Homes and Housing Options work in partnership to identify and agree where there is a need for a Hotspot or LLP. Lettings made through Hotspots and LLPs will be monitored by Housing Options as part of the wider monitoring of all allocations.
- 2.7 Any offers made outside the choice-based letting process, that are not included in Hotspots or LLPs, can only be processed once approved by the Housing Options Manager or the nominated Housing Options service representative.
- 2.8 As Derby Homes do not have discretion to make offers outside of the agreed Hotspots and LPPs, there are five indicators within the Delivery Plan that are no longer appropriate to monitor as Derby Homes no longer has sole responsibility for achieving the targets. They have therefore been excluded from this report. The indicators are:
- DHLocal 32 % of letting to BME households
  - DHLocal 34 % of lettings made through Derby Homefinder choice based lettings
  - DHLocal 35 % of lettings to homeless household
  - DHLocal 41 number of discretionary offers made
  - DHLocal 42 number of discretionary offers made as a % of allocation.
- 2.9 All of the indicators, targets, unitary top quartiles that are available, and monthly or quarterly performance information, is provided in Appendix 4.

### **Rent collection and arrears**

- 2.10 Comparisons on performance for 2001/02, 2002/03 and 2003/04, are presented in Appendix 3 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 the trends. This trend will allow for variations in performance throughout the year while monitoring progress towards the target.
- 2.11 The rent-collection figure of 93.53% and the rent arrears figure of 3.46% are both showing an improvement on the trends for the previous two years. The total estimated rental income for 2003/04 is £35,170,000.

### **Relets and void management**

- 2.12 **DH Local 5 / old BVPI 68:** The average relet time second quarter performance of 29.6 days is underpinned by the continuous improvement in the monthly performance. The city-wide rollout of Derby Homefinder is now starting to have a positive effect on the back-log of long-term voids, and subsequently reducing the relet times.

- 2.13 **DH Local 6, 7 and 8:** The percentage of rent lost through dwelling becoming vacant, including and subsequently excluding major repairs/decants, and total active voids as a percentage of stock are still below target at 1.19%, 0.89% and 0.83% respectively. However, the cumulative increase is being monitored as the current trend implies there is a risk that Derby Homes will not achieve the targets.
- 2.14 **DH Local 9 and 10:** Active voids up to and over three months are both exceeding the targets of 140 and 20 respectively. However, we will actively monitor the active voids under three months as they have steadily increased over the six months period.
- 2.15 **DH Local 11 to 14:** The overall number of passive voids has reduced from the first quarter by 12 to 146 and is still below the target of 197. However, the number of voids that are over 12 months has increased by 4 to 57 over the same period, against a target of 37. The largest factor is the increasing number of properties being used for decant as part of the Homes Pride Programme. This is mainly to make sure that tenants with properties that require full modernisations, who cannot therefore stay in their homes, are able to stay within the immediate area to allow them to continue to access the local services, such as schools. It is expected these figures will remain constant into the new year as the modernisation programme progresses and decant properties are required in other areas of the city.
- 2.16 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**

- 2.17 **DH Local 22:** Overall progress on the Homes Pride Programme is on track to deliver its targets, with the number of properties being handed over exceeding the target by 9% to achieve 104%. This means that the number of properties completed and handed over is more than was expected within the first six months of the programme.
- 2.18 **DH Local 23 and 24:** Homes Pride programme time and cost based indicators are also achieving and exceeding the targets of 90%; with performance at 90% and 95% respectively. So, while exceeding the number of properties handed over, the properties continue to be handed over within the required time and cost.
- 2.19 **DH Local 25:** Tenant satisfaction with the modernisation has improved by 2% from the first quarter to 86%, but is still below the target of 90%. Derby Homes is working with their partners to address this and an improvement is expected.
- 2.20 Most of the decent homes indicators are cumulative and will increase as the year progresses. They are also dependent of 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.

### **Repairs**

- 2.21 **BVPI 185:** The percentage of responsive repairs for which appointments were made and kept has improved by over 3% to 41.32%. This is increasing in line with achieving the target of 45%.

- 2.22 **DH Local 26 and 27:** This splits BVPI 185 into two separate indicators; appointments made and those appointments kept. Performance in this area is getting better through improved liaison with Derby Homes staff and contractors. Increased monitoring and the drive to offer more appointments will improve performance in these areas.
- 2.23 **DH Local 28:** This shows tenants' satisfaction with repairs, differentiated into Derby Homes and contractor. Although performance is currently below the targets of 94% and 93% at 90.38% and 84.62% respectively, further work is being done to assess any issues identified by tenants to improve services in the future.
- 2.24 **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 have now stabilised and performance is slightly below at 9.8 days and slightly above target at 98.8% 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 but, as stated in paragraph 2.3 this is a challenging target.

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

- 2.25 **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. However, further work is being done to identify why the time from offer to occupation for homeless households is longer than the time from offer to occupation for all new tenants.
- 2.26 **DH Local 38 and 39:** The average time from referral to small and large adaptation are both showing improved performance on the first quarter at 35 and 41 days respectively. These are both 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.
- 2.27 **DH Local 40:** We are currently investigating why the number of adaptations done as part of the Homes Pride programme – excluding referrals has not been recorded.

### **General management**

- 2.28 **BVPI 8:** the percentage of invoices paid within 30 days is on track to achieve 95% with a good performance of 94.53%.
- 2.29 **DH Local 43 and 44:** We will report the number of key meeting and percentage of information deadlines met at the end of the year.

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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 – Contingency targets and performance Appendix 3 – Charts showing trend analysis of % of rent collected of rent due and % of rent arrears of rent due Appendix 4 – Table of performance for 2002/03

## 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.

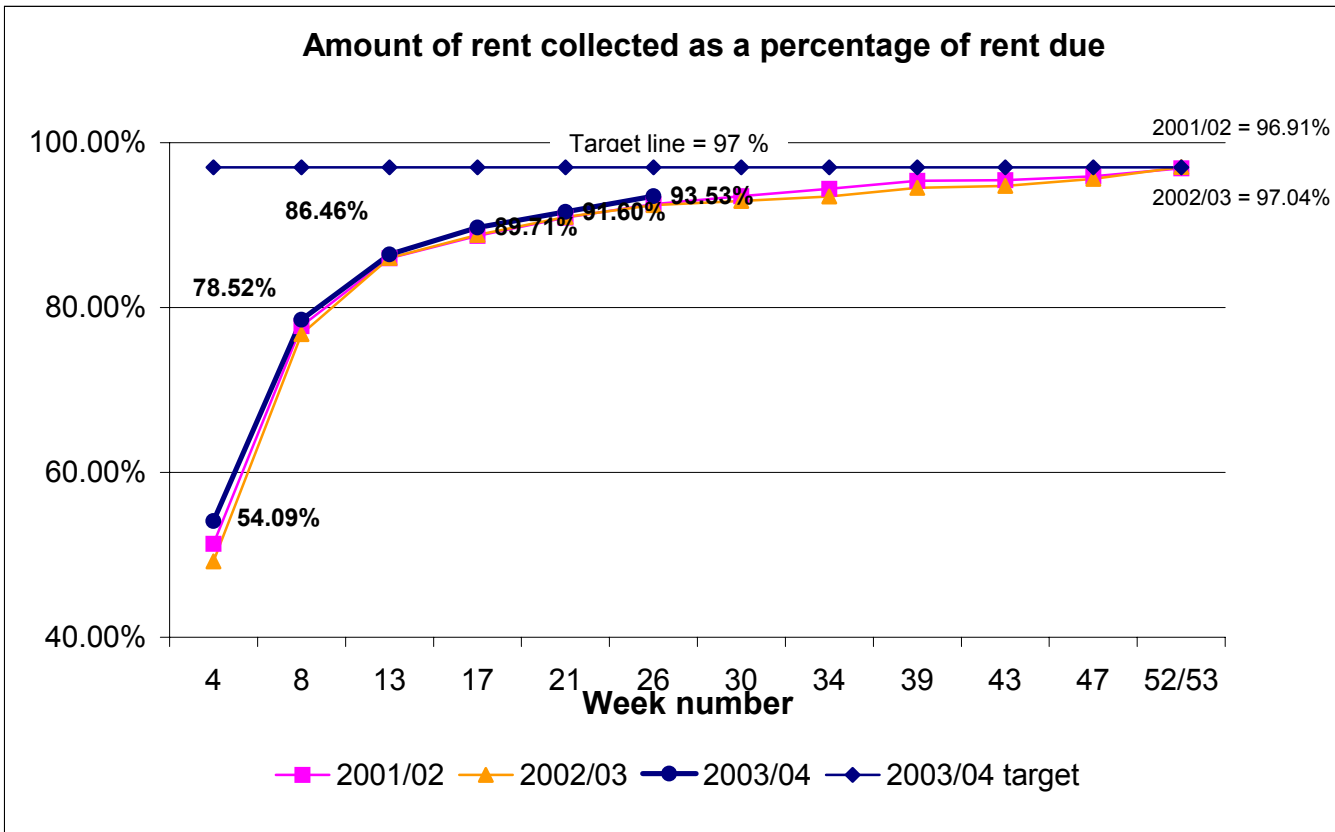
### Corporate themes and priorities

- 4.1 The issues covered in this report come under the Corporate Plan theme of **a fairer society**. Derby Homes' activity, notably the Homes Pride programme, contributes strongly to the Council's objective to improve the quality of all housing across the city.
- 4.2 Derby Homes' activity further links to the priorities of **improving life chances for disadvantaged people and communities**, and **improving the physical environment of our city and streets**.

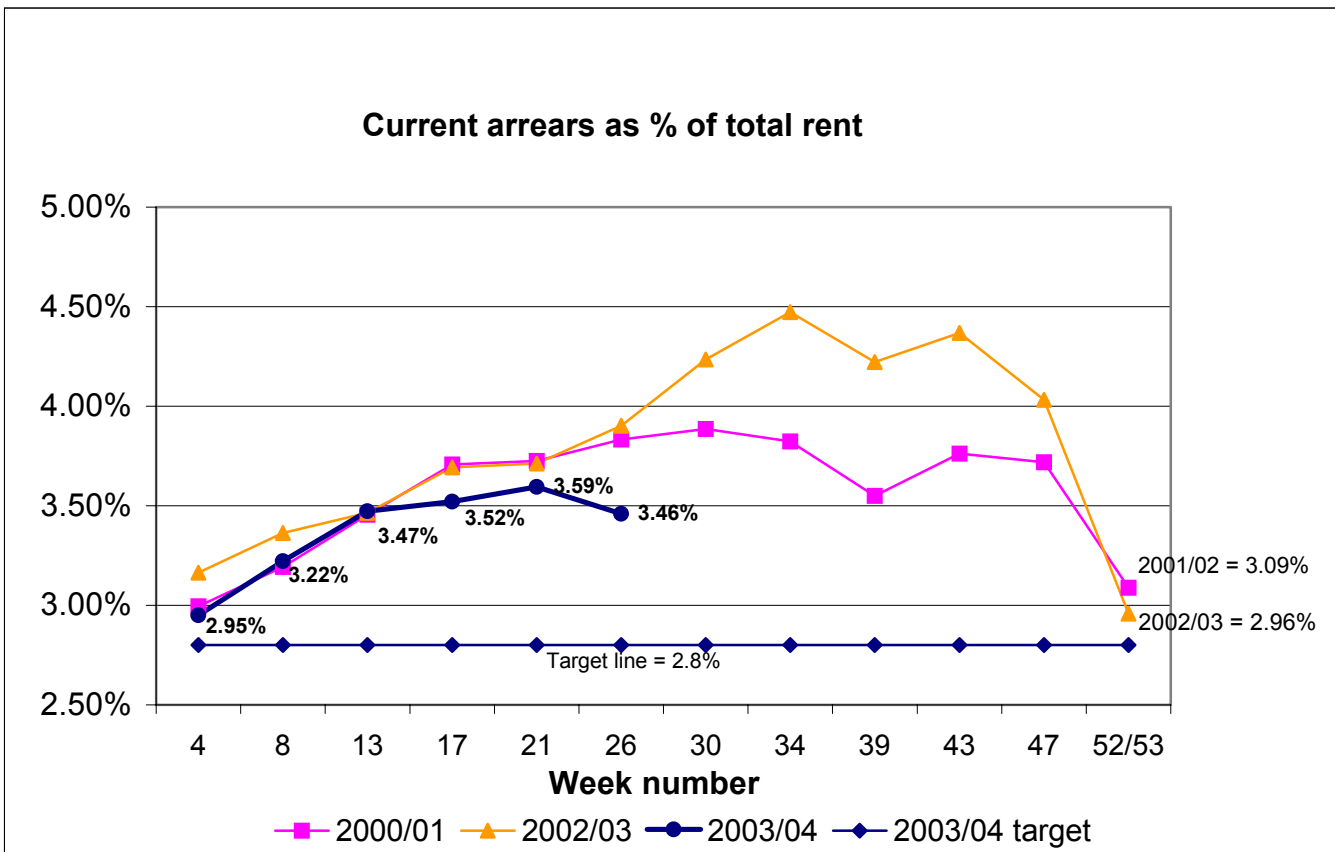
## Contingency targets

Indicator	Description	Target	Allowable variance	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	Forecast	Unitary top quartile 2001/02 / Derby Homes' forecast quartile position	Comments/Evidence
BVPI 66a	Rent collected as a % of rent due	97%	-10%	86.46%	93.53%	97.25%	97%	Current performance trends indicate that the target will be met, or exceeded. This is underpinned by the improved Housing Benefit performance and the new structure of arrears team.
							<b>Top</b>	
DH Local 1 - old BVPI 66b	Rent arrears of current tenants as a % of rent roll	2.8%	+10%	3.47%	3.46%	2.8%	2.7%	Current performance trends indicate the target will be met. This is underpinned by the improved Housing Benefit performance and the new structure of arrears team.
							<b>Mid</b>	
DH Local 5 - old BVPI 68	Average re-let time for local authority dwellings	37 days	+15%	44.15	29.6	35	37	Performance continues to show steady improvement. The monitoring taking place at local office level and liaison with Housing Options implies target will be exceeded.
							<b>Top</b>	
DH Local 8	Total active voids as a percentage of stock	1%	+15%	0.63%	0.83%	1.0%	Not available	Current trends indicate that the target will be met when compared to previous trends in performance.
DH Local 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	50%	-15%	12.2%	29%	51%	Not available	It is anticipated that the good progress made by contractors will be maintained. Indications are that the target will be met, or exceeded.
DH Local 26 - BVPI 185 split a	Number of responsive repairs for which appointment made	50%	-15%	38.13%	41.32%	50%	Not available	Current performance trends indicate that the target will be met. This is due to increased monitoring, training of staff and working closely with Commercial Services the percentage of appointments made has increased over the last few months.
DH Local 29 - old BVPI 73	Average time taken to complete non urgent repairs	9.5 days	+15%	6.2%	9.8	10.8	13 days	Current performance trends indicate that the target will not be met. Although predicted to be below target the performance is still very good. Derby Homes will continue to focus on the services while striving to improve the predicted outturn. Although below target within the variable allowance of 1.4 days.
							<b>Top</b>	
DH Local 30 - old BVPI 72	% of urgent repairs carried out within government time limits	98%	-15%	99.3%	98.8%	98%	96%	Current performance trends indicate that the target will be met. Based on the first seven months, the percentage has stayed constant between 98/99%.
							<b>Top</b>	

BV66a



DHLocal 1 old BV66b



Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		April	May	June	July	August	Sept	First quarter	Second quarter	Collection cycle
					2002/03 outturn	2003/04 target									
<b>Rent arrears</b>															
BVPI 66a	Rent collected as a % of rent due	97.04%	97%	97%	TOP	TOP	54.09%	78.52%	86.46%	89.71%	91.6%	93.53%	86.46%	<b>93.53%</b>	Monthly
		<i>98.7% including an element of overdue housing benefit at year end</i>													
DHLocal 1 – old BVPI 66b	Rent arrears of current tenants as a % of rent roll	2.96%	2.8%	2.7%	MIDDLE	MIDDLE	2.95%	3.22%	3.47%	3.52%	3.59%	3.46%	3.47%	<b>3.46%</b>	Monthly
		<i>2.43% excluding overdue payments of housing benefit or transitional housing benefit</i>													
DHLocal 2 – old BVPI 66b	Rent arrears of current tenants		984,760				1,037,696	1,133,065	1,221,409	1,237,716	1,264,161	1231,480			Monthly
DHLocal 3	Arrears owing to Housing Benefit		Target not applicable				182,665	286,800	245,100	219,800	244,500	223,600			Monthly
<b>Voids and lets</b>															
DHLocal 5 – old BVPI 68	Average relet time for local authority dwellings	42 days	37 days	37 days	TOP	TOP	51.5 days	41.8 days	40.2 days	23.2	29.7	33.7	44.15 days	<b>29.6 days</b>	Monthly
DHLocal 6 – old BVPI 69	% of rent lost through dwellings becoming vacant	2.23%	1.8%	1.3%	MIDDLE	MIDDLE	0.15%	0.32%	0.54%	0.73%	0.95%	1.19%			Monthly
DHLocal 7 – old BVPI 69 variance	% of rent lost through dwellings becoming vacant – excluding major repairs / decants	1.7%	1.5%				1.10%	0.22%	0.37%	0.53%	0.71%	0.89%			Monthly
DHLocal 8	Total active voids as a percentage of stock		1%				0.65%	0.56%	0.68%	0.80%	0.88%	0.83%			Monthly
DHLocal 9	Active voids – up to 3 months		140				86	83	93	111	121	122			Monthly
DHLocal 10	Active voids – over 3 months		20				10	9	7	7	8	8			Monthly



Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		April	May	June	July	August	Sept	First quarter	Second quarter	Collection cycle
					2002/03 outturn	2003/04 target									
DHLocal 11	Passive voids up to 6 months by: • Mods • Decants • Other		10 10 40				8 42 15	12 39 18	14 42 20	16 37 23	16 14 25	15 17 21			Monthly
DHLocal 12	Passive voids between 6 – 12 months by: • Mods • Decants • Other		30 30 40				7 16 12	5 17 8	3 16 10	4 20 7	16 10 8	16 12 9			Monthly
DHLocal 13	Passive voids between 12 – 24 months by: • Mods • Decants • Other		10 15 10				22 9 10	21 12 8	22 11 7	17 12 6	15 14 8	10 19 6			Monthly
DHLocal 14	Passive voids over 24 months by: • Mods • Decants • Other		0 2 0				5 5 2	6 5 2	6 5 2	7 7 3	7 7 4	7 10 5			Monthly
DHLocal 15	Turnover		11.5%										8.84%	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
<b>Capital Programme</b>															
BVPI 184b	% change in proportion of non-decent homes	17%	32%	NEW PI FOR 2002/03									6.8%	15%	Quarterly
DHLocal 17	Number of non-decent homes made decent	1841	4153										830	1964	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%				This information was not available					29%	12.2%		Monthly
DHLocal 19	Number of decent homes		10372										8806	8971	Quarterly
DHLocal 20	Number of non-decent homes		4207										5982	5747	Quarterly
DHLocal 21	Average cost to make a home decent		£7,437										£5,790	6133	Quarterly
DHLocal 22	Overall Progress on Homes Pride programme		95%										87%	104%	Quarterly

Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		April	May	June	July	August	Sept	First quarter	Second quarter	Collection cycle
					2002/03 outturn	2003/04 target									
DHLocal 23	Homes Pride programme time based indicator		90%										91%	<b>90%</b>	Quarterly
DHLocal 24	Homes Pride programme cost based indicator		90%										91%	<b>95%</b>	Quarterly
DHLocal 25	Tenant satisfaction with modernisation		90%										84%	<b>86%</b>	Quarterly
<b>Repairs</b>															
BVPI 185	% of responsive repairs for which appointment made and kept	31%	45%	NEW PI FOR 2002/03									38.13%	<b>41.32%</b>	Quarterly
DHLocal 26 – BVPI 185 split a	% of responsive repairs for which appointment made		50%				40.54%	37.51%	38.9%	44.73%	43.96%	43.64%			Monthly
DHLocal 27 – BVPI 185 split b	% of responsive repairs for which appointment kept		90%										98.3	<b>95.44%</b>	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	<b>90.38%</b> <b>84.62%</b>	Quarterly
DHLocal 29 – Old BVPI 73	Average time taken to complete non-urgent repairs	9.9 days	9.5 days	13 days	TOP	TOP	3.1 days	7.2 days	8.5 days	9.1 days	9.4 days	9.8 days			Monthly
DHLocal 30 – Old BVPI 72	% of urgent repairs carried out within Gov't time limits	97.8%	98%	96%	TOP	TOP	99.5%	99.3%	99.3%	98.9%	98.8%	98.8%			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 Homelessness Strategy				Information not available				18.4 days	17.33	15.6 days		Monthly
DHLocal 37	Time from accepted offer to occupation of all lettings		Baseline to be determined						Not available	15.1days	16.49	16.8 days		Monthly	
DHLocal 38	Adaptations - average time from referral to small adaptation		80 days										35.4 days	<b>35</b>	Quarterly
DHLocal 39	Adaptations - average time from referral to large adaptation		120 days										43.8 days	<b>41</b>	Quarterly
DHLocal 40	Number of adaptations done as part of the Homes Pride programme – excluding referrals		300										Information not available	<b>0</b>	Quarterly

Indicator	Description	2002/03 outturn	Target 2003-04	Unitary top 25% 2001/02	Derby quartile position		April	May	June	July	August	Sept	First quarter	Second quarter	Collection cycle
					2002/03 outturn	2003/04 target									
<b>General management</b>															
BVPI8	% of invoices paid within 30 days	83%	95%	88%	MIDDLE	TOP	87.6%	95.9%	91.1%	93.99%	97.14%	94.53%			Monthly
DHLocal 43	Number of key meetings attended – meetings to be predetermined														Annual
DHLocal 44	% of information deadlines met		95%												Annual