



Derby Homes' Performance Monitoring – Quarter 2 2004/05

RECOMMENDATIONS

- 1.1 To consider Derby Homes' 2004/05 second quarter performance.
- 1.2 To note that the monitoring information includes the first available data on the indicators which have been added for 2004/05 and so there is no comparative information available.
- 1.3 To refer the report to the Community Regeneration Overview and Scrutiny Commission.

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 June to 30 September 2004. Appendix 2 sets out details of the indicators for 2004/05 and can be found on the website at http://www.derby.gov.uk/NR/rdonlyres/A3D1C769-9ADA-410A-A3F5-D9BD36D3C74C/7581/xDHperfmonQ20405_301104.doc.

Rent collection and arrears

- 2.4 To enable comparisons on performance for 2001/02, 2002/03, 2003/04 and the first two quarters of 2004/05, performance information has been provided in Appendix 3. The charts show trends for both rent collected and rent arrears. The total rent collected in 2003/04 was £35.5m.
- 2.5 Rent collection rates will always improve over the year as the arrears brought forward from the previous year are gradually recovered. Because of this, the first quarter result of 88.98% was below the end of year target figure of 98.3%. In the quarter 1 report, the target was profiled for the first time to reflect the trends in previous years' performance. Following on from this, the second quarter result shows a rapid improvement to 95.65% against a profiled target for quarter 2 of 93%. Appendix 3 illustrates that, in comparison with collection rates of previous years, the performance in the first half of this financial year is much improved.

- 2.6 Rent arrears tend to go up during the first half of the year and level off around the time of the first 'rent free' week at Christmas. They then drop further towards the end of the financial year when there are two further rent free weeks. The first quarter performance of 2.94% is consistent with this when compared to the target of 2.54%. Following on from the latter, the second quarter results show continued improvement with a result of 2.87%. The chart in Appendix 3 (b) illustrates a trend of continuous improvement and shows a marked improvement compared to previous years.

Relets and void management

- 2.7 Although still outside the target of 31 days, the second quarter performance shows a continued improvement with a result of 36.9 days. This is because Derby Homes has focused on bringing longer-term void properties back into use. While this targeting is being successful, it does mean that the figures relating to relets will inevitably deteriorate before a longer-term improvement in the figures can be experienced. It is therefore expected that the average re-let time will be reduced as the year progresses. Derby Homes will continue to closely monitor this indicator's performance.
- 2.8 At 0.79% the percentage of active voids, that is, properties fit-for-letting but standing empty, is better than target - 0.90% and shows a continuation of the improvement seen in the first quarter. Correspondingly, the number of void properties is better than target, including the number of properties available for letting but vacant for up to 3 months – 108 – against a target of 120. With fewer voids, the rate of turnover of the stock is also better than target. This is a high priority target as it is included within Derby City Partnership's Neighbourhood Renewal Strategy. The number of active voids over three months has declined to 5 against a target figure of 10, which shows a considerable improvement on the first quarter's results.
- 2.9 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 that 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'.
- 2.10 The overall number of passive voids, 110, is on the target of 110 and, similarly the number of properties that have been void for up to six months is 60, also on the target of 60. However, the number of passive voids between 12 – 24 months is 19, against a target of 10. This area has been identified as requiring closer attention and will be targeted in the coming months.

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

- 2.11 The Homes Pride Programme is on track to deliver its targets.
- 2.12 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.
- 2.13 With a result of 102%, the overall completion rate for the Homes Pride programme, compared with the planned position of 95% in the second quarter is some 7% over target.

- 2.14 Tenant satisfaction with the work carried out as part of the Homes Pride programme is being collected by questionnaire. The questionnaire asks about the contractors, the work, and Derby Homes. The questionnaires are now being given to all tenants after completion of any work done as part of the Homes Pride Programme. Results from these surveys will be available for subsequent reports.

Repairs

- 2.15 In the first quarter, the percentage of repairs for which an appointment is both made and kept was 48.79%. Although this is better than last year's performance, it is under the 2004/05 target of 65%. Analysis of the more detailed indicators shows that while 98.46% of appointments are kept compared to a target of 95%, there are still not enough appointments being made; 49.56% compared with a target of 70%. Derby Homes has informed the Council that performance on appointments kept is benefiting from improved liaison between staff and contractors. It also considers that the newly established Enquiry Centre will improve the efficiency of the repairs service over the coming months and will increase the number of appointments made.
- 2.16 In the second quarter, the average time to complete non-urgent repairs was 10.3 days, which is outside the target of 9.5 days. The percentage of urgent repairs carried out within Government time limits was 96.50%, which is below the target of 99%. However, performance is based on completions, and some jobs that have exceeded the target may not appear in the first quarter's figures. As predicted, there has been a drop in performance in this quarter. We will continue to keep this under close review.

Equalities

- 2.17 This is the second time quarterly monitoring information relating to the percentage of lettings made to BME households has been available. The Q2 result – 25.00% – is showing a marked improvement on that of Q1 – 19.00%. Derby Homes envisage that this indicator will show rapid improvement throughout the year.

Ensuring choice and access to council housing

- 2.18 Derby Homes has made 2% of lettings through the Choice Based Lettings Scheme and 8% through sustainable discretionary lets. The latter shows a considerable improvement on the Q1 result of 81% through the Choice Based Lettings Scheme, and 7% through sustainable discretionary lets.

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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 trend analysis of % of rent collected of rent due and % of rent arrears of rent due

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, within a small variation. 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.

Legal

2. None arising directly from this report.

Personnel

3. None arising directly from this report.

Equalities impact

- 4.1 This report contains for the first time quarterly monitoring information relating to the percentage of lettings made to BME households on the Joint Housing Register.
- 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 for change

5. Derby Homes' activity, notably the Homes Pride programme, contributes strongly to the Council's objective of **protecting and supporting people**.

Derby Homes Delivery Plan performance indicators for 2004/05

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
Rent arrears									
BVPI 66a	Rent collected as a % of rent due	97.35%	98.30%	94.08%	95.65%	95.65%	95.65%	Monthly	Given that rent collection rates will improve over the whole year, a profiled target for each quarter is now to be monitored: Quarter 1 90% Quarter 2 93% Quarter 3 96% Quarter 4 98.3%
DHLocal 1 – old BVPI 66b	Rent arrears of current tenants as a % of rent roll	2.70%	2.54%	2.9% (Target 3.15%)	2.85% (Target 3.12%)	2.87% (Target 3.05%)	2.87% (Target 3.05%)	Monthly	
DHLocal 2 – old BVPI 66b	Rent arrears of current tenants	£984,243.00	£935,000.00	1,050,227.55	1,053,381.58	1,060,863.07	1,060,863.07	Monthly	
DHLocal 3	Arrears owing to Housing Benefit	£158,500.00	Target not applicable	158,900.00	161,800.00	163,000.00	163,000.00	Monthly	There has been an increase in arrears, but Derby Homes has identified the causes and they have been addressed. A reduction is anticipated in the coming months.
Voids and lets									
DHLocal 5 – old BVPI 68	Average relet time for local authority dwellings	36 days	31days	40 days	38.6 days	36.9 days	36.9 days	Monthly	It is anticipated that continued monitoring and process improvements by Derby Homes will ensure performance will continue to improve.

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
DHLocal 6 – old BVPI 69	% of rent lost through dwellings becoming vacant	2.45%	1.70%	0.72%	0.86%	1.07%	1.07%	Monthly	All rent loss indicators continue to be above target. These indicators include both properties controlled by Derby Homes and DCC. There is continuous liaison with DCC about properties held empty pending decisions / actions by DCC.
DHLocal 7 – old BVPI 69 variance	% of rent lost through dwellings becoming vacant – excluding major repairs / decants	1.93%	1.50%	0.63%	0.77%	0.95%	0.95%	Monthly	
DHLocal 8	Total active voids as a percentage of stock	0.82%	0.90	0.73%	0.84%	0.79%	0.79%	Monthly	
DHLocal 9	Active voids – up to 3 months	120	120	88	112	108	108	Monthly	
DHLocal 10	Active voids – over 3 months	10	10	17	9	5	5	Monthly	

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
DHLocal 11	Passive voids up to 6 months by: • mods • decants • other	15 7 33	60	20 4 39	18 2 40	18 4 38	18 4 38	Monthly	Good progress has been made in the second quarter and the target figure of 60 has been reached.
DHLocal 12	Passive voids between 6 – 12 months by: • mods • decants • other	9 9 21	40	4 5 9	5 2 11	7 3 15	7 3 15	Monthly	At 25, this indicator is below the target of 40.
DHLocal 13	Passive voids between 12 – 24 months by: • mods • decants • other	3 12 8	10	3 4 13	4 4 13	4 3 12	4 3 12	Monthly	With a result of 19, this indicator is over the set target of 10. Derby Homes has addressed this situation and performance is now improving.
DHLocal 14	Passive voids between over 24 months by: • mods • decants • other	0 2 3	0	2 1 5	2 1 4	0 1 5	0 1 5	Monthly	With a result of 6, this indicator is over the set target of 0. Derby Homes has addressed this situation and performance is now improving.

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
DHLocal 15	Turnover	10	10.08%				No data available	Quarterly	Work is in progress on the provision of this data and results are anticipated in time for Q3.
DHLocal 16	Turnover – by NRS areas	10.08%	10.08%				No data available	Quarterly	Work is in progress on the provision of this data results are anticipated for Q3.
Capital Programme									
BVPI 184b	% change in proportion of non- decent homes	34%	88%				29.66%	Quarterly	This indicator has shown an improvement on the last quarter result of 24.00%. This is a cumulative figure that will increase as the Homes Pride Programme progresses.
DHLocal 17	Number of non-decent homes made decent	4,807	4,803				2,034	Quarterly	Derby Homes's Decent Homes programme continues to show good progress.
DHLocal 19	Number of decent homes	11,016	14,066				11,834	Quarterly	This indicator is above target.
DHLocal 20	Number of non-decent homes	3,383	5,83				2,432	Quarterly	Within the second quarter, over 500 properties became non-decent, hence the lower result this quarter. The predicted figure for the end of year target includes homes becoming non-decent.
DHLocal 21	Average cost to make a home decent	5,995	7,500				8,318	Quarterly	As work progresses on the Homes Pride Programme, Derby Homes is able to establish more accurate costs.

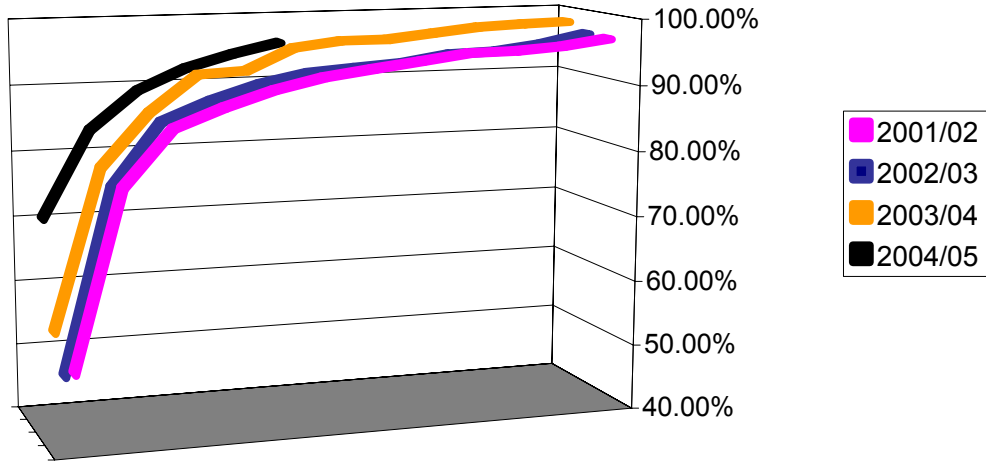
Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
DHLocal 22	Overall Progress on Homes Pride programme	119%	95%			102%	102%	Quarterly	This indicator is ahead of target; which reflects the work being done by Derby Homes as part of Homes Pride.
DHLocal 23	Homes Pride programme time based indicator	90%	90%				94%	Quarterly	This indicator is showing improvement. Derby Homes is actively seeking to improve the effectiveness of its partnering arrangements in order to ensure continuous improvement.
DHLocal 24	Homes Pride programme cost based indicator	95%	90%				98%	Quarterly	This indicator is showing improvement. Derby Homes is actively seeking to improve the effectiveness of its partnering arrangements in order to ensure continuous improvement.
DHLocal 25a	Tenant satisfaction with modern- isation	80%	No less than 80% of tenants satisfied				No data available - see commentary		These figures are not yet available as Kwest – external market research consultants – will not be able to provide data until early November
DHLocal 25b	Tenant dissatisfac- tion with modern- isation	10%	No more than 10% of tenants dissatisfied				No data available -see commentary		These figures are not yet available as Kwest – external market research consultants – will not be able to provide data until early November.

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
Repairs									
BVPI 185	% of responsive repairs for which appointment made and kept	41.61%	65.00%	42.78%	47.71%	48.79%	48.79%	Quarterly/ monthly	This indicator is showing some improvement. Since July, there has been a 4% increase. Derby Homes feels that, if this trend continues, it should meet its end of year target of 65%.
DHLocal 26 – BVPI 185 split a	% of responsive repairs for which appointment made	44.69%	70.00%	43.29%	48.44%	49.56%	49.56%	Monthly	This indicator is showing an improvement on last quarter. Further improvement is anticipated for Q3.
DHLocal 27 – BVPI 185 split b	% of responsive repairs for which appointment kept	93.31%	95.00%	98.83%	98.49%	98.46%	98.46%	Quarterly/ monthly	Good performance from this indicator as it is now above target.
DHLocal 28	Tenant satisfaction with repairs • with Derby Homes • with Contractor	90.56 / 86.11	95.00%				Not available - See commentary	Quarterly	This information has not yet been made available. Derby Homes believes that it will be available for the Q3 report.
DHLocal 29 – Old BVPI 73	Average time taken to complete non-urgent repairs	9.9 days	9.5 days	9.5 days	10.1 days	10.3 days	10.3 days	Monthly	Derby Homes has stated that these indicators are dependent on completed works and therefore there may be some orders still in process in the

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
DHLocal 30 – Old BVPI 72	% of urgent repairs carried out within Govt time limits	98.00%	99.00%	96.70%	96.30%	96.50%	96.50%	Monthly	first three months and therefore not yet included in totals. The latter may explain the shortfall in both of these indicators.
Equality									
DHLocal 32	% of letting to BME households	16.00%	To be agreed in line with the BME strategy			25.00%	25.00%	Quarterly	This indicator is in its early stages, however, performance is showing an improvement on the Q1 figure of 19.00%.
Ensuring choice and access to council housing									
DHLocal 34	% of lettings made through Derby Homefinder choice- based lettings	Awaiting figures	N/A			92.00%	92.00%	Quarterly	The performance of this indicator is showing a considerable improvement over Q1 result of 81.00%. Derby Homes has identified that 92% of lettings were made through the Choice Based Lettings Scheme and 8% through sustainable discretionary lets in comparison with 7% in the first quarter.
DHLocal 38	Adaptations - average time from referral to small adaptation	38	35 days				28.79 days	Half yearly	Both of the adaptation indicators have returned results that are below the set target figure. This indicates that Derby Homes are successfully reducing the

Indicator	Description	2003/04 outturn	Target 2004-05	July	Aug	Sept	Second quarter	Collection cycle	Comments
DHLocal 39	Adaptations - average time from referral to large adaptation	101	50 days				48.70 days	Half yearly	period from referral to appointment.
General management									
BVPI8	% of invoices paid within 30 days	83%	95%	87.6%	95.9%	91.1%	91.1%	Monthly	In Q1 this indicator achieved 97.00%, however performance has now fallen. Derby Homes has identified that staff shortages account for this reduction in performance. A further reduction may carry into Q3 if the staffing situation is not addressed.

Amount of rent collected as a %age of rent due



Current arrears as % of total rent

