



## **Derby Homes' Performance Monitoring – Quarter 1 2004/05**

### **RECOMMENDATIONS**

- 1.1 To consider Derby Homes' 2004/05 first 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 April to 30 June 2004.

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

- 2.4 To enable comparisons on performance for 2001/02, 2002/03, 2003/04 and the first quarter 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% is below the set target of 98.3%. However, profiling the target to reflect trends in previous years would give a more realistic figure at the end of the first quarter of 90%. 88.98% is, therefore, only marginally below target, but reflects good performance for a whole year at this stage.

- 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%. The chart in appendix 3 illustrates, however, that this first quarter performance shows a marked improvement compared to previous years.

### **Relets and void management**

- 2.7 The first quarter's performance of 41 days to relet a property is outside the target of 31 days. This is because Derby Homes have 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.
- 2.8 The percentage of active voids, that is properties fit-for-letting but standing empty, is better than target - 0.87% of stock compared with the target of 0.90%. The same is true for rent loss on voids, 0.50% compared with the target of 1.70%. 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 which is 113, 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 – 13 – of active voids over three months is, however, exceeding the target of ten.
- 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, 108, is within the target of 110 and, correspondingly, the number of properties that have been void for up to six months is 55, within the target of 60. However, the number of passive voids between 12 - 24 months is 21, whereas the target is 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 The overall completion rate for the Homes Pride programme, compared with the planned position, is 102% in the first quarter; some 7% over the target of 95%.

- 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 44.43%. 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 98.83% of appointments are kept compared to a target of 95%, there are still not enough appointments being made; 44.69% 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 first quarter, the average time to complete non-urgent repairs was 8.8 days, which is within the target of 9.5 days. The percentage of urgent repairs carried out within Government time limits was 97.3% 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. It is to be anticipated that there may be a small drop in performance in subsequent months. The Council will keep this under close review.

### **Equalities**

- 2.17 The percentage of lettings to black and minority ethnic, BME, households on the Joint Housing Register – JHR – in the first quarter is 19%. Further work now needs to be done to monitor this performance against the proportion of BME households on the JHR and to set a target in line with the draft BME Strategy.

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

- 2.18 The percentage of lettings to homeless households on the JHR in the first quarter is 43%. Further work now needs to be done to monitor this performance against the proportion of homeless households on the JHR and to establish a target in accordance with the Homelessness Strategy.
- 2.19 In the first quarter, Derby Homes has made the required 75% of lettings using Derby Homefinder, but the data for June indicates that a higher than target percentage of lettings are being made on a discretionary basis. This issue is being addressed through the regular liaison meetings between Derby Homes and the Housing Options Centre.

<b>For more information contact:</b>	Ian Fullagar 01332 255185 e-mail <a href="mailto:ian.fullagar@derby.gov.uk">ian.fullagar@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 incentivise 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

Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
<b>Rent arrears</b>									
BVPI 66a	Rent collected as a % of rent due	97.04%  <i>98.7% including an element of overdue housing benefit at year end</i>	98.3%	70.05%	83.24%	88.98%	88.98%	Monthly	<p>Given that rent collection rates will improve over the whole year, a profiled target for each quarter is now to be monitored:</p> <ul style="list-style-type: none"> <li>• quarter 1 90%</li> <li>• quarter 2 93%</li> <li>• quarter 3 96%</li> <li>• quarter 4 98.3%.</li> </ul> <p>In future reports, a figure for the actual amount of money collected will also be provided.</p>
DHLocal 1 – old BVPI 66b	Rent arrears of current tenants as a % of rent roll	2.70%  <i>2.43% excluding overdue payments of housing benefit or transitional housing benefit</i>	2.54%	2.73%	2.93%	2.94%	2.94%	Monthly	
DHLocal 2 – old BVPI 66b	Rent arrears of current tenants	£984,243.00	935,000.00	£992,128.35	£1,057,832.10	£1,064,846.00	£1,064,846.00	Monthly	
DHLocal 3	Arrears owing to Housing Benefit	£158,500.00	Target not applicable	£201,700.00	£198,200.00	£162,900.00	£162,900.00	Monthly	
<b>Voids and lets</b>									
DHLocal 5 – old BVPI 68	Average relet time for local authority dwellings	36 days	31 days	30.0 days	40.0 days	41.0 days	41.0 days	Monthly	Full commentary provided in the report.

Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
DHLocal 6 – old BVPI 69	% of rent lost through dwellings becoming vacant	2.45%	1.70%	0.15%	0.32%	0.50%	0.50%	Monthly	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 the Council.
DHLocal 7 – old BVPI 69 variance	% of rent lost through dwellings becoming vacant – excluding major repairs / decants	1.93%	1.50%	0.11%	24.50%	0.38%	0.38%	Monthly	
DHLocal 8	Total active voids as a percentage of stock	0.82%	0.90%	0.98%	0.86%	0.87%	0.87%	Monthly	
DHLocal 9	Active voids – up to 3 months	120	120	126	109	113	113	Monthly	
DHLocal 10	Active voids – over 3 months	10	10	9	16	13	13	Monthly	
DHLocal 11	Passive voids up to 6 months by: • mods • decants • other	15 7 33	60	8 4 29	7 4 32	16 3 36	16 3 36	Monthly	

Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
DHLocal 12	Passive voids between 6 – 12 months by: • mods • decants • other	9 9 21	40	8 10 9	7 8 10	4 5 14	4 5 14	Monthly	Overall, there are 23 passive voids up to six months; whereas the target is 40.
DHLocal 13	Passive voids between 12 – 24 months by: • mods • decants • other	3 12 8	10	5 3 10	5 3 11	3 4 14	3 4 14	Monthly	Overall, there are 20 passive voids up to six months; whereas the target is 41. The majority are properties being held for modernising as part of the Homes Pride Programme.
DHLocal 14	Passive voids between over 24 months by: • mods • decants • other	0 2 3	0 2 0	3 3 1	0 3 1	2 7	2 7	Monthly	Overall, there are 13 passive voids up to six months; whereas the target is 2. There are more properties being held for modernisation or used for decant purposes.
DHLocal 15	Turnover	10	10.08%					-	No figure available this quarter.
DHLocal 16	Turnover – by NRS areas	10.08%	10.08%					-	No figure available this quarter.

Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
<b>Capital Programme</b>									
BVPI 184b	% change in proportion of non-decent homes	34%	88%				24.0%	Quarterly	This is a cumulative figure that will increase as the Homes Pride Programme progresses.
DHLocal 17	Number of non-decent homes made decent	4807	4803				936	Quarterly	936 homes have been made decent this quarter in contrast to the 2003 / 04 second quarter result of 830.
DHLocal 19	Number of decent homes	11016	14066				11419	Quarterly	On target to achieve overall figure of 583.
DHLocal 20	Number of non-decent homes	3383	583				2947	Quarterly	
DHLocal 21	Average cost to make a home decent	£5,995	£7,500				£8318.00	Quarterly	As work is progressing, more accurate costs are being established.
DHLocal 22	Overall Progress on Homes Pride programme	119%	95%				102%	Quarterly	Ahead of target hence the figure of 102%.
DHLocal 23	Homes Pride programme time based indicator	90%	90%				No Data	Quarterly from Oct 04	



Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
DHLocal 24	Homes Pride programme cost based indicator	95%	90%				No data	Quarterly from Oct 04	
DHLocal 25	Tenant satisfaction with modernisati on	90%	90%				82% – 10% dissatisfied	Quarterly	Data is now collected on Tenant Satisfaction levels. No less than 80% of tenants satisfied and no more than 10% dissatisfied. We are above target.
<b>Repairs</b>									
BVPI 185	% of responsive repairs for which appointment made and kept	41.61%	65.00%	50.95%	52.38%	44.43%	44.43%	Quarterly/ Monthly	It is believed that the introduction of the Enquiry Centre will increase the number of appointments made and kept and it is expected that this figure will steadily increase throughout the next two quarters.
DH Local 26 BVPI 185 split a	% of responsive repairs for which appointment made	44.69%	70.00%	99.46%	99.09%	44.96%	44.96%	Monthly	
DHLocal 27 – BVPI 185 split b	% of responsive repairs for which appointment kept	93.31%	95.00%			98.83%	98.83%	Quarterly	

Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
DHLocal 28	Tenant satisfaction with repairs • with Derby Homes • with Contractor	90.56/ 86.11	95.00%				Not available	Quarterly from Oct 04	This information will be available from Oct 04.
DHLocal 29 – Old BVPI 73	Average time taken to complete non-urgent repairs	9.9 days	9.5 days	4.6 days	7.7 days	8.8 days	8.8 days	Monthly	These indicators are dependant on completed works and therefore there may be some orders still uncompleted in the first three months and therefore not yet counted.
DHLocal 30 – Old BVPI 72	% of urgent repairs carried out within Govt time limits	98.00%	99.00%	97.20%	97.40%	97.30%	97.30%	Monthly	
<b>Equality</b>									
DHLocal 32	% of letting to BME households		To be agreed in line with the BME strategy				19.00%	Quarterly	
<b>Ensuring choice and access to council housing</b>									
DHLocal 34	% of lettings made through Derby Homefinder choice- based lettings	Not applicable as figures only based on pilot area.					No Data	Quarterly	New indicator. Figure not available this quarter.

Indicator	Description	2003/04 outturn	Target 2004-05	April	May	June	First quarter	Collection cycle	Comments
DHLocal 38	Adaptations - average time from referral to small adaptation	38	35 days					Half Yearly	
DHLocal 39	Adaptations - average time from referral to large adaptation	101	50 days					Half Yearly	
<b>General management</b>									
BVPI8	% of invoices paid within 30 days	92.83%	100% – 95% Local target	96.69%	98.33%	94.14%	97.00%	Monthly	Although Government guidelines state a target of 100%, a Q1 result of 97.00% against a local target of 95% is a good achievement.

