



Derby Homes' Performance Monitoring – Quarter 3 2004/05

RECOMMENDATIONS

- 1.1 To consider Derby Homes' 2004/05 third quarter performance.
- 1.2 To note that the monitoring information includes the third available data set on the indicators that have been added for 2004/05 – there is, therefore, limited comparative information available.
- 1.3 To refer the report to the Community Regeneration 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 October to 31 December 2004.

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 Appendices 2 and 3, which can be found on the Council's website at <http://www.derby.gov.uk/NR/rdonlyres/A3D1C769-9ADA-410A-A3F5-D9BD36D3C74C/9516/Quarter3Appendix1and2.pdf>. The charts show trends for both rent collected and rent arrears. The total rent collected in 2003/04 was £35.5m.
- 2.5 For the year 2002/03, external audit found that the calculation used by Derby Homes for BVPI 66a could not be reconciled, and a reservation was placed on this indicator in late 2003.
- 2.6 Since this time, investigations have been ongoing, involving staff from both Derby Homes and the Council. It has been established that this error in calculation has existed for a number of years and has effectively reduced the level of the rent debit by twice the level of void rent loss.

- 2.7 The latter had the effect of increasing the percentage of rent collected within the formula. It has been necessary for Derby Homes to amend the year-end figures for 2003/04 to show the correct calculation. All alterations have been agreed with the Council and the calculation amendment has resulted in the lifting of the reservation.
- 2.8 As a result of these alterations, while the total amount of arrears outstanding is correct and has not altered, the level of BVPI 66a has reduced. The target figure for 2004/05 was originally set at 99.53%. This figure reflected the anticipated outturn using the error calculation. It has therefore been necessary for Derby Homes to amend the target figure, and it is proposed that they adopt the Audit Commission top quartile of 98.3% as the target for this year.
- 2.9 Now that the reservation has been lifted on this BVPI, we intend to request confirmation of the accuracy of the adjusted calculation by Audit.
- 2.10 The introduction of the new calculation method has had little impact on the monthly results, and the third quarter result of 96.32% against the profiled target figure of 96% is good.
- 2.11 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%. The third quarter result of 96.32% again shows good progress against the profiled target figure of 96%, and it is anticipated that this indicator will achieve target in the final quarter.
- 2.12 Appendix 3 illustrates that, in comparison with collection rates of previous years, the performance in the second half of this financial year is much improved.
- 2.13 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 and third quarter results show continued improvement with results of 2.87% and 2.66%. The chart in Appendix 3 (b) illustrates a trend of continuous improvement and shows a marked improvement compared to previous years and a significant improvement in the third quarter.

Relets and void management

- 2.14 Although still outside the target of 31 days, the third quarter performance shows a continued improvement with a result of 35.4 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.

- 2.15 At 0.66% the percentage of active voids, that is, properties fit-for-letting but standing empty, is exceeding the target - 0.90%, and shows a continuation of the improvement seen in the first and second quarters.
- 2.16 Correspondingly, the number of void properties is better than target, including the number of properties available for letting but vacant for up to three months which is 86, against a target of 120.
- 2.17 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 increased from five in the second quarter to the target figure of 10 in the third. The performance of this indicator remains good and it is expected to be within target for the year-end.
- 2.18 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'.
- 2.19 The overall number of passive voids, 103, is currently under the target figure of 110. All of the third quarter results, with the exception of passive voids over 24 months, have reduced against the results of the second quarter. The number of passive voids up to six months – 46 – has reduced considerably against a target figure of 60. Similarly passive voids between 6 – 12 months have reduced to 41 and passive voids between 12 –24 months have reduced to 16. Passive voids of over 24 months have increased to nine in this quarter. This is an increase on the second quarter result of six.

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

- 2.20 The Homes Pride Programme is on track to deliver its targets.
- 2.21 Most of the decent homes indicators are cumulative and will increase as the year progresses. They are also dependent on 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.
- 2.22 With a result of 98%, the overall completion rate for the Homes Pride programme, compared with the planned position of 95% in the third quarter is ahead of target. Despite the latter, this indicator is showing a slight downturn in comparison with the Quarter 2 result of 102%.
- 2.23 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. Derby Homes will provide results from these surveys for subsequent reports.

Repairs

- 2.24 In the third quarter, the percentage of repairs for which an appointment was both made and kept was 46.94% against a target of 65%. Analysis of the more detailed indicators shows that while 97.35% of appointments are kept compared to a target of 95%, there are still not enough appointments being made; 48.22% 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. Derby Homes have also set up working groups that they hope will produce positive results early in 2005.
- 2.25 In the third quarter, the average time to complete non-urgent repairs was 10.8 days, which is outside the target of 9.5 days and shows a slight increase on the second quarter result of 10.3 days. The percentage of urgent repairs carried out within Government time limits was 96.90%, which is below the target of 99% but shows a slight improvement on the Quarter 2 result of 96.50%. We will continue to keep the performance of this indicator under close review.

Equalities

- 2.26 This indicator is showing a downturn in performance in this quarter with a result of 21.00% in comparison with a result of 25.00% in the second quarter. Derby Homes Equalities Advisor is to now attend the North and South area managers meetings in order to look into ways of improving performance on this indicator.

Ensuring choice and access to council housing

- 2.27 Derby Homes has made 78.0% of lettings through the Choice Based Lettings Scheme and 9.00% through sustainable discretionary lets. Despite a recent review of calculation method, this quarter's results remain above the target figure of 70.00%.

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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, 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 and discussions are taking place concerning BVPI 185.

Legal

2. None arising directly from this report.

Personnel

3. None arising directly from this report.

Equalities impact

- 4.1 This is the third quarterly report that contains information relating to the percentage of lettings made to BME households on the Joint Housing Register. It can be seen, therefore, that there is little comparative data for this indicator.
- 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**.