



Board of Trustees 4 December 2017

Performance monitoring report

April 2017 – September 2017, quarter two 2017-2018

Report by Managing Director, Leazes Homes

For discussion

1. Background information

- 1.1 Your Homes Newcastle (YHN) supplies performance information to the Leazes Homes Board on a quarterly basis, as set out in the agreement for YHN to provide housing management services to Leazes Homes' tenants.

In June 2017, the Board agreed the targets for 2017-18, see section two.

- 1.3 This performance monitoring report covers cumulative performance for the year from April to September 2017 and highlights any specific issues that have impacted during the period. It demonstrates how YHN is performing against Leazes Homes' key performance indicators (KPIs).

The performance monitoring report includes the following:

- Six tiles to report against agreed performance targets and seven tiles of indicators reported for information. Additional information is provided in one tile (section two).
- Further information relating to those KPIs in the performance summary report where performance is below target (section three)
- An update on welfare reform and its impact on rent arrears (section four)

- 1.4 There is a recommendation at the end of this report, asking for Board approval to alter the rent arrears and average arrears per property target. YHN officers identified an error in the calculation for these two targets, brought this to our attention. The arrears target was £80,000 before the change and the proposed arrears target is £85,600. The change is being proposed because 57 new build properties, completed within the year, were not included in the original target. Subject to Board approval, I have asked YHN to adjust the target values for these two targets when drafting this report.

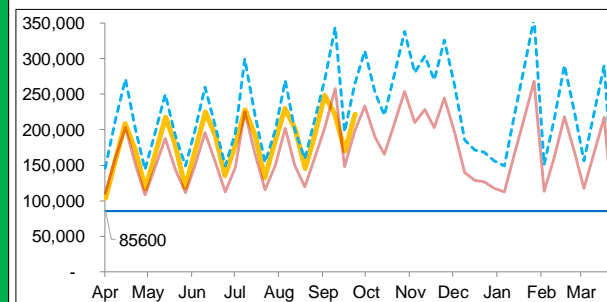
2. Performance summary report for quarter two 2017-18

Stock
620

Tenancies
612

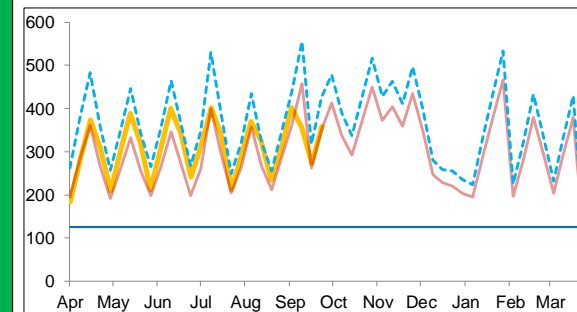
1. Rent arrears (target) - £85,600 by 31 March 2018

Arrears are £221k. This is £25k below the profiled target, which means performance is on track to achieve the year end target.

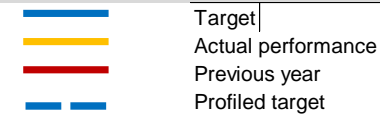


2. Average arrears per property (target) £126 by 31 March 2018

Average arrears are currently £358 per property. As total arrears are below the profiled target, we expect the average target (£126) to be achieved by the year end. The graph below shows a profiled target line to illustrate this.

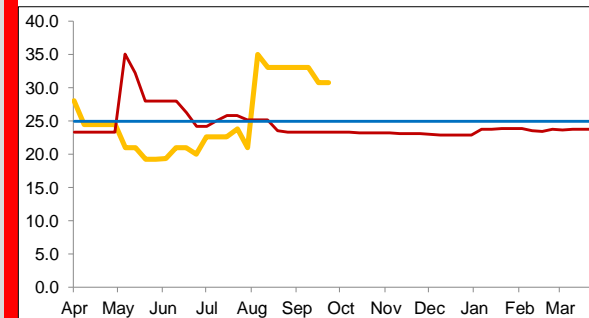


Key



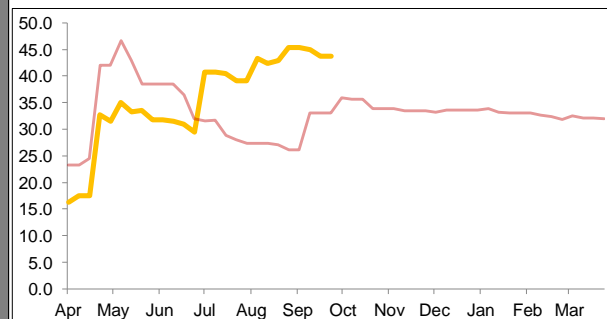
3. Average re-let period, excluding supported (target) - 25 days by year end

During quarter two, the average relet time, for standard voids, increased to 30.8 days, which is above the 25 day year end target. The relet time increased due to reletting four properties at Jubilee Court. Additional detail is provided in section 3.



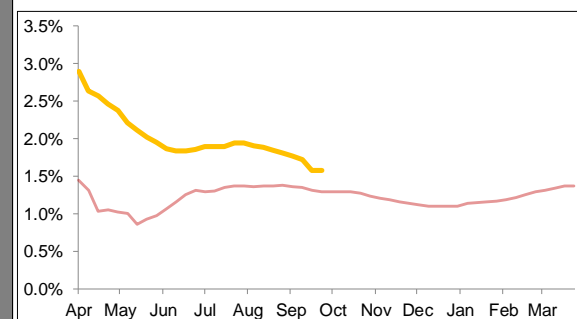
4. Average re-let period, including supported (indicator)

The average relet time for all standard voids increased to 43.8 days by the end of quarter two. The increased relet time, identified in tile 3, contributes to the relet time for all standard voids. Additional detail is provided in section 3.



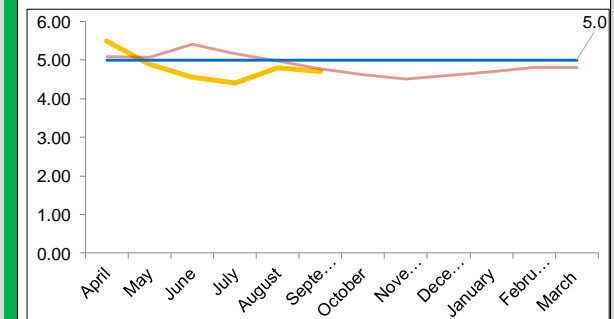
5. Void rent loss (indicator)

Void rent loss reduced, from the end of quarter one, to 1.57% at the end of quarter two. This is 0.3% higher, compared to the same period last year. Additional detail is provided in section 3.



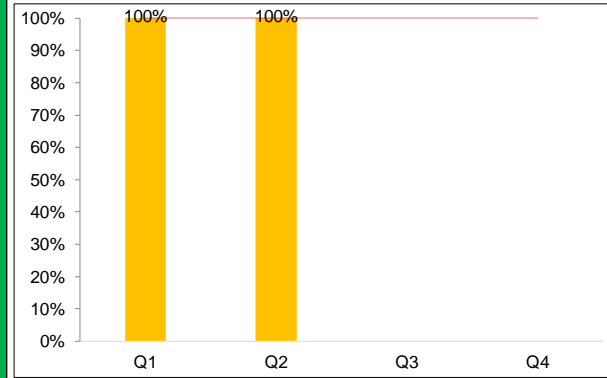
6. Average time taken to complete repairs (target) 5 days by 31 March 2018

The average time to complete repairs is 4.7 days, at the end of quarter two, which is ahead of target.



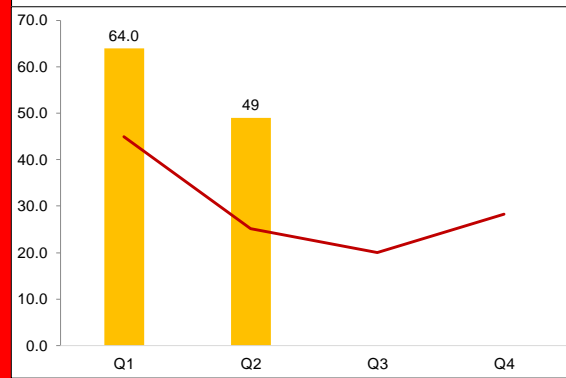
7. Gas safety (target) 100%

100% of properties have a valid Gas Safety Certificate in place



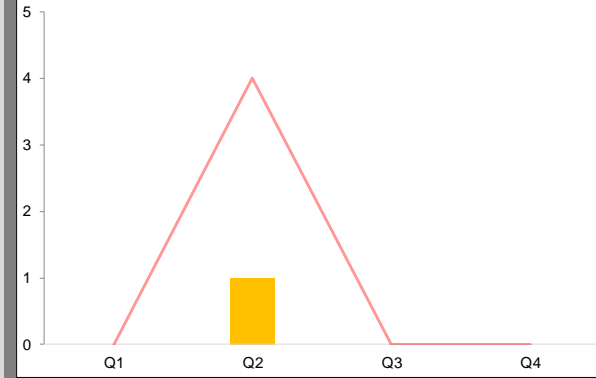
8. Anti-social behaviour (target) 30 days by 31 March 2018

During quarter 2 the average number of days taken to complete investigations of anti-social behaviour cases reduced to 49 days. Additional detail is provided in section 3.



9. Complaints (indicator)

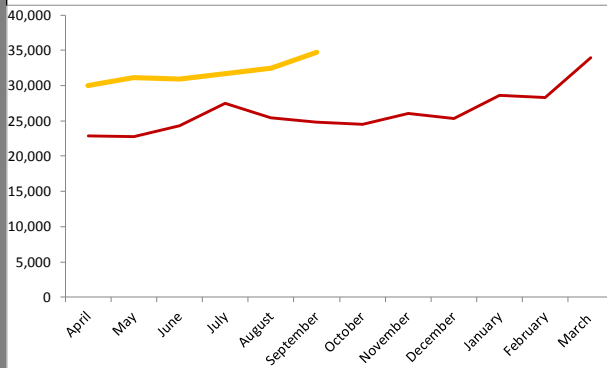
One complaint received and is currently being addressed. The complaint relates to the incorrect tenancy agreement used for some Leazes Homes tenants which has been reported to Board



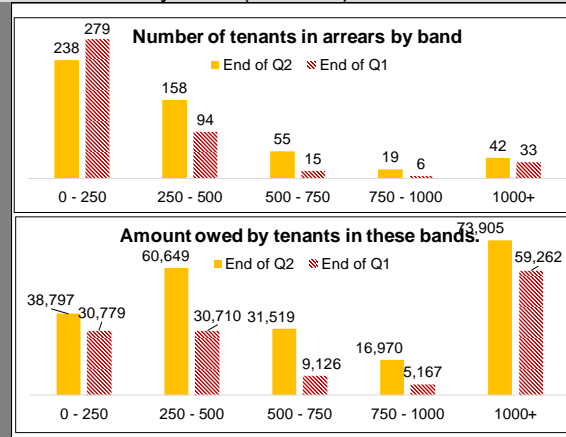
Additional Indicators

1a. Former tenants' rent arrears (indicator)

Former arrears increased by £3.4k since the end of quarter one to £34,709.

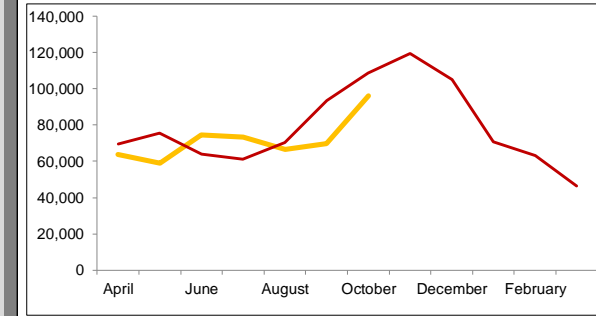


1b. Arrears by band (indicator)



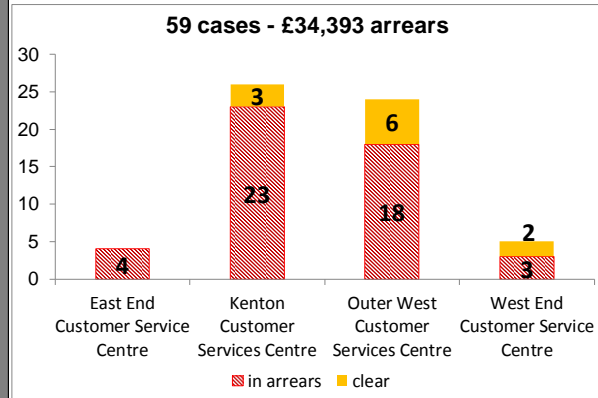
1c. Aged arrears (indicator)

The amount owed by tenants owing more than four weeks rent, increased by £22.5k since quarter one. 77 tenants owing more than four weeks rent with £9.1k arrears coming from the newly allocated properties at Dewley House.



1e. Universal Credit (indicator)

The number of tenants claiming UC increased by 13, during Q2, to 59. The average arrears for tenants claiming UC is £702, compared to £342 for all Leazes properties.



1f. Universal Credit (additional information)

The table below shows the number of UC tenants in arrears, by arrears band and the period since they claimed UC. .

Since claimed UC	Clear	0-250	250-500	500-750	750-1000	1000+	Total
0-3 months	2	4	2	3	1	1	13
4-6 months	4	7	5	3		1	20
7-9 months	1	5	1		1	6	14
10-12 months	3	4	1		1	3	12
Total	10	20	9	6	3	11	59

3. Supplementary performance information

3.1 Average relet time and void rent loss (Tiles 3, 4 & 5)

Overall void relet time (tile 4) has risen by 14.3 days (48%) to 43.8 days. This is driven by an increase of 231 days in relet times for properties at Jubilee court and 868 days for properties allocated at the supported housing schemes. Board are aware of the ongoing challenges with allocating properties within the supported housing schemes. YHN is not in a position to influence the relet time for these properties, as they rely on referrals from Newcastle City Council and the allocations panel to identify new tenants.

The standard void relet time (tile 3) has increased by 50% to 30.8 days, which is attributed to allocating three void properties in Jubilee court which were difficult to let. As a result, there was only one void property in Jubilee Court at the end of quarter two. If the three void properties from Jubilee Court were excluded from the calculation, the average void relet time would fall to 19.25 days, which is below target.

The allocation of the Jubilee Court voids has meant that overall void rent loss has reduced during the year (tile 5). At the end of quarter two there were only eight voids across all Leazes Homes stock.

If YHN is able to sustain the low level of void properties and turnover then reducing the void relet time to target (tile 3) is unlikely.

At the monthly Leazes Homes officer group, I asked YHN to make Board aware, for information, that rental income is also lost from properties for the time between the developer handing the scheme over to YHN and a new tenant moving in. Currently this figure stands at 9.4% of rental income.

3.2 Anti-social behaviour (tile 8)

There were two ASB cases in quarter two, with one closed and resolved within 19 days. One of the outstanding cases is being dealt with by HASBET and involves two properties in Piper Court. Due to the nature of the ASB complaint, it is appropriate that the case remains open and is outside of the target. The average days to close a case of Anti-Social Behaviour now stands at 49 days.

Due to the low number of cases anticipated during the rest of the year, the annual target is unlikely to be achieved.

4. Welfare reform

4.1 This section of the report provides Board with an update on the impact of Universal Credit (UC), the benefit cap and the removal of the spare bedroom subsidy for Leazes Homes tenants. Comparative figures for Newcastle City Council tenants (NCC) claiming UC are included for information, as requested in June 2017 by Board.

YHN have contributed to benchmarking nationally on the impact of UC. Newcastle was one of the first sites to transition to Full Service so there are a greater proportion of NCC tenants claiming UC. We have developed a suite of performance information and undertake regular analysis of the impact of UC, which has informed a lot of this early benchmarking work.

The benchmarking figures provided below are drawn from 39 different ALMOs and councils.

4.2 Universal Credit

YHN have invested substantial time and resource into preparing NCC and Leazes Homes tenants for the roll out of UC. Staff proactively contact tenants offering additional support with managing claims and reaching affordable payment arrangements. Staff also refer tenants into

other services if required. YHN continue to work closely with the Department of Work and Pensions and some YHN staff are co-located in JobCentre Plus offices

There are currently 59 Leazes Homes tenants in receipt of UC. At the end of September, 49 tenants were in arrears amounting to £34,393. The average arrears for these 49 tenants is £702. This is lower than NCC tenants claiming UC, with an average of £738.

Rent arrears for Leazes Homes tenants claiming UC have increased by £23,185 since claiming UC. However, 20 of these tenants were in already arrears before claiming UC. The benchmarking data showed average arrears per case being £772.

There are 12 tenants, owing £15,324, who have Alternative Payment Arrangements (APA) in place. This is where housing costs are paid direct to the landlord and accounts for 20% of tenants in receipt of U.C. A similar number of NCC tenants (24%), claiming UC, have an APA in place. The use of APAs varies between other organisations. One organisation only had APAs in place for 8% of claimants, whereas another had 84%.

The rent collection rate for tenants receiving UC was 85.98% during quarter two of 2017-2018, compared to 95.26% for other tenants. The collection rate for NCC tenants claiming UC is lower at 84.34%. Performance data indicates that collections rates start off lower in the initial months of the claim for UC but increase over time. It is believed that this reflects initial delays in UC payments being received, before tenants get into a more regular payment pattern. Although numbers are considerably lower, the same pattern is apparent for Leazes Homes tenants.

4.3 Under occupation and the benefit cap

YHN continue to support tenants impacted by under-occupation and the benefit cap. Where tenants are identified to be facing financial difficulty YHN can provide additional advice and support. Discretionary Housing Payments continue to be used as a means of supporting tenants to cover their rent shortfall and sustain their tenancies.

At the end of the September, there were 29 tenants whose Housing Benefit (HB) had been reduced, due to them under-occupying their homes. 22 of these tenants were in arrears at the end of the quarter. The combined benefit lost for these 22 tenants during the quarter was £5,876.

Two Leazes Homes tenants were subject to the benefit cap at the end of quarter one. Both of these tenants were in arrears at the end of quarter two with the average balance being £130.75

5. Business implications

- 5.1 Mission and strategic objectives: This report specifically deals with performance measures against all of our strategic objectives.
- 5.2 Value for money/efficiencies: Monitoring performance against targets for average re-let time and the amount of rent collected will ensure a continued focus on those areas that can have a high financial impact.
- 5.3 Resources (financial, property, technological or human): Close monitoring of re-let periods and arrears levels will ensure that any poor performance is highlighted and addressed.
- 5.4 Impact on services/performance: This is integral to each part of the report.
- 5.5 Outcomes for tenants: Monitoring YHN's performance in delivering services for Leazes Homes and taking action to improve will help to ensure increased satisfaction and better use of resources for customer priorities.

- 5.6 Risk (reputation, relationship): A failure to monitor performance could place Leazes Homes at risk of failing in any of its strategic objectives. This, in turn, risks Leazes Homes' reputation, its income stream and its ability to develop and deliver much needed affordable housing.
- 5.7 Environmental: None.
- 5.8 Legal: YHN recognises its responsibilities to deliver a high quality service as part of the housing management services contract. The contract allows Leazes Homes to terminate it if there is a genuine belief that there is a risk of reputational damage as a result of the contract continuing or if there is a substantial breach by YHN of its obligations under the contract.
- 5.9 Equality and diversity: Monitoring performance using similar performance targets will help ensure that Leazes Homes' tenants have access to the same level of service currently available to YHN tenants.
- 5.10 Stakeholder involvement/consultation: The indicators highlighted within this report have been developed by YHN following a meeting with Leazes Homes' Managing Director.

6. Recommendations

6.1 Leazes Homes' Board is asked to:

- Review and comment on the performance monitoring report for quarter two
- Approve the alteration to the overall rent arrears and arrears per property targets (set out in paragraph 1.4)

7. Implementation

7.1 **Background papers:**
None

Contact officer:

If you have any questions about this report that you would like clarifying before the meeting, you can contact Jon Mitford, Leazes Homes' Managing Director, by telephone on 0191 278 8718 or email jon.mitford@yhn.org.uk