



Board of Trustees 9 April 2018

Performance monitoring report

April 2017 – December 2017, quarter three 2017-2018 and proposed targets up to August 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.

- 1.2 This performance monitoring report covers cumulative performance for the year from April to December 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).

- 1.3 Following the extension of the contract for the provision of housing management and other services by Your Homes Newcastle, for six months, appendix one details the proposed performance targets until August 2018.

Appendix one includes the definitions for all targets and indicators, which are unchanged from 2017-2018. The target values, for the targets will be based on maintaining the year end position, with further consideration for any increase in the rent not collected due to increased number of universal credit claims during the year. It is proposed that the target values are agreed with Your Homes Newcastle in April. At this time, the final year end position will be known and the target values can be based on this performance.

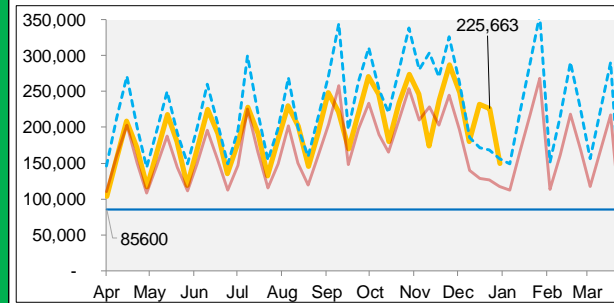
2. Performance summary report for quarter three 2017-18

Stock
694

Tenancies
661

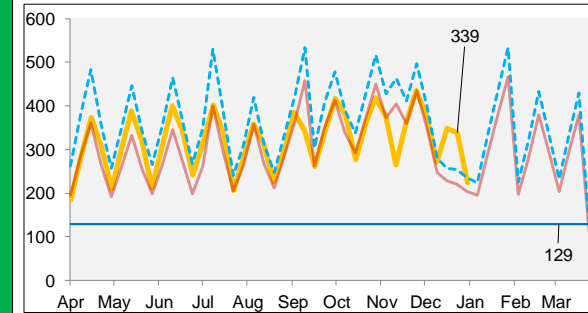
1. Rent arrears (target) - £85,600 by 31 March 2018

Arrears at end of Q3 were £226k which was above the profiled target. However, a week later arrears reduced to below the profiled target. This followed the second non-charging week and reflects the difference in the payment cycle in December this year, compared to the profile.

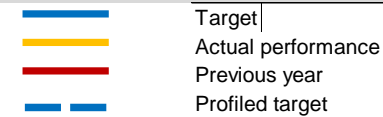


2. Average arrears per property (target) - £126 by 31 March 2018

Average arrears were £339 at the end of Q3, but reduced to £225 the following week, which is below the profiled target. This was due to a difference in the payment cycle in December this year, compared to the profile.



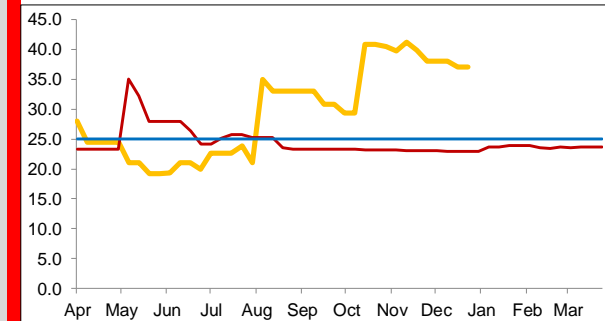
Key



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

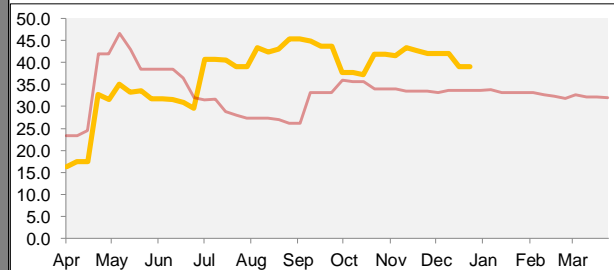
The average relet time increased during quarter three to 37 days, which is above the 25 day year end target.

The relet time increased due to reletting one property at Jubilee Court. Additional detail is provided in section three.



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

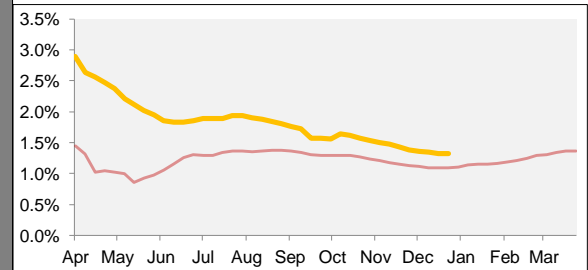
The relet time for all standard voids fell to 39 days during quarter three.



5. Void rent loss (indicator)

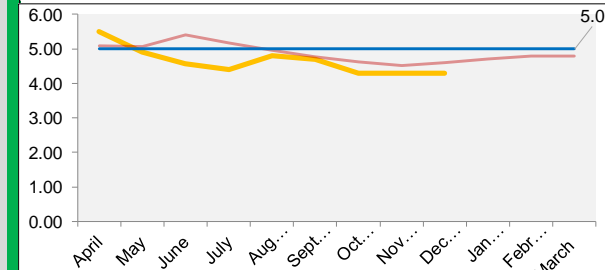
Void rent loss continued to fall over the period to 1.32%, following allocation of longer term voids earlier in the year.

Including rent loss before the first allocation of a new build property, the figure rises to 9.8% for all stock. The schemes with the highest VRL, before the first allocation, are Dewley House (£173k) and Holmes Close (£105k).

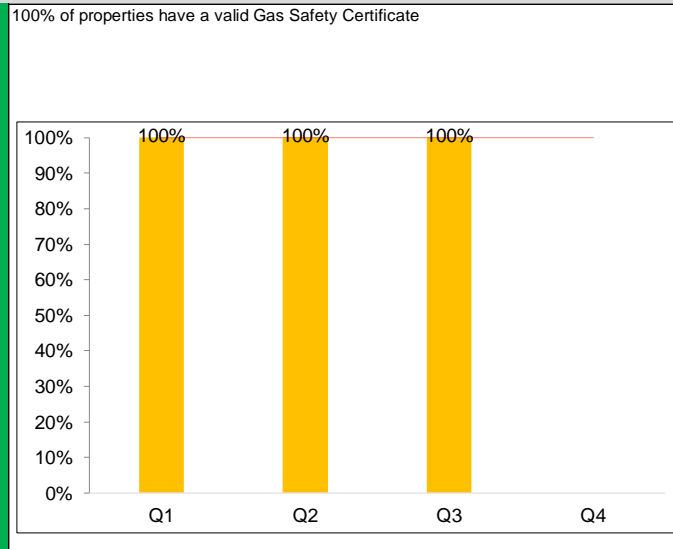


6. Average time taken to complete repairs (target) - 5 days by 31 March 2018

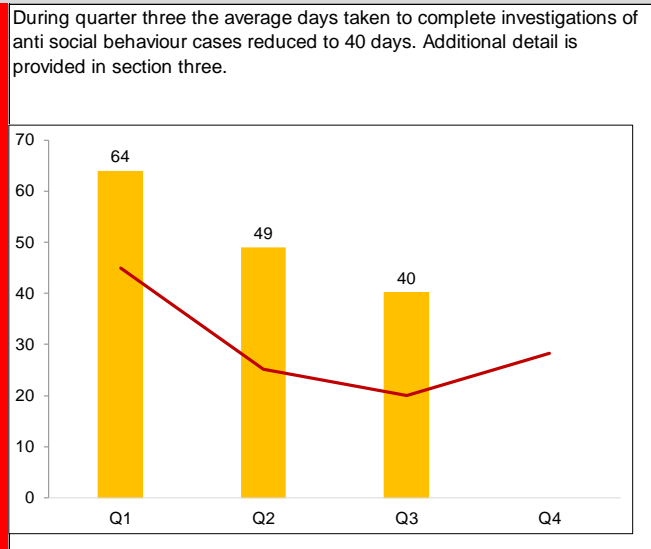
Average time to complete repairs reduced to 4.3 days.



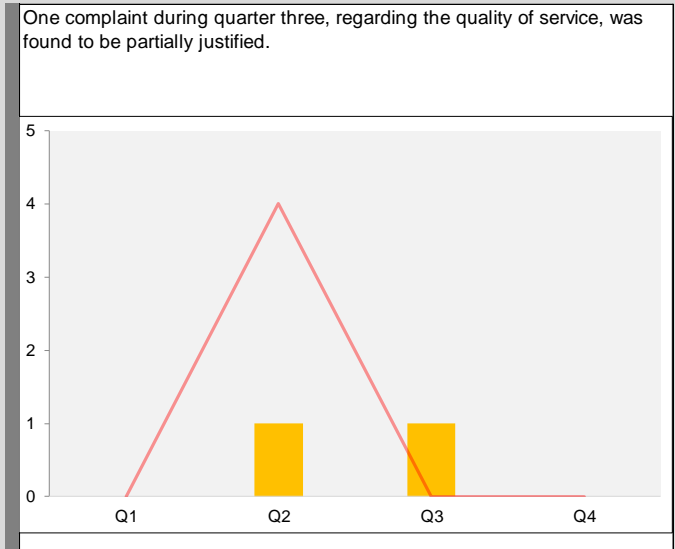
7. Gas safety (target)



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

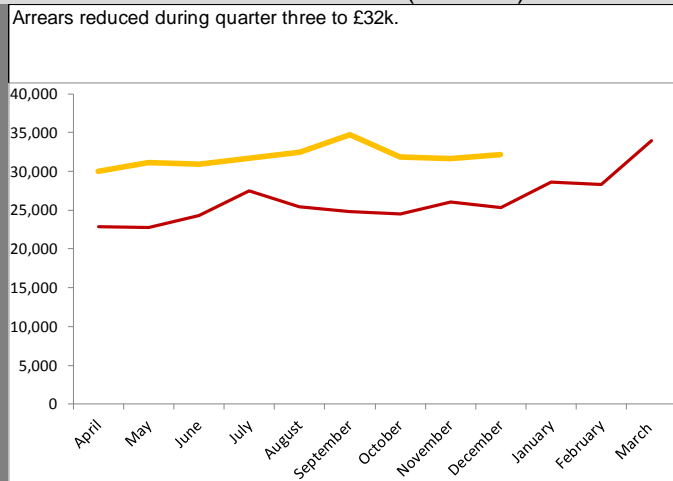


9. Complaints (indicator)

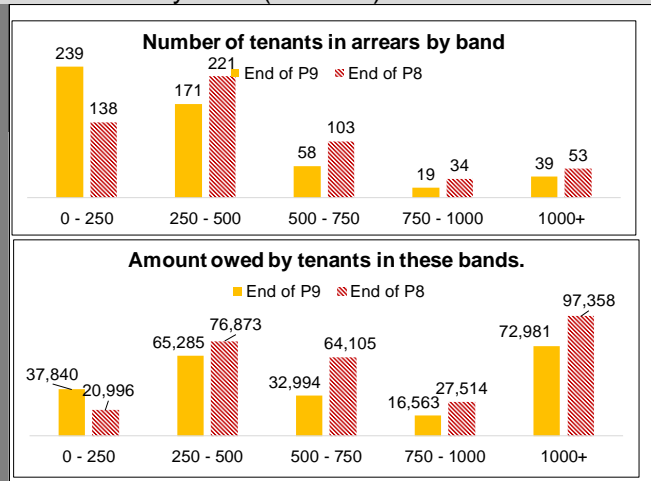


Additional Indicators

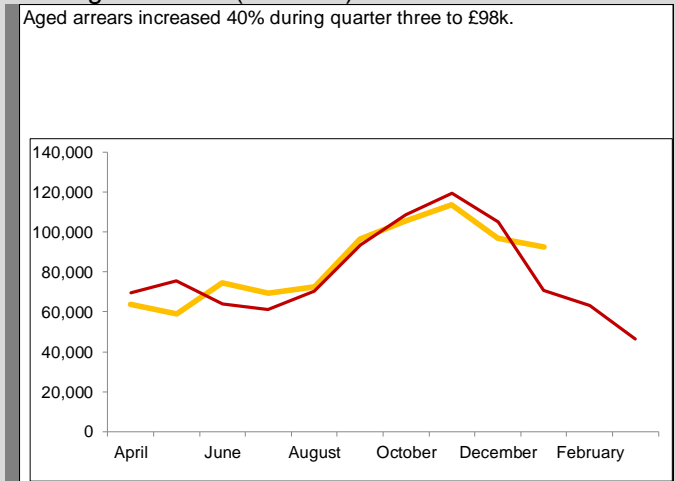
1a. Former tenants' rent arrears (indicator)



1b. Arrears by band (indicator)

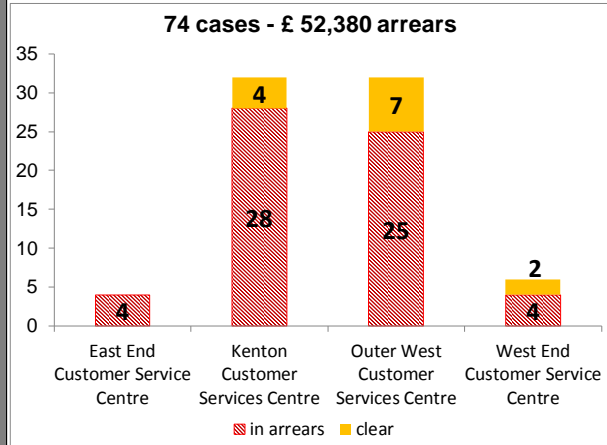


1c. Aged arrears (indicator)



1e. Universal Credit (indicator)

The number of tenants claiming UC increased to 74. The average arrears for tenants claiming UC, is £708, compared to £339 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	2	2	2	1	4	13
4-6 months	3		7	3	1	4	18
7-9 months	3	5	3	5	1	1	18
10-12 months	1	1	3		1	5	11
1 year +	4	3	1	1	1	4	14
Total	13	11	16	11	5	18	74

3. Supplementary performance information

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

Overall void relet time (tile 4) reduced by five days (11%) to 39.0 days, during quarter three.

The standard void relet time (tile 3) has increased by 20% to 37.0 days, which is attributed to allocating one void property in Jubilee Court, which was empty for 224 days. Board is aware of difficulties in allocating properties at Jubilee Court from previous Board reports. This is the last of the long term voids at this scheme meaning Jubilee Court is now fully occupied.

The allocations at Jubilee Court have skewed the average relet time figures for this year. If these allocations were removed from the performance measure, then relet time would have been 19.7 days. By comparison, performance on this basis last year would have been 25 days.

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 three there were only five voids, across all Leazes Homes stock. At the time of writing this report, 4 of these voids were newly void (under 28 days) and one was a long term void.

Due to the low level of void properties and turnover, reducing the void relet time to target (tile 3) is unlikely to be achieved by year end.

Rent loss for all stock, including the time between the developer handing the scheme over to YHN and a new tenant moving in, is 9.8%. Ten flats remain vacant at Dewley House. Leazes Homes received £32k up to the end of quarter three, from Newcastle City Council, to compensate for rent loss at newly developed schemes.

3.2 Anti-social behaviour (tile 8)

There were six ASB cases in quarter three, with all six closed by the end of the quarter. The average days to resolve these cases was 13 days. The year to date average days to close a case of Anti-Social Behaviour now stands at 40.27 days.

Although the days to resolve target has been met for quarter three due to the low number of cases anticipated during the rest of the year, the annual target is unlikely to be achieved. However, as reported to Board in quarter one, there were two ASB cases which took much longer to close, owing to their complexity. If these were excluded from the calculation, performance would have been 26.3 days at quarter three, which is within the 30 day target.

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.

4.2 Universal Credit

At the end of quarter three, 74 Leazes Homes tenants were in receipt of Universal Credit (UC). 61 tenants were in arrears amounting to £52,380. The average arrears for these 61 tenants is £707.

Rent arrears from these tenants increased by £30,035 since claiming UC. However, 41 of these tenants were already in arrears before claiming Universal Credit.

13 tenants, owing £17,279, have Alternative Payment Arrangements in place, where housing costs are paid direct to the landlord.

The rent collection rate for tenants receiving UC was 92.65% up to the end of quarter three 2017-2018, compared to 98.50% for all tenants.

An update, including more detail on progress of Universal Credit, is provided to Board in a separate report.

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 quarter three there were 26 tenants whose Housing Benefit (HB) had been reduced, due to them under-occupying their homes. 23 of these tenants were in arrears at the end of the quarter. The combined benefit lost for these 26 tenants during the quarter was £5,221.

Two Leazes Homes tenants were subject to the benefit cap at the end of quarter three. One tenant was in arrears at the end of quarter three and one tenant was in credit.

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 three
- Agree the proposed target definitions for YHN
- Delegate authority to the Managing Director to agree target values with YHN.

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

Appendix 1 - The table below sets out the definitions for the proposed key performance indicators for YHN during April 2018-August 2018.

The table below sets out the proposed key performance indicators for YHN during April 2018-August 2018 (column highlighted in pink). The proposed targets include six targets and three indicators.

It is proposed that the target values are agreed with Your Homes Newcastle in April. At this time, the final year end position will be known and the target values can be based on this performance. The below table therefore indicates that these figures are to be confirmed (TBC).

Target number	2017-18 target	Proposed target description	HouseMark indicator Y/N	Comments
1.	The average number of days taken to re-let void properties (including supported housing schemes).	The average number of days taken to re-let void properties (including supported housing schemes).	Yes	<ul style="list-style-type: none"> Reported as an indicator This is the same indicator as 2017-18 This is a HouseMark indicator for benchmarking The indicator, in line with the HouseMark definition, will exclude major repair periods. We will continue to provide Board with data for all voids. The indicator includes allocations in supported housing schemes where the relet time can be delayed while a suitable applicant is identified.
2.	The average number of days taken to re-let void properties (excluding supported housing schemes) not to exceed 25 days during 2017-18	The average number of days taken to re-let void properties (excluding supported housing schemes) not to exceed (tbc) days.	No	<ul style="list-style-type: none"> This is the same target as 2017-18, Voids in supported housing schemes, allocated by a panel, where the relet time can be delayed while a suitable applicant is identified, are excluded. This separation allows Board to see the performance of YHN in management of standard voids. Given that the number of allocations is quite low, the effect of an allocation that takes a long time is substantial. The target, in line with the HouseMark definition, will exclude major repair periods. Value will be based on year end performance

3.	The average number of days taken to complete repairs not to exceed 5 days during 2017-18	The average number of days taken to complete repairs not to exceed (tbc) days.	Yes	<ul style="list-style-type: none"> This is a HouseMark indicator for benchmarking Value will be based on year end performance
4.	£80,600 target for rent and service charge arrears on current tenancies	£tbc target for rent and service charge arrears on current tenancies	Yes	<ul style="list-style-type: none"> This is a HouseMark indicator for benchmarking Value will be based on year end performance Value will also take account of any new build schemes which will be allocated before August. Delays receiving Housing Benefit for such schemes inflate rent arrears, albeit on a temporary basis
5.	Average level of arrears per property to be below £129 at the end of the 2017-18 financial year	Average level of arrears per property to be below £tbc at the end of August 2018	No	<ul style="list-style-type: none"> This is the same definition for the target as 2017-18. Value will be based on year end performance Value will also take account of any new build schemes which will be allocated before August. Delays receiving Housing Benefit for such schemes inflate rent arrears, albeit on a temporary basis
6.	The average number of days taken to complete investigations of anti-social behaviour cases not to exceed 30 days by 31/03/2018.	The average number of days taken to complete investigations of anti-social behaviour cases not to exceed (tbc) days by at the end of August 2018	No	<ul style="list-style-type: none"> This target will monitor how well YHN is managing ASB cases. Value will be based on year end performance
7.	100% of properties have a valid Gas Safety Certificate at 31/03/2018.	100% of properties have a valid Gas Safety Certificate at the end of August 2018	Yes	<ul style="list-style-type: none"> This is the same target from 2017-18

8.	Void rent loss due to empty properties	Void rent loss due to empty properties	Yes	<ul style="list-style-type: none"> • This is reported as an indicator • This is the same indicator from 2017-18 • This indicator will report on both rent loss due to period to relet properties and the rent loss from the period from 'ready to let' to first allocation for new properties
9.	Complaints received	Complaints received	No	<ul style="list-style-type: none"> • This is reported as an indicator • This is the same indicator from 2017-18