



Board of Trustees 4 June 2018

Performance monitoring report

April 2017 – March 2018, quarter four 2017-2018 and 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.

- 1.3 This performance monitoring report covers cumulative performance for the year from April 2017 to March 2018 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).

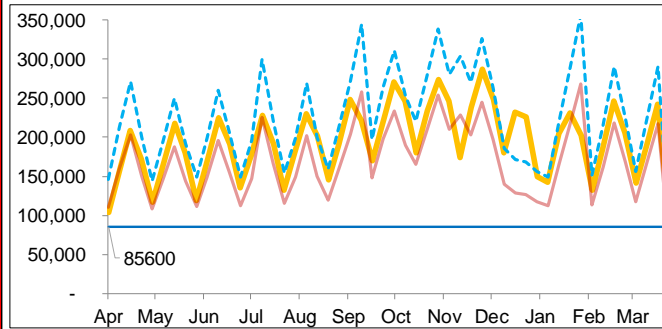
- 1.4 Following the extension of the contract for the provision of housing management and other services by Your Homes Newcastle, for six months, appendix one details the performance targets until August 2018.

Appendix one includes the definitions for all targets and indicators, and values agreed with Your Homes Newcastle, based on the year end position.

2. Performance summary report for quarter four 2017-18

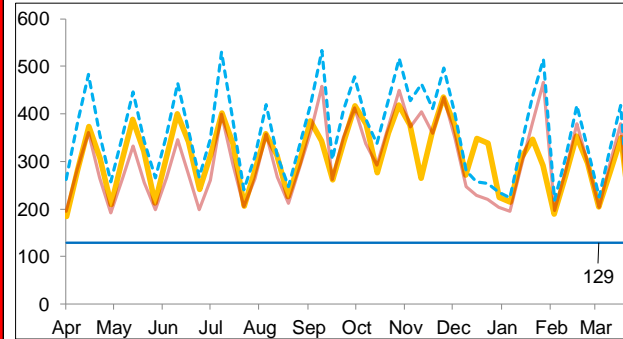
1. Rent arrears (target) - £85,600 by 31 March 2018

Arrears reduced to £105k at the end of P12, above the year end target of £85,600. Arrears reduced by 53% (£121k) over quarter four. This reduction was £19k short of the reduction required to achieve the year end target. Additional detail is provided in section three of this report.



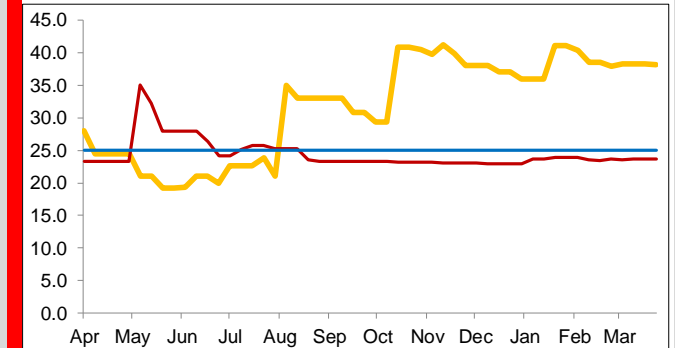
2. Average arrears per property (target) - £126 by 31 March 2018

Average arrears reduced to £151 at the end of quarter four, higher than the year end target. Additional detail is provided in section three of this report.



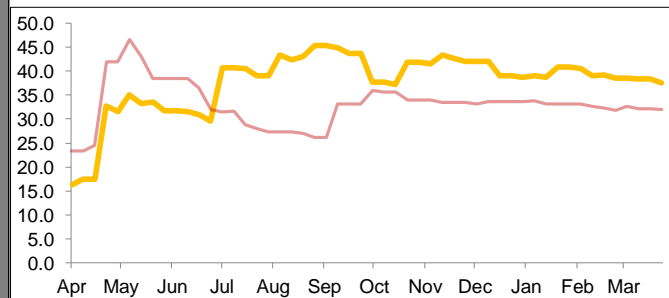
3. Average re-let period, excluding supported (target) - 25 days by year end

The average relet time increased to 38 days at the end of quarter four, above the year end target. Additional detail is provided in section three of this report.



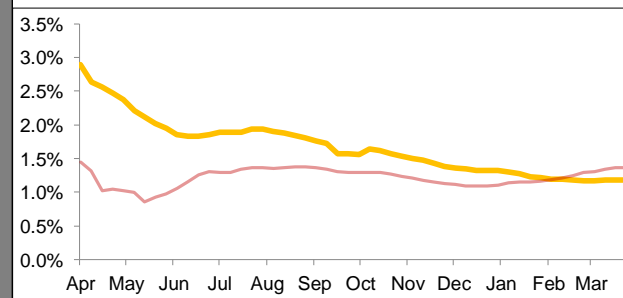
4. Average re-let period, including supported (indicator)

The relet time for all standard voids reduced to 38 days at the end of quarter four. Additional detail is provided in section three of this report.



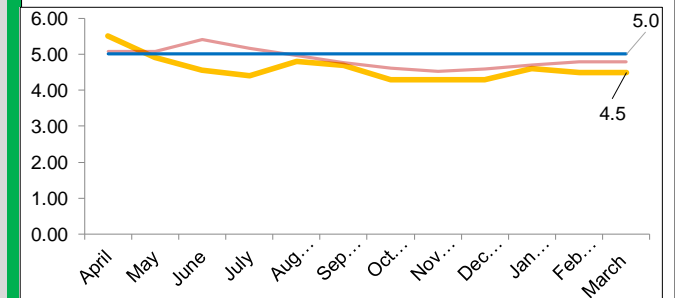
5. Void rent loss (indicator)

Void rent loss continued to reduce to 1.18% at the end of quarter four. Additional detail is provided in section three of this report.



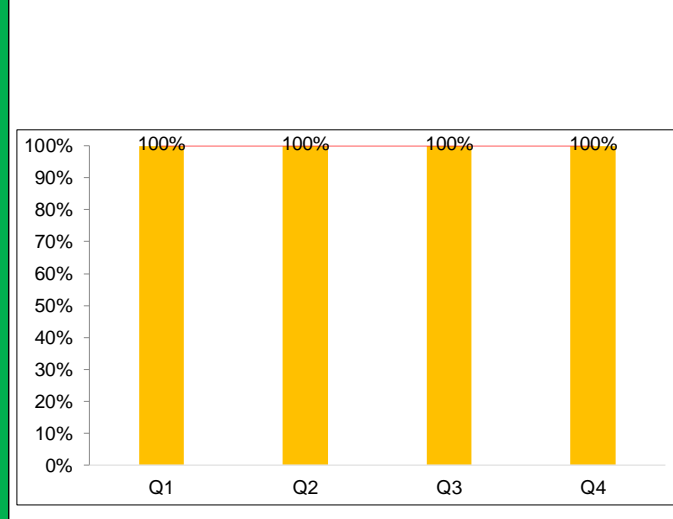
6. Average time taken to complete repairs (target) - 5 days by 31 March 2018

Average time to complete repairs reduced to 4.5 days achieving the year end target.



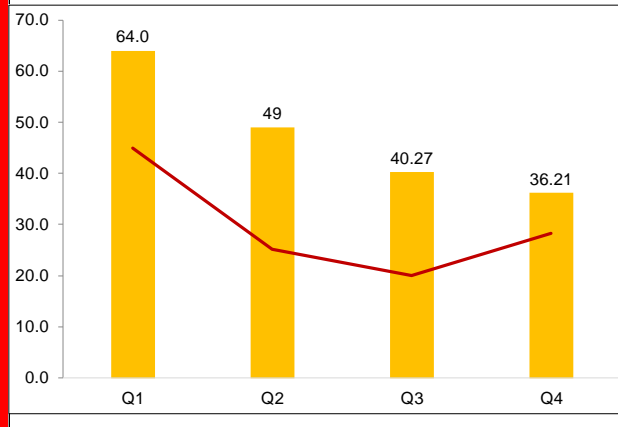
7. Gas safety (target)

100% of properties have a valid Gas Safety Certificate, achieving the target.



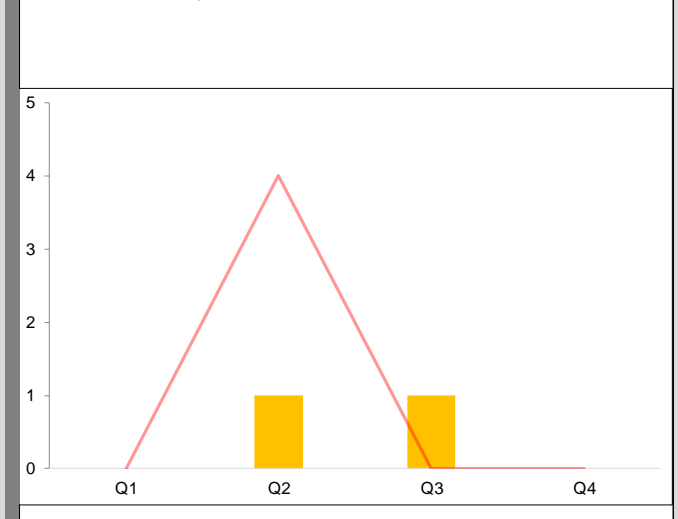
8. Anti-social behaviour (target) - 30 days by 31 March 2018

At the end of quarter four the average number of days taken to complete investigations of anti social behaviour reduced to 36.21 days. Additional detail is provided in section three of this report.



9. Complaints (indicator)

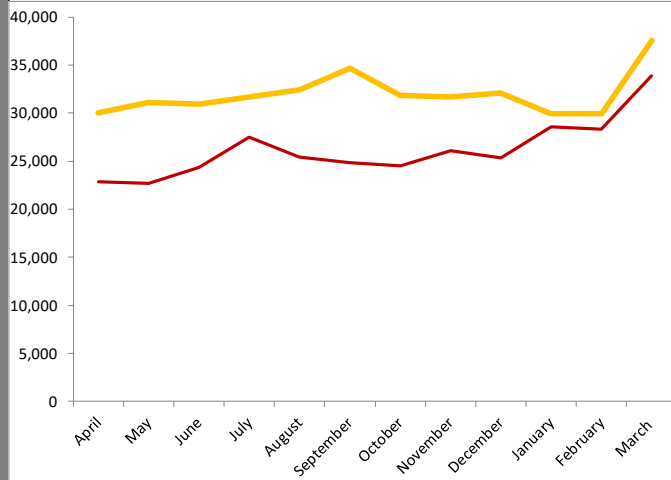
No complaints during quarter four.



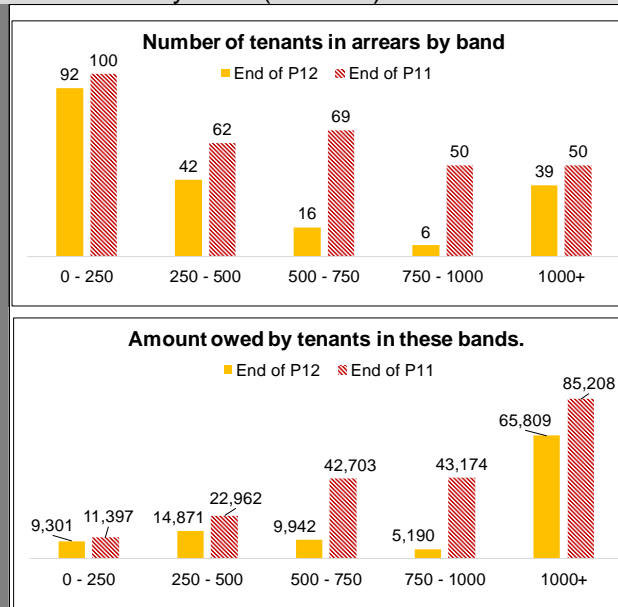
Additional Indicators

1a. Former tenants' rent arrears (indicator)

Arrears increased during quarter four to £38k. Four tenancies, owing more than £1,000 ended during March resulting in a 26% increase during the final month of the year.

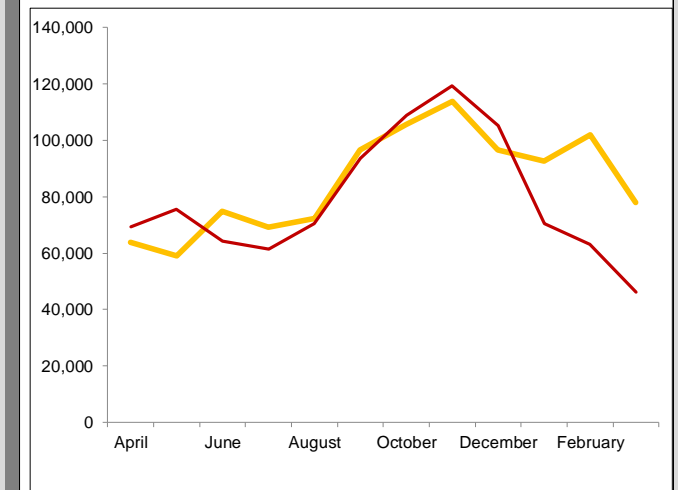


1b. Arrears by band (indicator)



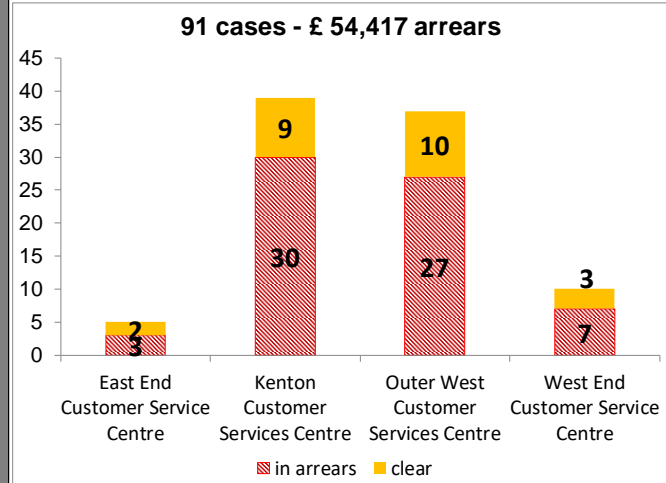
1c. Aged arrears (indicator)

Aged arrears reduced during quarter four, 61 tenants owe more than four weeks rent.



1e. Universal Credit (indicator)

12 additional tenants claimed UC during quarter four, 91 current tenants in total. The average arrears for tenants claiming UC reduced 16%, to £598 (from £708 at the end of quarter three), compared to £151 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	4	1	4	2	1	1	13
4-6 months	2	5	2	1		9	19
7-9 months	4	6	3		1	4	18
10-12 months	6	6	1	3		2	18
1 year +	8	4	2	1		8	23
Total	24	22	12	7	2	24	91

3. Supplementary performance information

3.1 Rent arrears and average rent arrears (Tiles 1 & 2)

Arrears reduced to £105k at the end of quarter four, above the year end target of £85,600. Arrears reduced by 53% (£121k) over quarter four. This was £19k short of the reduction required to achieve the year end target. The majority of this £19K is attributed to tenants claiming UC. There was a higher number of tenants (91) claiming UC by the end of the year than originally forecast. We had originally forecast 59 tenants onto Universal Credit for Leazes Homes. The increase of arrears above target is directly linked to the increase in anticipated UC cases as highlighted in the table below.

The average rent arrears per property is £151 at the end of quarter four, which is above the £126 target. The table below shows the average rent arrears for tenants claiming UC in comparison to other tenants.

	Number of properties	Total arrears	Average arrears per property
Universal credit (general needs)	91	54,417	£ 598
Other (general needs)	301	24,539	£ 82
Sheltered service	302	26,155	£ 87
Total	694	105,112	£ 151

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

Overall void relet time (tile 4) reduced by one day to 38.0 days, during quarter four. The standard void relet time (tile 3) was 38 days at the end of quarter four.

Board is aware of difficulties, earlier in the year, in allocating properties at Jubilee Court. 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 26.8 days, against a target of 25 days.

The allocation of the Jubilee Court voids and low void numbers has meant a positive impact on overall void loss which has reduced during the year (tile 5).

Rent loss for all stock, including the time between the developer handing the scheme over to YHN and a new tenant moving in, is 8.8%. The schemes with the highest void rent loss, before the first allocation, are Dewley House (47.9%) and Holmes Close (77.3%). Sixteen properties at Holmes Close remained vacant at the end of quarter four.

3.3 Anti-social behaviour (tile 8)

Four ASB cases were resolved during quarter four. The average number of days to resolve cases in quarter four was 21 days. The year to date average to close a case of Anti-Social Behaviour is 36 days.

Although the average days to close target has been met during the last six months of the year (16 days to resolve seven cases), the year to date average at the end of quarter four is above target. This is due to a relatively low number of Leazes Homes Anti-Social Behaviour cases and three particularly complex cases in quarter one which took a longer to investigate and successfully conclude. Excluding these three cases brings the average down to 25 days.

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 four, 91 Leazes Homes tenants were in receipt of Universal Credit (UC), of which 67 tenants were in arrears amounting to £54,417. The average arrears for the 91 tenants claiming UC is £598.

Rent arrears from these tenants increased by £29,456 since claiming UC. However, 48 of these tenants were already in arrears before claiming Universal Credit.

17 tenants, owing £23,119, have Alternative Payment Arrangements in place, where housing costs are paid direct to the landlord.

The rent collection rate for tenants receiving UC was 93.16% at the end of quarter four 2017-2018, compared to 99.74% for all Leazes tenants. This has had an impact on the overall rent arrears levels for Leazes Homes.

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 as 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 four there were 25 tenants whose Housing Benefit (HB) had been reduced, due to under-occupation. All of these tenants were in arrears at the end of the quarter. The combined benefit lost for these 25 tenants during the quarter was £4,610.

One Leazes Homes tenant was subject to the benefit cap at the end of quarter four. This 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 four

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 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.

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 25 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 5 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	£144,207 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 £359 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 30 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
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