

EAST KENT HOUSING PERFORMANCE Q1 2016/17

Corporate Performance Review Working Party	23 August 2016
Report Author	Deborah Upton, Chief Executive, East Kent Housing
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	All Wards

Executive Summary:

The following report sets out EKH performance for Thanet District Council for the first quarter of the year 2016-17. A detailed report by performance indicator is appended.

The report shows good overall performance (top or 2nd benchmarking quartile) with the exception being average re-let times for properties with major works, which stands at 31.96 days (target 23.5 days). Areas of particular concern, as well as Thanet's targets, are explained in more detail in the report.

Recommendation(s):

To note the contents of the report.

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	✓
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	

1.0 Introduction and Background

- 1.1 East Kent Housing (EKH) was set up as in April 2011 by the four Councils, as an arms length management company. It remains the only such arrangement in the country. East Kent Housing is run by a Board, which is made up by a nominated Councillor from each District, a tenant represented from each area (selected by the local representative body) and four Independent members.
- 1.2 EKH is currently going through a period of change. A new Chief Executive has been in place since April 2016, and the current Chair is retiring at the end of this year, and we are currently advertising for a replacement.
- 1.3 Since April 2016 we have completed a restructure of our management team, which will see us having dedicated directors for customer services and property services. A copy of this structure is attached as appendix one. This structure will result in overall savings, and will allow us to focus on areas of improvement, such as asset

management, and give support to our work on transforming services to our customers.

2.0 Performance

2.1 A detailed quarterly performance report is provided to each Council and reported to both our Area Boards and the main EKH Board at each meeting, as well as a sub-committee (Service improvement sub-committee).

2.2 The 2015/16 year end performance report is appended, along with the quarter one report for the current year. The performance targets are agreed with each of the four councils each year in line with the requirements of our Management Agreement. This year's agreed targets for Thanet District Council can be seen in the quarter one performance report at appendix two, and key areas are set out in more detail below. The targets agreed cover the following areas:-

- Voids and re-lets
- Repairs and Maintenance
- Income and Arrears
- Customer Satisfaction and Complaints
- Capital programme spend

2.3 EKH is generally a well performing ALMO; placed in the top or second benchmarking quartile when compared to similar organisations across the country, with a particular strength in collection of rent arrears. Challenging targets were set at the start of the 2016-17 year and current performance is, for the most part, within target other than the areas highlighted below.

3.0 Income collection

3.1 Income collection remains strong, and the total rent arrears owed to Thanet District Council has shown a marked improvement (i.e. rent arrears have reduced) year on year over the period 2011-2016. EKH has a team of staff dedicated to income collection, as well as ensuring that residents get welfare benefit advice and appropriate referrals. Year on year performance for current rent arrears is set out below:-

Year	Total rent arrears
April 2011	£262,564
April 2014	£211,478
April 2015	£205,028
April 2016	£194,994

4.0 Void Performance

4.1 Performance on voids is performing well within target at 12.79 days, against a target of 15 days. However for those voids which require major works, then performance is outside target at 31.96 days against a target of 23.5 days.

4.2 In respect of the major works voids, this is partly explained by asbestos insulation board being identified in the tower blocks at Trove Court & Kennedy House, which have a higher level of turnover than some of the other properties. The presence of the

insulation board means more works are being classified as “major works”, and it also means a 14-day notification period before work can begin.

- 4.3 We are looking at what action we can take in respect of this to reduce timescales prior to starting works.

5.0 Customer Satisfaction & Complaints

- 5.1 As usual, customer satisfaction remains high at 99.69% against a target of 98%. However over the course of this year we want to look at alternative ways of collecting customer satisfaction to ensure that it is meaningful and that we are getting an accurate understanding of the services provided by third parties, as well as EKH.

- 5.2 As can be seen from the 2015/16 figures, there were substantial delays in answering customer complaints last year. These have now been resolved and we now well within target, with complaints being answered in 6.47 days against a target of ten days.

6.0 Capital Programme

- 6.1 As members will be aware from the report they received in September 2015, this continues to be the most challenging area of performance for EKH. There is now an agreed procurement plan in place for contracts which will cover all necessary areas, and this needs to be worked through. We are working with Savills to get specifications agreed, as this was a particular area of weakness.

- 6.2 A restructure of the asset management team has been completed, and this has meant clearer ownership of areas of spend at senior levels. A copy of this structure chart is attached for information at appendix three.

- 6.3 We are currently having a review of our asset management function undertaken by HQN, a leading provider of consultancy in this area, and they are due to report on this in September. We will be ensuring that our new managers take forward all recommendations, and a project board will be set up to monitor this.

- 6.4 The capital programme spend is currently behind target in Thanet, although it does of course fluctuate depending on what time of the year works are programmed for. We are currently looking at the budget to see whether there will be any areas which are programmed where we will not achieve delivery in this financial year.

7.0 Other areas to highlight

- 7.1 Heating repairs continue to be a problem in Thanet with poor performance by our contractor. At the end of Q1, less than 70% of emergency heating repairs were completed on time although 100% of appointments were kept. Performance at Thanet is significantly worse than the three other areas, and we are working with the contractor to understand the reasons and put in place an improvement plan.

- 7.2 We monitor gas servicing on a weekly basis and as at 8 August there were no outstanding gas servicing cases i.e. performance was at 100%.

8.0 Conclusion

- 8.1 Most areas of our performance are strong, but improving asset management is a priority for EKH, for both the board and the management team. A new structure and

the review mentioned above will give us the framework to take our improvements forward, and we will be vigilant at monitoring our progress.

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Reporting to:	The Board of East Kent Housing

Annex List

Annex 1	Management Team structure
Annex 2	Performance Report Q1
Annex 3	Property Services structure

Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	N/A
Legal	N/A