

## EAST KENT HOUSING PERFORMANCE Q4 (Year-end)

Corporate Performance

Review Working Party      **27 June 2017**

Report Author:                      **Deborah Upton, Chief Executive (EK Housing)**

Status:                                      **For Information**

Classification:                      **Unrestricted**

Key Decision:                      **No**

Ward:                                      **All Wards**

### Executive Summary:

The following report sets out East Kent Housing (EKH) performance for the fourth quarter of the year 2016-17. The following report contains an executive summary to accompany a detailed report by performance indicator.

Out of a total of 17 targeted KPIs, 9 were in target at the end of quarter. Overall, performance this quarter has:

- improved in 9 indicators
- dropped in 7 indicators
- stayed the same in 1 indicator

### Key points:

- Residential and garage arrears performance was strong despite increased pressures of Welfare Reform and Universal Credit, with all targets being met
- Average void times, excluding major works, continue to exceed target
- Average void times, including major works missed the overall target
- Responsive repairs (Mears) continues to perform well, with all indicators in target
- Heating and hot water repairs (Swale Heating) were outside target for completing repairs on time, but has shown significant improvement since the beginning of the year. *From April 2017 we will be measuring performance of our new contractor, P&R.*
- The percentage of capital spend is close to target at 97.35%
- Complaints performance has improved, but missed targets

*This report is for information and discussion*

### Recommendation(s):

To note the contents of the report.

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

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	x
Supporting the Workforce	
Promoting open communications	

## **1. Introduction and Background**

- 1.1 This reports sets out performance for the Q4 (year-end) period in respect of EKH and the provision of services to Thanet District Council.
- 1.2 Challenging targets were set at the start of the 2016-17 year and particular areas of importance in relation to our performance are set out below for information.

## **2. Income collection**

- 2.1 Performance on income collection has improved this quarter with current tenant arrears, former tenant arrears and garage arrears all lower than Q3, ending the year in target. At 1.45% of the annual rental income, performance on current tenant arrears places EKH Thanet in the upper median quartile of its benchmarking peer group for this indicator (EKH target 1.5%).
- 2.2 EKH manages a dedicated Income Recovery team; the centralisation and focus of which has led to significant improvements in performance across all districts since EKH's inception in 2011. The total rent arrears owed to Thanet District Council has shown a marked improvement (i.e. rent arrears have reduced) over that period. This improvement comes despite the introduction of welfare benefit changes. The challenge for 2017-18 will be to maintain this level of performance in light of increasing external pressures.
- 2.3 In Quarter 3 we reported that rent collection had been affected by delays in making Court applications on arrears cases. This is a service provided by the TDC legal team and we estimated the financial impact of this delay to have cost approximately £11,000 across the 27 affected cases. These figures were inaccurate and overstated. The number of cases affected was 19 and the financial impact around £3,000. We apologise for this error and for not having validated the information before it was published.

## **3. Void Performance**

- 3.1 Performance on voids excluding major works has exceeded target at 11.65 days for the quarter, resulting in an average of 11.59 days for the year (target 15). For major works voids, performance has improved this quarter from 22.69 days (at Q3) to 17.51 days (at Q4). Despite this improvement we close the year slightly outside target at 23.85 days (target 23.5).
- 3.2 Of the 233 properties that were re-let in 2016-17, 217 became void. 158 of these voids required an asbestos survey (72.8%) and 122 of these required asbestos removal and/or encapsulation work (56.2%). The nature of the asbestos removal work requires a statutory two-week notice period which, for 2016-17 equates to 1,708 days for the 122 properties that needed work.
- 3.3 The average re-let time for all voids forms part of the Council's corporate priorities and, although ending the year outside target, we have seen consistent improvement against previous quarters. In real terms we are returning properties in a lettable state quicker whilst undertaking important major works. Overall void performance places EKH in the top quartile of its benchmarking peer group and is a reflection of the work that has been undertaken in this area.

#### **4. Repairs and Maintenance**

- 4.1 Performance on responsive repairs ends the year very strong with 99.42% of emergency repairs completed on time and 100% of routine repairs completed on time. 96.22% of repair appointments were kept during the year and all responsive repair indicators are in target.
- 4.2 Performance on heating & hot water repairs has improved significantly since the beginning of the year (1 April 2016), when poor performance led to remedial action being taken to address problems with Swale Heating. Year-end performance is outside target for emergency heating repairs at 95.72% (target 98%) and routine heating repairs at 97.13% (target 98%).
- 4.3 Throughout the year we worked with Swale Heating to improve performance and implement an improvement plan covering the period through to the natural end of the contract on 31 March 2017. From April 2017 the new heating and hot water contractor is P&R.
- 4.4 We also monitor gas servicing on a daily basis (Number of properties without a valid Landlords Gas Safety Record) and as at the end of Quarter 4 there was one property without a valid LGSR because of access issues. A gas safety inspection was booked and carried out on 4 April 2017.

#### **5. Customer Satisfaction & Complaints**

- 5.1 Customer satisfaction for day-to-day responsive repairs remains very high, achieving 99.15% for the year (target 98%). Satisfaction with heating and hot water repairs dipped in Q4, causing the year-end figure to miss the target at 96.66% (target 98%).
- 5.2 Complaints performance has improved in Q4 although both indicators are still outside target. The average number of days to close complaints for the year is 10.83 days (target is 10) and the percentage of complaints closed on time for the year is 77.5% (target 90%).
- 5.3 In 2016-17 a review of the complaints process was undertaken, which included a review of resources and responsibilities as well as having input from a resident scrutiny panel. During the process of this review (and in light of poor performance) measures were put in place to monitor complaints more effectively. It is anticipated we will see the benefits of the new measures with improved performance by the first quarter of 2017/18.

#### **6. Capital Programme**

- 6.1 Spending on our capital programme has been a challenging area of performance in 2016-17. At 97.35%, our spending at year-end is close to target and with the support of the Thanet District Council Client Officer and Finance Team has improved upon our predicted level of underspend (reported at Q3).
- 6.2 Following Quarter 3 budget monitoring discussions a revised budget proposal of £2.78m was proposed. This took account of works that were no longer required and large scale projects that needed additional pre-works planning. The revised budget requirement also took into account a provision of £991k that was to be carried over to the 2017/18 financial year. This adjustment has taken place as part of the financial year-end process and has resulted in an out-turn position of £2.7m for the 2016/17 financial year.
- 6.3 The Original Capital Budget for 2016/17 was £3.785m and additionally there was a further £420k of carry forward items from 2015/16, totalling £4.203m. As reported above the outturn position was £2.701m, resulting in an underspend of £1.504m

against the original budget (including carry forwards). This underspend was as the result of investments allowed for but not required of £270k for kitchens and £230k for tower block individual property metering. Additionally the following budgets were deferred to 2017/18 due to project planning and procurement delays:

- Fire precautions	£155k
- Lift refurbishment	£260k
- Royal Crescent refurbishment	£388k
- Balcony repairs	£188k

## Background Papers

Title	Details of where to access copy
None	N/A

## Client Officer Comments

East Kent Housing is thanked for its work on preparing this report and for presenting the information in an accessible format.

Financial pressures on the HRA mean that void and rent collection performance remains a key priority. The additional time requirements of managing complex universal credit and benefit cap cases is an increasing factor in the future, particularly with further universal credit role out in the district this summer. The focus adopted by EKH has helped to ensure that performance for rent arrears has remained within target for the year. Void performance for the year has been close to target and recent improvements noted. Further improvements in void performance should be a priority for the coming year.

The headline performance on the delivery of the capital programme, when compared to the revised budget, is close to target, however this was after a number of projects were deferred into 2017/18 by agreement. Procurement and contract management activity does still need improvement and East Kent Housing are working with the partner councils to address these concerns. It is essential that deferred projects are progressed promptly. The completion of a stock condition survey earlier this year will enable a new asset management strategy and capital programme priorities to be set for the future and the delivery of these agreed programmes will be a critical part of service delivery for East Kent Housing.

The review of complaints procedures is welcomed and should lead to needed improvements in response times.

## Corporate Consultation

<b>Finance</b>	N/A
<b>Legal</b>	N/A