

East Kent Housing Performance Report - 2019/20 Quarter 1

Cabinet	17 October 2019
Report Author	Bob Porter, Head of Housing and Planning
Portfolio Holder	Cllr Lesley Game, Cabinet Member for Housing and Safer Neighbourhoods
Status	For Information
Classification:	Unrestricted
Key Decision	No

Executive Summary:

This report provides members of the Cabinet with an update on the performance of East Kent Housing (EKH) during the first quarter of 2019/20.

The report includes information relating to 3 areas of EKH's performance. These are:

- Performance against key indicators for the period from 1 April 2019 to 30 June 2019.
- Progress against the key outcomes identified within the approved EKH Improvement Plan.
- A current update in relation to EKH's management of tenant and leaseholder Health and Safety

Recommendation(s):

Cabinet is asked to:

1. Consider and note the contents of the report provided by EKH, attached at annex 1.

CORPORATE IMPLICATIONS

Financial and Value for Money	Although the performance of EKH has a direct impact on both finance and value for money, this report does not result in any specific financial implications.
Legal	There are no direct legal implications arising from this report.
Corporate	This is the monitoring report against the Corporate Priorities as agreed at Council on 15 October 2015 and details the performance against the targets set. It provides an update on the progress achieved by East Kent Housing against the outcomes and Key Performance indicators set out in the approved EKH Improvement Plan, agreed by Cabinet on 15 January 2019. It further provides information to members on the progress made by EKH in providing assurance about tenant and leaseholder health and safety, following the Monitoring Officer's report to Cabinet on 25 July 2019.
Equalities Act 2010 & Public Sector Equality	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the

Duty	Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.	
	Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.	
	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	X
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	
Foster good relations between people who share a protected characteristic and people who do not share it.		
There are not considered to be any adverse impacts for people with protected characteristics directly arising from this report. However EKH provide services to tenants and leaseholders with a range of protected characteristics and vulnerabilities		

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

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

1.0 Introduction and Background

- 1.1 East Kent Housing (EKH) are an Arms Length Housing Management organisation (ALMO) jointly owned by four East Kent councils of Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council. They were established on 1 April 2011 to provide housing management and maintenance services to tenants and leaseholders of the four councils. 15 January 2019.
- 1.2 EKH are directly managed by an Independent Board and provide services to the four councils under the terms of four respective management agreements. EKH provide regular quarterly reports on their performance against a range of key indicators to each of the four councils. The EKH performance report for the first quarter (1 April 2019 to 30 June 2019) is attached at annex 1.
- 1.3 The EKH Performance Report provides an update for the council about EKH's activities across 3 key areas. These are:
 - Performance against agreed Key Performance Indicators.
 - Progress against the outcomes and performance indicators set out in the EKH Improvement Plan, agreed at Cabinet on 15 January 2019.
 - Actions in relation to tenant and leaseholder health and safety, following the Monitoring Officer's report to Cabinet in relation to gas safety certificates on 25 July 2019.

1.4 Members of Cabinet are invited to scrutinise the performance report provided by EKH.

2.0 The Current Situation

2.1 The four client councils have raised concerns about a number of key areas of the services provided by East Kent Housing. These concerns have arisen as a result of a number of factors including the performance of East Kent Housing, constraints on inflationary increases in the management fee paid by the four councils over time and emerging pressures on the service as a result of welfare reform and increases in homelessness.

2.2 The 2016/17 Housemark benchmarking data showed that East Kent Housing provided their services at a lower cost than all others in their peer group. It also showed strong performance in areas of rent collection and void management.

2.3 However the EKH Improvement Plan was developed in response to concerns about areas of weakness that EKH have been unable to resolve. At the time key areas of concern related to:

- Procurement of key contracts for the delivery of the council's planned maintenance and capital improvement programmes.
- Contract management of a number of key contracts.
- Rent collection, particularly in relation to tenants in receipt of Universal Credit.
- Single System implementation.
- Organisational health and sustainability

Additional resources were provided to EKH to improve performance in these areas and the outcomes and indicators set out in the plan were agreed.

2.4 More recently significant performance issues materialised in relation to Landlord Gas Safety Records (LGSRs) and these were reported to Cabinet on 25 July 2019. Although the position in relation to LGSRs has now been recovered and the council has no properties with an outstanding LGSR, the service failures raised questions about the reliability of data and the performance of EKH in other areas of statutory compliance such as electrical certification, lifts, fire safety and legionella testing. The initial responses to these service failures was set out in the report to Cabinet, and the quarter 1 performance report from EKH provides an update on progress to date. A summary of the audit findings was also considered by the council's Governance and Audit Committee at its meeting on 25 September 2019.

2.5 Officers of the council have scrutinised the report provided by EKH and bring the following issues to the attention of the panel, based upon the information provided.

- **Rent Arrears:** The report from EKH indicates that total current rent arrears have increased during the quarter. Additional resources were provided in this area as part of the Improvement Plan and it had been hoped that improvements would be showing by now. EKH have explained that arrears built up when households move onto Universal Credit are having a significant impact and that on average these debts take many months to be cleared. EKH anticipate improvements in the level of rent arrears over time.
- **Voids:** EKH have reported that a high number of voids requiring major works before they can be relet, including asbestos removal works, is impacting on overall average void times.
- **Capital Programme Delivery:** Despite progress in recent months on a number of procurement projects there remain concerns about the speed of delivery of the approved capital programme and EKH are reporting that

significant slippage, particularly in relation to work planned for Royal Crescent in Ramsgate, into 2020/21.

- **Single System Implementation:** Overall the single system project is significantly behind the original implementation and has required the allocation of additional budget to be completed. However the most recently agreed implementation plan for Thanet's rents and repairs systems are progressing well and scheduled to go live on 27 August 2019. A verbal update will be provided by EKH at the meeting.
- **Tenant and Leaseholder Health and Safety:** Significant concerns were raised in this area in the Monitoring Officer's report to Cabinet on 25 July 2019. As a result the council has recruited its own specialist health and safety adviser to scrutinise the work of EKH and appointed a specialist consultant to conduct a thorough review of Health and Safety Management at EKH. The concerns have been reported to the Regulator for Social Housing, who has served a regulatory notice on the council and is monitoring progress. Weekly meetings are being held with senior EKH staff to ensure that appropriate focus is maintained on this priority area. EKH's report provides an update on progress so far towards providing greater assurance in relation to tenant and leaseholder health and safety.

2.6 Council officers are meeting regularly with representatives from EKH to ensure that there is a continued focus on improving performance and EKH will continue to report progress quarterly.

2.7 The continued levels of performance will be considered as part of work agreed at Cabinet on 25 July 2019 to consider and report on the potential options for the future of the council's landlord service. A further report considering the potential options for the future of the service is also on the agenda for this meeting. The report recommends that the cabinet agreed a preferred option to withdrawal from EKH and return housing management services back in-house under direct management of the council, subject to formal consultation with tenants and leaseholders.

Contact Officer:	Amena Matin, Housing Strategy and Projects Manager
Reporting to:	Bob Porter, Head of Housing and Planning

Annex List

<i>Annex 1</i>	EKH Performance Covering Report - 2019/20 quarter 1.
<i>Annex 2</i>	EKH Performance Data - 2019/20 quarter 1.
<i>Annex 3</i>	EKH Capital Programme projections 2019/20

Background Papers

Title	Details of where to access copy
EKH Improvement Plan	https://democracy.thanet.gov.uk/documents/s62538/Proposed%20East%20Kent%20Housing%20Improvement%20Plan%20-%20vF.pdf
Response to Monitoring Officer's Report - Gas Safety Certificates	https://democracy.thanet.gov.uk/documents/s65089/Response%20to%20Monitoring%20Officers%20Report%20-%20Gas%20Safety%20Certificates.pdf

Corporate Consultation

Finance	Clive Bowen, Finance Manager
Legal	Tim Howes, Director of Corporate Governance

