

Title:	Q3 Performance Monitoring - East Kent Housing
Meeting:	Overview & Scrutiny Panel
Date:	20 February 2020
Author:	Vivien Knibbs, Interim Chief Executive
Summary:	This report highlights the performance of East Kent Housing for Q3.
Recommendation:	That the contents of the report be noted.

EKH Performance Report

The following report highlights EKH performance against Key Performance Indicators in Quarter 3 (Oct-Dec 2019). In order to help monitor the performance of EKH in certain areas as part of the Improvement Plan, additional indicators were developed. Progress against these and EKH's compliance recovery are appended below.

Position against key performance indicators

Capital Programme

Capital programme spend

Capital spend has increased significantly since the Q2 position (from 5.77% to 16.87%). However, even with the additional committed spend of £1,562,838 on top of the actual spend of £963,488 at quarter-end (which would take the percentage to 44%); this performance is still low. Based on works agreed the projected year-end position is likely to be around 55% against 95% target.

Decent Homes

We have improved in this area since the start of the year and are exceeding our target at 99.72%. Only 9 homes in Thanet are recorded as not meeting the Decent Homes target. This is calculated from a 'desktop' report from EKH's Strategic Asset Management database (SAM). We will be working with residents to complete any necessary works by the end of this year.

Procurement

We are exceeding our targets for all indicators for this quarter and are on target for the year-to-date. We completed 13 specifications and responded to 205 procurement enquiries during the quarter (across all four EKH areas). There has been no change on our position for procurements delivered year-to-date. We have completed 13 procurements up to the evaluation stage and confirmed to the Councils' respective procurement manager(s) that we wish these contracts to be awarded.

Contract invoices paid

This was a new indicator for EKH to collect and is calculated using information from our client Councils. Performance in this area has improved in Q3 to 95.15% contract invoices paid on time, with 10 invoices having been paid outside target in Thanet.

Repairs and Compliance

Day to Day Repairs

We are meeting targets for emergency and routine repairs in Thanet (99.27% and 98.7% respectively), but repair appointments have missed target at 95.2%. Mears' performance has decreased over the past quarter and this is being monitored closely in case the reduced performance becomes a continuing trend. Targets are very challenging, however, and customer satisfaction remains extremely high.

Repair Post Inspections

We have improved in this area since the start of the year and have exceeded our target for Q2 and Q3 with 10.46% of all repairs post-inspected in Thanet for the year-to-date.

Gas Servicing and Heating Repairs

Performance in this area has dropped overall since Q2, and this is the first quarter of performance from our new contractor, Gas Call Services. A slight dip at this time is not unexpected as the new contractor is still bedding in. However, satisfaction is particularly low (88% at Thanet) and this, too, will be monitored closely to ensure this does not become a continuing trend. Despite this dip, gas repair appointments kept are exceeding target at 98%

Landlord Gas Safety Record (LGSR)

Performance with LGSRs has improved significantly since the start of the year, the current position being 100% in Thanet and 99.99% across the EKH area, with only one overdue property as at 31 December 2019.

We now use the 64-day access process for all properties e.g. a resident is given at least 64 days to make an appointment and they are contacted 3 times within that period. We will then revert to a forced entry or legal process if we are unable to gain access.

Void re-let times

We are exceeding targets for non-major works voids in Thanet at just less than 12 days for the quarter and 9 days for the year-to-date. The average re-let time for all voids, including major works, is a lot higher (at 36 days) and has increased as the year has progressed.

In most cases major works voids have undergone new asbestos surveys with many requiring additional works that involve the removal or repair of asbestos, which carry an automatic 14-day period of notification to the HSE. This causes an additional element of delay; in addition to which, Mears who act as contractor for the building works, has up to 30 days to deal with properties where other major works are required.

Income Collection

The target for rental income is a target for the end of the year (3.3%). Where households have built up arrears, they generally do not have the funds available to repay in large amounts and performance should improve steadily during the year as repayment plans are organised, and performance against the target will only be met at year end. Our performance is currently 4.18%

We have been able to contact 100% of the households in Thanet that have moved over to Universal Credit and provide them with advice and assistance as may be necessary and the target has been met.

The arrears are higher in Thanet, as Universal Credit was introduced in Thanet nearly 12 months earlier than other areas. There are more households on UC in Thanet and the impact on the arrears levels has been greatest here. However, overall performance is at expected levels, based on the continued expected roll out of the system.

Garage arrears have dropped to their lowest levels this year at £774 or 0.58% of the projected annual garage income.

Rechargeable works orders raised

This is a new target for EKH, the recharging of works follows a formal procedure and includes a period of notification, appeal and then the Councils will register the charge. Year-to-date we have raised 100% of charges raised as required (35 of 35) in Thanet.

Organisation

Complaints

Performance in this area has improved since the start of the year, although it has dropped in the last quarter. We are currently out of target for percentage of complaints closed on time in the quarter (88% or 22 of 25); although our average time to respond to complaints is still on target at 9.16 days.

Improvement Plan Outcomes

Improved Procurement

An overall procurement plan is in place with timescales for delivery of specs and production of contracts up to the evaluation stage, to help support delivery of the capital programme. Where contracts are in place, we usually meet the agreed spend. However, for a large amount of the capital programme, contracts have to be agreed through the respective Council's procurement teams and this can result in delays to award contracts.

We have published our planned programmes to residents on a street-by-street basis, and staff members are also able to provide this information to residents. However as there is only a 30% stock condition survey, the programme is only indicative until we have surveyed the properties to see if they require work.

Improved Contract Management

There have been examples of poor contract management identified by internal audit, although they have also identified good contract management in some areas i.e. kitchens & bathrooms contracts with substantial assurance. All staff have received training in contract management, with written procedures in place to support this.

Rent Collection

Historically EKH has delivered extremely good performance in this area and been upper quartile, until the introduction of Universal Credit (UC). This has had a significant impact for all landlords whose tenants move to the new benefit. The impact has been acknowledged nationally and has been recognised by the Council in providing EKH additional resources to help limit the level of arrears and provide additional support and advice for residents.

Single System Implementation

Implementation of the single system has been extremely challenging for EKH. The scale and complexity of the project, as well as the amount of resources needed, was not anticipated at the start of this project. This has led to delays with implementation across all four councils. The project has been financed by East Kent Housing, with loan funding provided by the Councils. One repayment has already been made, with the remaining repayments due to commence next year.

Organisational Health and Sustainability

EKH has a People Strategy and has delivered on a number of the actions, including a new appraisal process, refreshing its staff health & wellbeing committee, and putting in place a staff reward scheme. Staff recruitment and retention has been challenging given the current climate and, because of the uncertainty of EKH's future, we have not been able to guarantee permanent positions for new staff. This means that although our workforce has increased by 20 since Q2, we have not met our target of 93% permanent staff (85.2% at Q3).

Progress of compliance recovery

Good progress has been made in recovering compliance. Gas, communal EICRs, lifts, water management and completed fire risk assessment are all compliant or very close to full compliance. However, Domestic EICR, asbestos surveys generally fire risk assessment actions require greatest attention. Compliancy is improving in these areas but there is still further work to do.

A Compliance Recovery Plan is being drafted collaboratively between East Kent Housing all four councils and Pennington Choices. The plan will form the basis of a Voluntary undertaken with the Regulator for Social Housing. The six main areas of compliance have been reviewed and timescales agreed for when full compliance will be achieved. The plan should be signed-off and submitted to the Regulator on 31st January 2020. Progress against the key milestones in the plan will be reported to the council until full compliance in all areas is achieved.