

HOMES & COMMUNITIES COMMITTEE
25 NOVEMBER 2019

PERFORMANCE MONITORING: NEWARK AND SHERWOOD HOMES

1.0 Purpose of Report

1.1 To provide the Committee with performance information relating to the operations of Newark and Sherwood Homes (NSH) in accordance with the Management Agreement and Annual Delivery Plan.

2.0 Background Information

2.1 During the process to formulate the Management Agreement with NSH, the Policy & Finance Committee at its meeting on 19 September 2013 resolved that the Homes & Communities Committee have the remit to '*undertake scrutiny of the operational performance of the Council's wholly owned housing management company*'. The Policy Committee takes responsibility for the determination of the Key Performance Indicators (KPI's) for NSH.

2.2 In establishing the suite of KPI's, there was a requirement to ensure that the Council has in place a robust performance framework that includes a core set of strategic KPI's covering the expectations of the management agreement (including the service specification) and to sustain the viability of the Council's Housing Revenue Account Business Plan (HRA BP). Set alongside this was the need to avoid duplication between the respective monitoring roles and responsibilities of the Company's Board and the Council in order to make the best use of resources and to ensure a consistent, transparent framework is adopted.

2.3 The Board already consider and scrutinise a comprehensive range of performance information covering housing management & maintenance, the capital investment programme, rents, governance, diversity, staffing, risks, costs/finance, income, management costs, satisfaction, complaints and health & safety compliance. This is so the Board can robustly challenge the operations of the Company to ensure it functions properly and meets its vision of "delivering excellent Housing Services".

2.4 The Policy & Finance Committee considered the above points and agreed to the strategic KPI's, which the Council monitors and scrutinises through the remit of this Committee.

2.5 To complement the KPI's, and ensure ongoing scrutiny of NSH, the management agreement stipulates that the Company provide in consultation with the Council the following documents annually:

a) Delivery Plan

Along with setting the Company's main activities, targets or standards under the provisions of the management agreement for each financial year, it also records the KPI's, benchmarking information and work of the Tenants Panel.

At the Committee's meeting in January 2019 Members approved the Company's Annual Delivery Plan for 2019/20 and reviewed activities within the 2018/19 Plan.

- b) Asset Management Programme
Progress and spend is presented to the Policy & Finance Committee under the Capital Programme reports.
- c) Tenant Panel Feedback/Work Programme
Tenant representatives will be updating the Committee at this meeting.
- d) Assurance Report *(covering financial affairs & governance)*
- e) Details of Formal Complaints *(outcome)*
- f) List of Let Contracts
- g) Procurement Plan
- h) Management Fee
This matter is reported to the Policy & Finance Committee.

2.6 The Policy & Finance Committee approve the majority of the above matters, which are also discussed at the Strategic Housing Liaison Panel *(lead Council Members, Board Members and Senior officers attend the Panel)*.

2.7 The set KPI's are monitored through the Council's Performance Management System. Senior officers of the Council and Company also meet on a regular basis to review the workings of the management agreement, discuss performance and progress to deliver the Annual Delivery Plan. This is to ensure both parties obligations under the management agreement are scrutinised and reviewed.

2.8 The Committee should note that further to the decision made to bring the Company back in house the above process will cease once the transition has been completed. At this point, a revised approach will have to be implemented by the Committee to monitor and scrutinise housing performance.

3.0 Newark and Sherwood Homes Performance

Annual Performance

3.1 An overview of NSH performance for the 2018/19 financial year is provided at **Appendix A1**, which shows a positive picture with the majority of KPI's meeting or exceeding the targets set.

3.2 Company performance during 2018/19 has ensured that the core service standards have been maintained, including repairs, rent and charges, tenant involvement, allocations and lettings, independent living, value for money and looking after the local areas.

3.3 **Appendix A2** identifies the current performance outturn for 2019/20, up to Quarter 2.

3.4 Where performance has not met target an analysis and commentary is provided at **Appendix B** for the Committee's consideration.

Survey of Tenants and Residents (STAR Survey)

- 3.5 The STAR Survey covers satisfaction for the following areas; Customer Service, Information & Resident Involvement, Repairs & Maintenance, Advice & Support and Anti-Social Behaviour.
- 3.6 As with previous years, the Company commissioned an external consultant to undertake the 2018/19 annual survey, which consisted of a telephone survey. In total 545 tenants took part in the survey, comprising of 349 supported housing tenants and 196 general needs tenants. The report at **Appendix C** provides useful headline commentary from the Company on satisfaction measures and results of the 2018/19 survey.
- 3.7 Overall satisfaction with services remains high, with overall satisfaction at 89% with the benchmark being 86%. Satisfaction with all key measures remains at or above the STAR benchmark.
- 3.8 Satisfaction with Anti-Social Behaviour (ASB) is varied across indicators, e.g. satisfaction with staff responsiveness when dealing with an ASB case is at 82% whereas satisfaction with the outcome of a case is 44%.
- 3.9 The Committee should note that the STAR survey is done at a point in time (*a snap shot*) and in addition to this the Company monitor tenant satisfaction weekly across a range of indicators, which includes ASB and measures satisfaction outturns monthly.
- 3.10 From the monthly statistics, performance in Quarter 2 of 2019/20 has seen the satisfaction with the outcome of an ASB case at 76%, an improvement of 9% from the previous Quarter. Satisfaction with the handling of ASB cases is often higher than the outcome, averaging at 81% across the first six months of the year. ASB remains an area of focus for the Company who are continuously monitoring transactional satisfaction and working to deliver improvements to the service.

4.0 Proposals

- 4.1 It is proposed that the Committee note the strategic performance information supplied in relation to the activities of Newark and Sherwood Homes, set against the requirements of the Management Agreement, and make any observations as appropriate.

5.0 Equalities Implications

- 5.1 The KPI's set to monitor the activities of NSH include an assessment of tenant satisfaction for the core housing services provided by NSH. Here further interrogation could be made where satisfaction levels decline and adversely impact on equality and diversity issues for tenants.

6.0 Community Plan – Alignment to Objectives

- 6.1 There are a number of the Community Plan objectives that have a direct correlation to the role and function of Newark and Sherwood Homes contributing to the delivery of these, which are:
- Improve the cleanliness and appearance of the local environment

- Reduce crime and antisocial behaviour, and increase feelings of safety in our communities
- Accelerate the supply of new homes including associated facilities
- Reduce levels of deprivation in target areas and remove barriers to social mobility across the district
- Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes
- Increase participation with the Council and within local communities
- Generate more income, improve value for money and increase residents' satisfaction with the Council

7.0 RECOMMENDATION

That the strategic performance information supplied in relation to the activities of Newark and Sherwood Homes be noted, with the Committee making any observations as appropriate.

Reason for Recommendation

To ensure a robust performance framework is put in place to monitor the strategic performance activities of Newark & Sherwood Homes in accordance with the management agreement.

Background Papers

For further information please contact Rob Main, Housing Strategy & Development Business Unit on 01636 655930.

Karen White
Director – Governance & Organisational Development

NEWARK AND SHERWOOD HOMES ACTUAL PERFORMANCE 2018/19

Performance Indicators	Performance 2018/2019	Target 2018/19	Performance 2017/2018	Performance 2016/2017	Performance 2015/16	Performance 2014/15
Income						
% of rent collected from current tenants as a % of rent owed	98.89%	98.60%	98.25%	98.87%	99.27%	98.75%
Amount of current arrears as a % of annual rent debit (measure of bad debt)	2.02%	1.60%	1.70%	1.59%	1.57%	1.46%
% of rent loss through dwellings being vacant	0.97%	0.60%	0.76%	0.69%	0.70%	0.60%
Former tenant arrears as a % of annual rent debit	1.08%	0.88%	0.88%	0.88%	1.30%	0.98%
% of current leaseholder arrears	0.04%	0.20%	0.05%	0.02%	0.02%	0.01%
% of rent arrears written off	0.16%	0.40%	0.39%	0.77%	0.19%	0.28%
% of supported housing tenants in support charge arrears	2.82%	3%	2.44%	5.13%	6.64 %	17.82%
Right to Buy						
Number of RTB sales	35	25	31	29	22	24
Average RTB value	£59,199.71	N/A	£54,014.13	£61,609	£112,136	£90,781
Average RTB discount	£58,051.71	N/A	£53,454.23	£59,915	£56,099	£44,758
Asset Management						
% of properties meeting the Decent Homes standard	100%	100%	100%	100%	100%	100%
% split between responsive repairs (Revenue) and Asset Investment Programme (Capital)	<i>Data not supplied</i>	20% (R)	22.02% (R)	19.43% (R)	18.53% (R)	26.30% (R)

Performance Indicators	Performance 2018/2019	Target 2018/19	Performance 2017/2018	Performance 2016/2017	Performance 2015/16	Performance 2014/15
Welfare Reform						
% of general needs tenants under occupying and in rent arrears <i>(2891 General Need Units)</i>	4.26%	7.54%	5.84%	6.58%	7.54%	11.02%
% of tenancies paying by Direct Debit	63.05%	70%	60.53%	54.08%	44.66%	39.97%
Number of general needs tenants in receipt of housing benefit <i>(Universal Credit)</i>	1,274	1,650	1,503	1,549	1,611 HB 20 on UC	1,609
Number of supported housing tenants in receipt of housing benefit	1,457	1,600	1,517	1,518	1,559	1,531
Customer						
% of general needs tenants satisfied with the quality of their home - Survey of Tenants and Residents <i>(Star Survey)</i>	87.60%	84%	82.70%	87.7%	90.40%	84.00%
% of supported housing tenants satisfied with the quality of their home <i>(Star Survey)</i>	91%	93%	91.50%	92.5%	95.30%	91.00%
% of general needs tenants satisfied with the responsive repairs service <i>(Star Survey)</i>	79.10%	76%	74.30%	81%	84.00%	74.00%
% of supported housing tenants satisfied with the responsive repairs service <i>(Star Survey)</i>	86%	90%	87.10%	87%	89.00%	87.00%
% of tenants satisfied with supported housing services <i>(Star Survey)</i>	74.60%	88%	86.30%	85.5%	85.90%	89.00%
% of general needs tenants satisfied with landlord/overall service <i>(Star Survey)</i>	89.30%	91%	89.50%	90%	94.80%	83.00%
% of supported housing tenants satisfied with landlord/overall service <i>(Star Survey)</i>	88.50%	93%	90.30%	89.5%	90.80%	89.00%
% of general needs tenants satisfied with the neighbourhood <i>(Star Survey)</i>	83.70%	80%	77%	88.6%	94.00%	81.00%





Performance Indicators	Performance 2018/2019	Target 2018/19	Performance 2017/2018	Performance 2016/2017	Performance 2015/16	Performance 2014/15
% of supported housing tenants satisfied with the neighbourhood (<i>Star Survey</i>)	88.50%	92%	90.60%	93.4%	94.50%	91.00%
% of customer satisfaction with responsive repairs (<i>Collated from returned tenant satisfaction surveys on completion of a responsive repair</i>)	93%	99%	93.17%	89.00%	86.00%	98.00%
% of properties in low demand	0.15%	1.50%	0.52%	0%	4.73%	4%
Complaints received referred to Tenant Panel and/or Housing Ombudsman	1	2	0	1	2	1
Sustainability						
Change in Council Housing Stock Size (formerly shown as current level of housing stock)	29	-16	+2	5,422	5,443	5,439


NEWARK AND SHERWOOD HOMES ACTUAL PERFORMANCE 2019/20 YEAR TO DATE

Performance Indicators	Performance 2019/2020 (September)	Target 2019/20 (YTD)
Income		
% of rent collected from current tenants as a % of rent owed	99.58%	98.91%
Amount of current arrears as a % of annual rent debit (measure of bad debt)	2.45%	1.80%
% of rent loss through dwellings being vacant	0.60%	0.60%
Former tenant arrears as a % of annual rent debit	1.19%	0.88%
% of current leaseholder arrears	0.02%	0.02%
% of rent arrears written off	0.22%	0.40%
Right to Buy		
Number of RTB sales	15	12
Average RTB value	£67,114.87	N/A
Average RTB discount	£60,435.20	N/A
Asset Management		
% of properties meeting the Decent Homes standard	100%	100%
% split between responsive repairs (Revenue) and Asset Investment Programme (Capital)	<i>Data Not Supplied</i>	30% (R)
Welfare Reform		
% of general needs tenants under occupying and in rent arrears (2906 General Need Units)	2.31%	4%

Performance Indicators	Performance 2019/2020 (September)	Target 2019/20 (YTD)
% of tenancies paying by Direct Debit	64%	70%
Number of general needs tenants in receipt of housing benefit <i>(Universal Credit)</i>	1,162	1,650
Number of supported housing tenants in receipt of housing benefit	1,412	1,600
Customer		
% of customer satisfaction with responsive repairs <i>(Collated from returned tenant satisfaction surveys on completion of a responsive repair)</i>	91%	99%
% of properties in low demand	1.02%	0.50%
Complaints received referred to Tenant Panel and/or Housing Ombudsman	0	1
Sustainability		
Change in Council Housing Stock Size (formerly shown as current level of housing stock)	-2	-6

PERFORMANCE 2018/19 – ANALYSIS & COMMENTARY

Name	2018/19		Current Target	NSH Outturn Note
	Value	Status		
Amount of current arrears as a % of annual rent debit	2.02%		1.60%	<p>The full roll out of Universal Credit was implemented during the year. This has resulted in an increase from the end of June 2018 where 95 tenants were claiming Universal Credit (<i>with outstanding arrears of £34k</i>) to the end of March 2019 seeing 537 tenants Claiming Universal Credit (<i>with an outstanding balance of £217k</i>).</p> <p>The Company has seen a steady increase of between 10-15 tenants making Universal Credit claims per week.</p> <p>To support tenants through the transition the Company has put significant resource into this area, dealing with the complex cases focused on sustaining the tenancy through the payment of rent.</p> <p>The performance has not achieved target by 0.42 % (£92k). Compared to the 2017/18 outturn, the arrears have increased by 19% (£71k).</p> <p>The current performance, although below the target, remains within the parameters of the Councils HRA Business Plan currently set at a 4% bad debt provision.</p>
% of rent loss through dwellings being vacant	0.97%		0.60%	<p>This indicator has failed to meet target in 2018/19 due to the significant increase in tenancy turnover experienced at the start of the year.</p> <p>Company actions to improve performance in re-letting empty properties have been effective in reducing re-let times and % rent loss from vacant dwellings, e.g. rent loss from vacant dwellings has reduced from a high of 1.57% at quarter One. The extent of the impact early in the year has resulted in the target of 0.60% not being achieved.</p>
Former tenant arrears as a % of annual rent debit	1.08%		0.88%	<p>The performance is under performing by 0.20%. This is offset by an over performance of 0.24% in the write off for rent arrears.</p> <p>The Company will only progress a write off when we are satisfied that all recovery actions have been exhausted.</p>
Number of RTB sales	35		25	<p>Right to Buy sales have run consistency higher throughout the year and due diligence checks are undertaken for all sale applications focused on the RTB legislation. This information is used to inform the assumptions within the financial model of the HRA Business Plan.</p>

Name	2018/19		Current Target	NSH Outturn Note
	Value	Status		
% of tenancies paying by Direct Debit	63.05%		70%	There has been a continued focus on direct debit promotion during the year with the performance increasing from 60.96% to 63.05%. The number of direct debits cancelled by tenants as they move over to Universal Credit has increased; the Company will continue to focus attention on this matter.

STAR SURVEY RESULTS 2018/19

COMPANY - HEADLINE ANALYSIS

1. Introduction

1.1 Newark and Sherwood Homes conducted the annual STAR Survey between April and May 2019, with the final report published in June 2019.

1.2 The following paragraphs highlights the key findings of the STAR report and areas where they may be issues that require investigation and/or improvement.

1.3 The data was collected by telephone survey by supplier Viewpoint Research; the same method as with the previous three years. In total 545 tenants took part in the survey, comprising of 349 supported housing tenants and 196 general needs tenants.

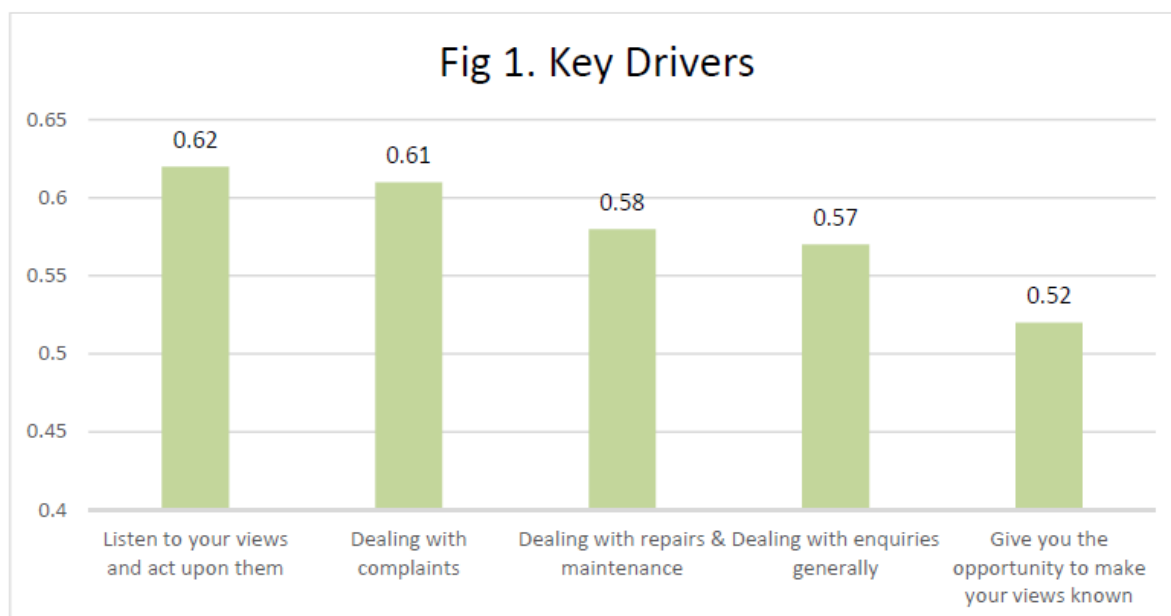
2. STAR Results 2018/19 - Overall Satisfaction and Key Drivers

2.1 Overall Satisfaction

2018/19	2017/18	STAR Benchmark
89%	90%	86%

2.2 Overall satisfaction is 89%, which is a 1% decline on the previous year and 3% above the STAR benchmark (which also declined by 1% on the previous year).

2.3 Key Drivers of Satisfaction



2.4 The key drivers for satisfaction are shown above. Dealing with repairs and maintenance has featured in the top five key drivers for the four consecutive years that Viewpoint has conducted the survey. Listening to views and acting upon them is the highest key driver for the second year running and dealing with complaints has also surpassed repairs.

2.5 Key Satisfaction Measures:

	2018/19	2017/18
Overall quality of your home	90%	90%
Overall condition of your home	89%	88%
Neighbourhood as a place to live	87%	86%
Rent provides value for money	91%	92%
Service charges provide value for money	78%	78%

2.6 Satisfaction against key measures has seen maintenance or in increase in all but one area compared to the previous year and continues to be upper quartile. Activity linked to the Cleaner, Safer and Greener campaign appears to be supporting increased in satisfaction with neighbourhoods as a place to live.

3. STAR Results 2018/19 – Improving satisfaction

Satisfaction With	2018/19	2017/18
Ease of getting hold of the right person	76%	75%
Repairs and maintenance	84%	83%
Being told when workers would call	86%	84%
Being able to make an appointment	90%	88%
Time taken before works started	80%	75%
Speed of completion of works	89%	88%
Dirt and mess kept to a minimum	95%	94%
Repair done 'right first time	82%	81%
Advice and support for claiming housing and other benefits	93%	90%
Advice for managing finances and paying rent / service charges	96%	91%
Responsive staff dealing with ASB	82%	71%

4. STAR Results 2018/19 – Declining satisfaction

Satisfaction With	2018/19	2017/19
Finding staff helpful	83%	88%
Query dealt with in a reasonable time	83%	85%
The final outcome of query	78%	80%
Keeping you informed	82%	88%
Listening to views and acting upon them	80%	82%
Attitude of workers	95%	97%

Satisfaction With	2018/19	2017/19
Overall quality of repairs work	88%	93%
The repairs service on the last occasion	87%	90%
Advice and support in relation to moving home	81%	88%
Support for new customers	88%	96%
Support for vulnerable customers	75%	86%
Helpful staff dealing with Anti-social Behaviour (ASB)	61%	85%
Polite staff dealing with ASB	82%	97%
Sensitive staff dealing with ASB	73%	91%
Knowledgeable staff dealing with ASB	69%	85%
Advice provided by ASB staff	57%	73%
Kept informed throughout ASB case	45%	58%
How well NSH kept to the action plan	43%	61%
Support by staff	43%	58%
Speed at which case was dealt with	50%	67%
Final outcome of ASB	44%	46%
ASB complaint overall dealt with	44%	64%

4.1 Satisfaction with ASB is varied, but most indicators have declined. For this reason, satisfaction with ASB remains a priority focus for the Company.