
AGENDA ITEM: 10 Page nos. 80 – 98

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	21 July 2011
Subject	Barnet Homes - Performance Quarter 4 Performance Report
Report of	Acting Assistant Director Housing
Summary	The Council has agreed a set of performance targets with Barnet Homes as part of the Arms Length Management Organisation's (ALMO) annual business plan. This report provides information on performance against these targets for Quarter 4 2010 – 2011 and the actions being taken by Barnet Homes to improve performance where it is below target.

Officer Contributors	Andrew Milne – Acting Assistant Director (Housing) Kevin Turnpenney, Head of Operations (Customer Services), Barnet Homes
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1 – Barnet Homes 'PULSE' Performance Indicator Report March 2011
For decision by	Budget and Performance Overview and Scrutiny Committee

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1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview and Scrutiny Committee notes and comments on the performance of Barnet Homes against targets for performance indicators in its annual business plan for 2010/2011 agreed with the Council.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 Barnet Homes contributes to the delivery of the Council's Corporate Plan objective, Successful London Suburb, by delivering the Decent Homes programme to improve the condition of council properties and through its overall management of council homes and estates.
- 2.2 By involving tenants and leaseholders in the management of their homes and wider neighbourhoods, Barnet Homes contributes to the Corporate Plan objective Sharing Opportunities and Sharing Responsibilities.
- 2.3 A target has been set in the Council's Corporate Plan 2011/13 of improving overall tenant satisfaction from 73% to 76%.

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Cabinet, 19 January 2004 (Decision Item 8) – approved the establishment of Barnet Homes

4. RISK MANAGEMENT ISSUES

- 4.1 There is a risk that tenant and leaseholder satisfaction will not improve if Barnet Homes does not meet performance targets.
- 4.2 There is a risk that the Council's budgets could be adversely affected should Barnet Homes fail to perform well on income collection and voids management.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Analysis shows that council tenants living in homes managed by Barnet Homes are very diverse and often from vulnerable groups. Face to face resident surveys undertaken by Barnet Homes show that 36% of tenants are aged over 60, of which 12% are aged over 80. 35% of tenants consider themselves as having a longstanding illness, impairment or infirmity that limits their activities. 25% of tenants are from black and minority ethnic (BME) backgrounds with 13% black and 8% Asian. It is important that Barnet Homes provides its services in a way that takes account of the diversity of council tenants – an example of this is the improved performance on adaptations for people with physical impairments following a review of the aids and adaptations service.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 Performance on income collection, including rents and leaseholder service charges by Barnet Homes, impacts on the Council's Housing Revenue Account (HRA).
- 6.2 Barnet Homes is responsible for procurement of contracts for repairs and major capital works, and securing value for money from these.
- 6.3 Barnet Homes works closely with the Council to manage the HRA including management of the annual subsidy claim.
- 6.4 The Council's Head of Finance meets regularly with the Head of Financial Services from Barnet Homes to review performance on these key financial matters.

7. LEGAL ISSUES

- 7.1 None save those contained within the body of the report

8. CONSTITUTIONAL POWERS

- 8.1 The roles and terms of reference of all overview and scrutiny committees are contained within Part 2, Article 6 of the Constitution and in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). The Budget and Performance Overview Committee has, amongst other duties, responsibility for scrutinising the overall performance, effectiveness and value for money of Council services, including the planning, implementation and outcomes of all corporate improvement strategies.

9. BACKGROUND INFORMATION

- 9.1 Barnet Homes was set up by the Council in April 2004 as an arms length management organisation (ALMO) to provide day to day management and maintenance services for Barnet council tenants and leaseholders.
- 9.2 Performance indicators for 2010/11 have been agreed with the Council and are based around standards developed by the Tenant Services Authority (TSA), which include:
 - **Tenant involvement and empowerment** – which contains requirements relating to customer service, choice and complaints; involvement and empowerment; and understanding and responding to diverse needs of tenants
 - **Home** – which contains requirements relating to quality of accommodation; and repairs and maintenance

- **Tenancy** – which contains requirements relating to allocations, rent and tenure
- **Neighbourhood and community** – which contains requirements relating to neighbourhood management, local area co-operation and anti-social behaviour
- **Value for money**

9.3 The Acting Assistant Director (Housing) meets with the Chief Executive of Barnet Homes on a monthly basis to review its performance. Appendix 1 shows performance to March 2011 against the performance targets agreed with the council for 2010/11. The indicators monitored and the targets set take into account:

- Council priorities
- Business priorities
- Customer priorities
- Benchmarking with other housing providers
- Continuous improvement
- Industry standards
- Contract requirements

March 2011 performance has previously been reported to the Barnet Homes Board and to members of its resident scrutiny group – the Performance Advisory Group.

- 9.4 Barnet Homes' last major customer satisfaction survey carried out in 2010 reported that 73% of the tenants of Barnet Homes were satisfied with overall landlord services. This compares very favourably with the London top quartile of 71% and average of 69%. Satisfaction with repairs and maintenance stands at 67.5% (2010). Satisfaction with overall services is highest among people aged 60 or above (79%) and lowest among the 40-59 age bracket (63%). Geographically, the highest overall satisfaction is in Hendon (76%) and lowest at Grahame Park (67%). Among ethnic groups, Asian residents have the highest satisfaction (77%) and black residents have the lowest satisfaction (66%).
- 9.5 Leaseholders are generally less satisfied across all landlords. Their satisfaction in 2010 in Barnet was 40%, compared to a London top quartile of 48% and average of 42%.
- 9.6 Both surveys show a positive direction of travel with improvement from the last major surveys in 2008.
- 9.7 Residents are actively involved in monitoring performance through the Performance Advisory Group. Current work includes a review of procedures for dealing with antisocial behaviour, a review of complaints handling and an ongoing challenge on repairs performance.

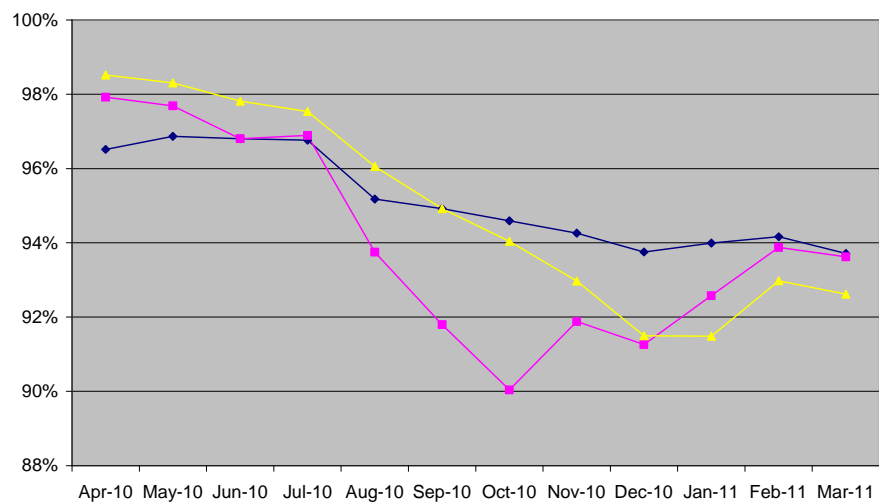
- 9.8 The following extracts key performance information and issues under each of the headings set out at 9.2
- 9.9 **Tenancy Involvement and Empowerment**
- 9.10 Both complaints and MP/Members' inquiries have fallen substantially, and targets have been met for answering complaints within 10 working days.
- 9.11 Barnet Homes has also met the waiting time target for major adaptations and its Assist¹ lifeline service response. The Assist service continues to deliver performance above industry standard.
- 9.12 In the final quarter staffing levels in Barnet Homes' call centre reduced by two posts back to establishment level as part of value for money savings. There is an onus on using resources effectively so Barnet Homes are to use a joint pool of 'as and when' staff in collaboration with the Assist lifeline service to meet peak demand.
- 9.13 Barnet Homes' call centre has been fully utilising its phone capacity during the period and also bringing in specialist staff to assist, for example rental income officers.
- 9.14 In line with recommendations from its resident Performance Advisory Group, Barnet Homes is breaking down call answering into bandings to understand better the customer experience and set realistic targets against a leaner staff structure.
- 9.15 **Home**
- 9.16 A significant achievement in 2010 -11 has been the completion of the Decent Homes programme, with more than 8,700 households benefiting from investment in properties, blocks and estates.
- 9.17 Barnet Homes has achieved 100% gas servicing coverage once again, overcoming a number of difficult access cases and demonstrating effective joint working.
- 9.18 Repairs performance has been adversely affected this year by the administration of former contractor, Connaught. This gave rise to a substantial backlog of repairs and has led to IT interface issues with new contractor, Lovell. These are being dealt with as a matter of urgency and are expected to be resolved shortly.
- 9.19 In the last quarter Lovell staff has moved to Barnet House to improve collaboration and communication. Lovell managers attend Barnet Homes operational performance meetings alongside Barnet Homes' staff to report on progress.

¹ Telephone based alarm service for elderly and vulnerable residents

9.20 Given the difficult start to the contract with Lovell, performance has been within acceptable tolerances and the administration of Connaught has been well managed with Connaught staff supported into the new company. Overall the inevitable disruptions have been kept to a minimum and an acceptable service to residents has been maintained.

9.21 The chart below illustrates the moving averages for repair in time performance over the last year and shows some improvement in the last quarter.

Urgent Repairs in Time 2010/11



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
Repairs in time year to date	97%	97%	97%	97%	95%	95%	95%	94%	94%	94%	94%	94%
Moving Average (3 mths)	98%	98%	97%	97%	94%	92%	90%	92%	91%	93%	94%	94%
Moving Average (6 mths)	99%	98%	98%	98%	96%	95%	94%	93%	92%	91%	93%	93%

9.22 Following a rigorous procurement process, the Barnet Homes Board has been asked to approve new maintenance contractors at its meeting on 1 June. Residents have been at the heart of this process and have made a major contribution to selection. We have also worked with residents to build in robust performance measures, most of which will come into effect as contracts go-live from April 2012.

9.23 **Tenancy**

9.24 Performance figures for re-let times have been seriously affected by efforts since 2009-10 to bring long-term empty properties back into use (the relet period is measured from the time when properties were last occupied and is based on an average, so a small number of older voids can have a disproportionate effect on the reported performance). This forms part of close work with the Council on the delivery of a Void Improvement Plan.

9.25 The definition for the overall turnaround performance indicator is based upon the former Best Value PI 212 and takes the sum of days empty

divided by the number of lettings in the period. Barnet Council continues to use this definition as it is common across the sector and gives a comparator to past performance. Using an annual average indicator can, however, mask current performance trends.

- 9.26 The table below shows performance over the year by quarter and illustrates the improvement compared to the final quarter of 2009/10.

	2009/10	2010/11				2010/11 YTD
	Q4	Q1	Q2	Q3	Q4	
Sheltered	71	52	43	79	77	64
Regeneration	172	140	113	105	128	121
Routine	26	24	20	19	19	20
All	86	63	55	57	57	58

- 9.27 To assist with understanding the issues surrounding lettings in Barnet, it is helpful to break them down into the two categories of routine and non-routine.

- 9.28 Routine - forming 60% of lettings in 2010/11, these are the majority void type and include all voids except those on regeneration estates and sheltered schemes. Routine lettings made up just 21% of the total turnaround time in 2010/11.

- 9.29 Non-Routine – these voids make up the other 40% of lettings and comprise the voids in each of the four regeneration estates and in sheltered schemes which are harder to let. On regeneration estates all lettings since 2004 have been as temporary non-secure tenancies and consequently were outside of the Choice Based Lettings system. Regeneration properties are 35% of the total voids but contribute 73% of the total turnaround time.

- 9.30 Sheltered housing lettings are 5% of total lettings and contribute 7% of the turnaround time.

The table below illustrates the different turnaround times for voids from these two categories and the effect on the overall performance.

<i>Letting Type</i>	<i>Avg days</i>	<i>% of all lets</i>	<i>% of total turnaround time</i>
Routine	20	60%	21%
Regeneration	121	35%	73%
Sheltered	64	5%	7%

- 9.31 It is also worth noting that in 2009/10 non-routine voids were harder to let and made up only 20% of all lettings. As a result, the number of longer term empty properties increased, so that when they were re-let

(many in 2010/11) they added a great deal of time to the overall average.

9.32 Future Performance

- 9.33 Two important indicators for future performance are i) re-letting those new properties which became empty and ii) the number of voids outstanding and awaiting letting. Both these measures show improvement and a positive direction of travel.

Letting performance for properties made void from September 2010 is shown below.

<i>Letting Type</i>	<i>No. Lets</i>	<i>Avg days</i>
Routine	248	19
Regeneration	74	39
Sheltered	17	49

- 9.34 At the end of March 2011 there were 67 voids outstanding which were empty for 27 days on average. That is the lowest for the whole year and indicates progress made in clearing longer-term voids.

Year	Voids outstanding at end of month	Average time those voids have been empty
March 10	152	98 days
April 10	142	89 days
May 10	117	107 days
June 10	106	91 days
July 10	134	75 days
August 10	149	67 days
September 10	125	82 days
October 10	69	100 days
November 10	62	75 days
December 10	86	86 days
January 11	80	70 days
February 11	67	47 days
March 11	67	27 days

The 67 outstanding voids at the end of March 2011 can be broken down as follows:

	Ready to let		Undergoing repair works	
	No.	Avg days	No.	Avg days
Routine	16	30	9	14
Sheltered	6	57	0	0
Regeneration	31	25	5	14
All	53	30	14	14

9.35 **Major works**

9.36 When a property becomes void it may be held for major works (eg under the Decent Homes programme, these properties were not considered within the routine category until the works were completed and they became ready to let).

9.37 **Actions on harder to let properties**

Sheltered

9.38 Work has been carried out to make sheltered housing more desirable through the removal of non-self-contained units during Decent Homes works and the provision of furniture starter packs. In addition, we are developing a programme of conversions of less popular bed-sit units into one bedroom flats. There has also been joint work with the Council to create a more flexible lettings process by removing the requirement for applicants to go through a Sheltered Housing Panel and instead basing decisions on a local connection and age criteria. To make the move more inviting and sell the benefits, Sheltered Housing Officers are invited to attend viewings with applicants.

Regeneration

9.39 All lettings are now made under the Council's new allocations policy and the standard of properties before letting is being improved. To make best use of empty properties, Barnet Homes has introduced two flats for emergency accommodation and six flats on Grahame Park are being let as nightly purchase. There have been influxes of voids being brought back for letting as a result of delays in the phasing on regeneration programmes and there is ongoing close work with the Council, partners and Barnet Homes to mitigate this. The Council and Barnet Homes are jointly working to lobby the Government to allow some of these properties to be let as Assured Shorthold Tenancies.

9.40 Tenant satisfaction with the condition of new properties has averaged 89% this year against a target of 90%.

9.41 **Tenancy – leaseholders**

9.42 Performance for both annual service charge collection and major works income collection has been strong, with targets achieved for both indicators.

9.43 **Tenancy - Rents**

9.44 A long-standing record of excellent performance on rental income, leading to Barnet Homes becoming the best performer in London in this area, has been disrupted by teething problems with a new housing benefits system at Barnet Council.

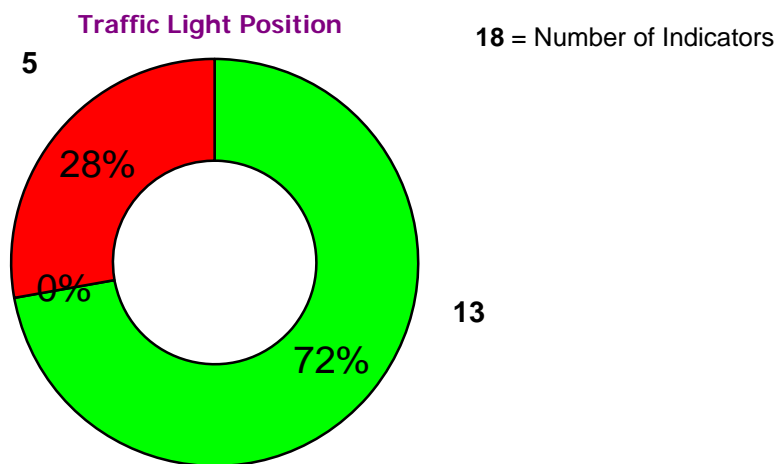
- 9.45 A backlog of cases awaiting benefits assessments has severely affected the accuracy of outturn arrears figures, with rent arrears levels appearing artificially high - potentially by as much as £350,000. Barnet Homes' performance was on target at the end of quarter 3, before the implementation of the new benefits system, and the target would have been expected to be met.
- 9.46 Barnet Homes has temporarily employed an additional two benefit assessors to work on our backlog cases, and is meeting regularly with the Benefits Service to understand progress on returning to normal and to offer help.
- 9.47 **Neighbourhood and community**
- 9.48 Reality checks are unannounced site visits to estates undertaken by Barnet Homes' senior managers to gauge standards of caretaking and maintenance.
- 9.49 More than 200 of these checks have been carried out this year. In general the standard of estates is good. The focus for performance in 2011-12 will be monitoring improvement plans for poorer rated estates.
- 9.50 Tenant satisfaction with case handling of antisocial behaviour is high at 88%.
- 9.51 **Value for money**
- 9.52 Sickness levels averaged seven days for the second year in succession. This is on target and remains significantly lower than the national public sector average and much lower than the average for ALMOs and local authorities in London.

10. LIST OF BACKGROUND PAPERS

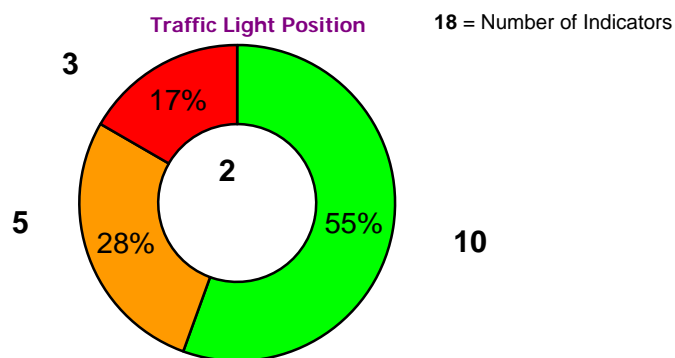
- 10.1 None.

Legal: BH
Finance: JH/MC

Barnet Homes PULSE Report



March 2011



February 2011

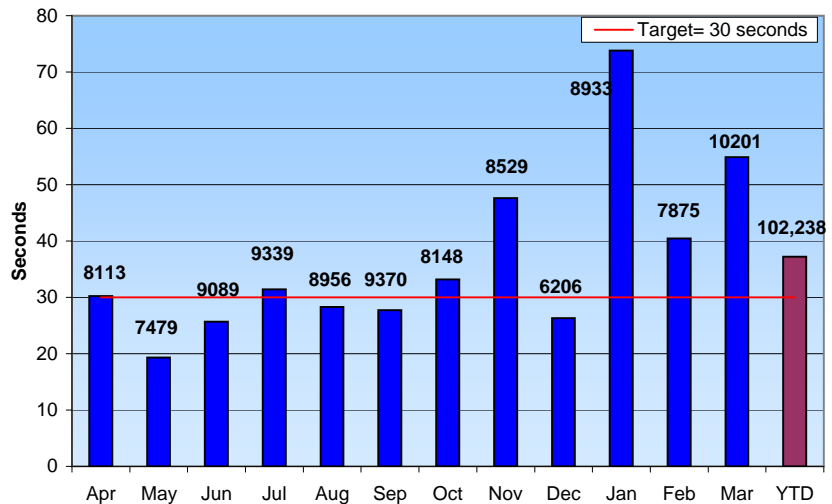
1) Tenancy Involvement & Empowerment

- customer service, choice & complaints; involvement & empowerment; understanding/responding to the diverse needs of tenants

Average Wait Time ↓ ●

Average time a caller has to wait to speak to an operator after message

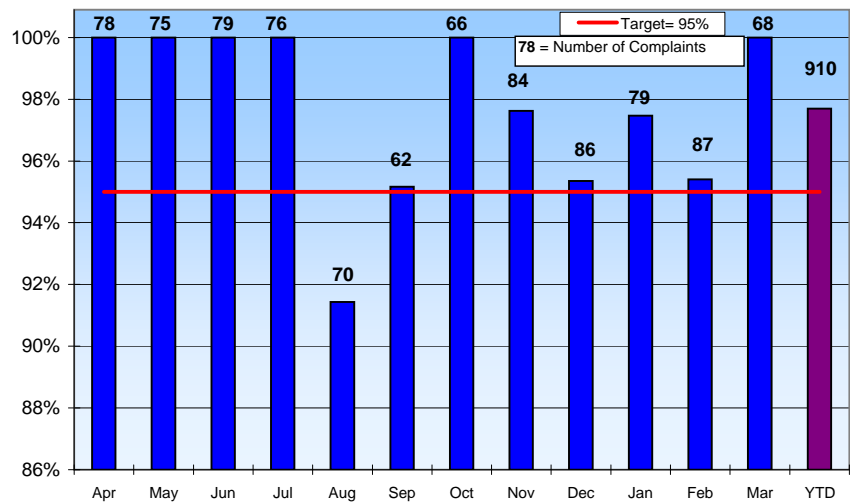
<i>End of Year Target</i> (Low is good)	30 secs
Mar 11 Performance	55 secs
Mar 10 Performance	37 secs
YTD Performance	37 secs



Complaints ↑ ●

The percentage of stage 1 complaints replied in 10 working days

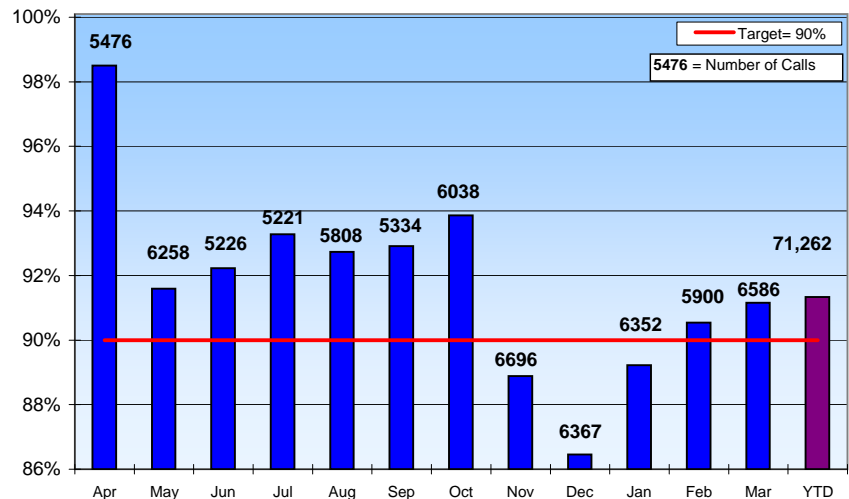
<i>End of Year Target</i> (High is good)	95%
Mar 11 Performance	100%
Mar 10 Performance	98%
YTD Performance	98%



Assist ↑ ●

The percentage of calls responded to in 30 seconds

<i>End of Year Target</i> (High is good)	90%
Mar 11 Performance	91%
Mar 10 Performance	92%
YTD Performance	91.3%

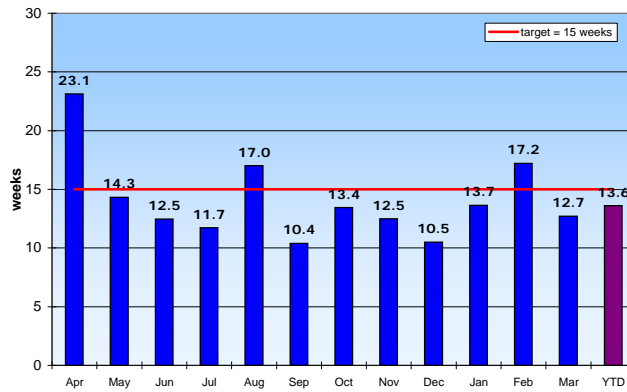


Adaptations



The average wait time from referral to start on site for major adaptations

End of Year Target (Low is good)	15 weeks
Mar 11 Performance	13 weeks
Mar 10 Performance	14 weeks
YTD Performance	14 weeks



2) Home

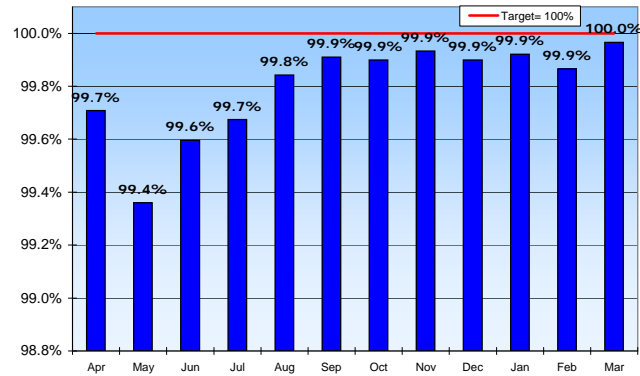
- quality of accomodation; repairs & maintenance

Gas Safety Checks



The percentage of homes with a CP12 safety certificate

End of Year Target (High is good)	100%
Mar 11 Performance	100.0%
Mar 10 Performance	100.0%
Top Quartile (BPSA)	99.6%



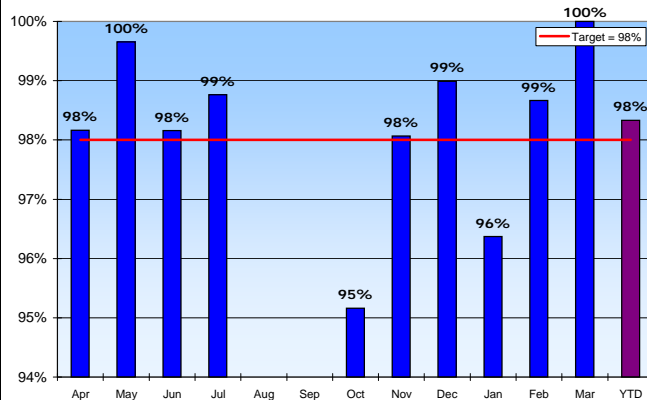
Appointments



The percentage of appointments which were made and then kept

End of Year Target (High is good)	98.0%
Mar 11 Performance	100.0%
Mar 10 Performance	98.2%
YTD Performance	98.3%
Top Quartile (HouseMark)	96.9%

Note: No Data in Aug/Sep due to Connaught Administration
Lovell performance starts Oct



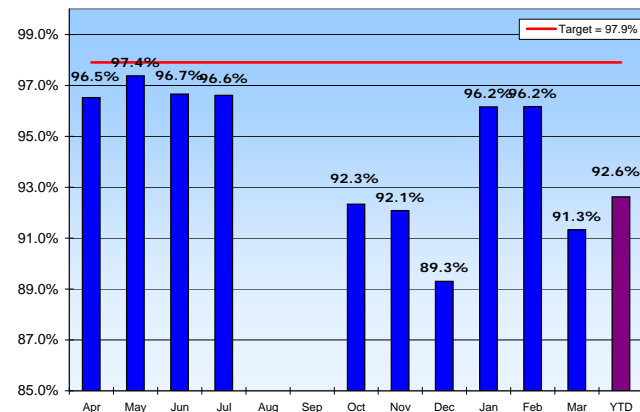
Urgent Repairs



The percentage of urgent repairs completed within government time limits

End of Year Target (High is good)	97.9%
Mar 11 Performance	91.3%
Mar 10 Performance	98.9%
YTD Performance	92.6%
Top Quartile (BPSA)	98.0%

Note: No Data in Aug/Sep due to Connaught Administration
Lovell performance starts Oct



Barnet Homes Pulse Report



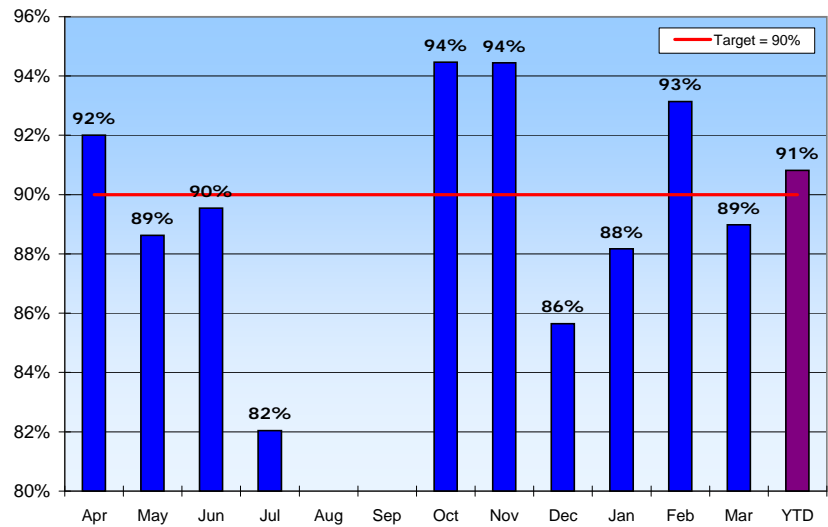
Right First Time



The percentage of repairs which are completed right first time

<i>End of Year Target</i> (High is good)	90%
Mar 11 Performance	89.0%
Mar 10 Performance	94.7%
YTD Performance	90.8%

Note: No Data in Aug/Sep due to Connaught Administration
Lovell performance starts Oct

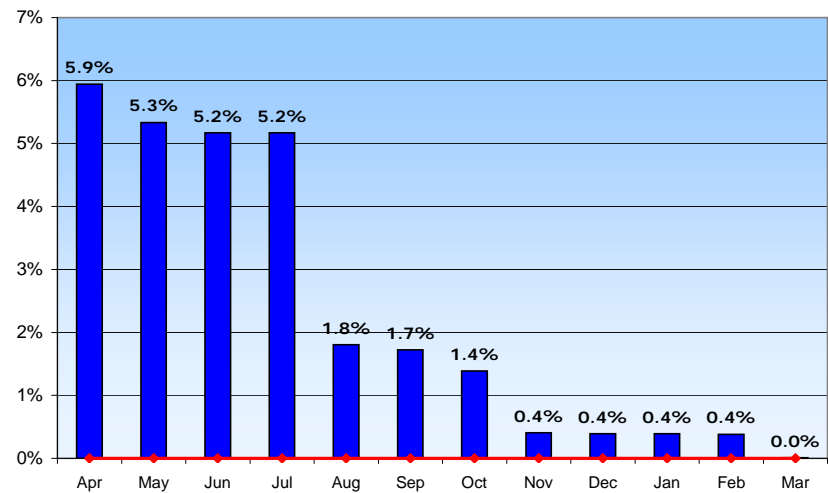


Decent Homes



The percentage of non-decent homes excluding regeneration properties.

<i>End of Year Target</i> (Low is good)	0%
Mar 11 Performance	0.0%

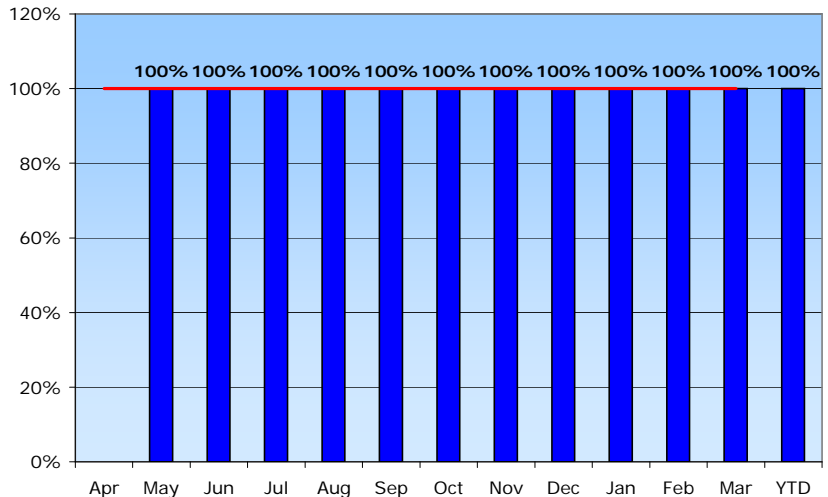


Fire Safety



The percentage of fire safety actions complete within one month

<i>End of Year Target</i> (High is good)	100%
Mar 11 Performance	100%
Mar 10 Performance	New PI
YTD Performance	100%



3) Tenancy

- allocations; rents; tenure

Relet Time



The average time it takes to relet an empty property.

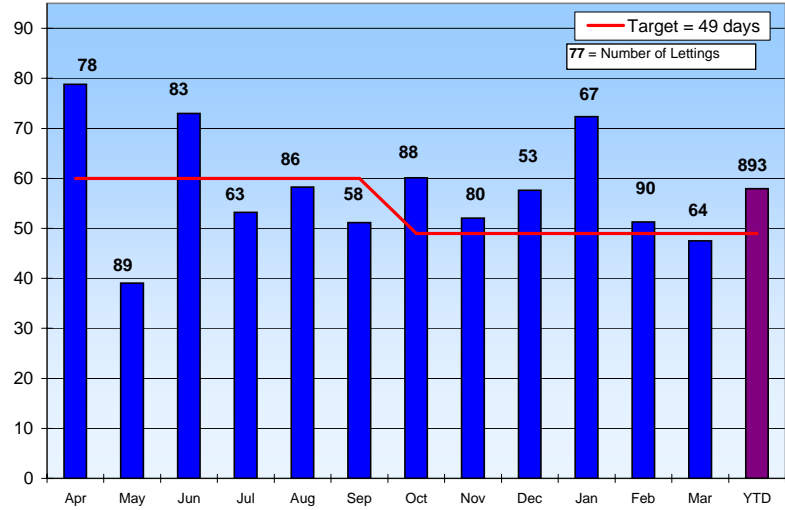
End of Year Target (Low is good) 49 days

Mar 11 Performance 47 days

Mar 10 Performance 95 days

YTD Performance 58 days

Top Quartile (BPSA) = 23.8 days



Tenant Satisfaction



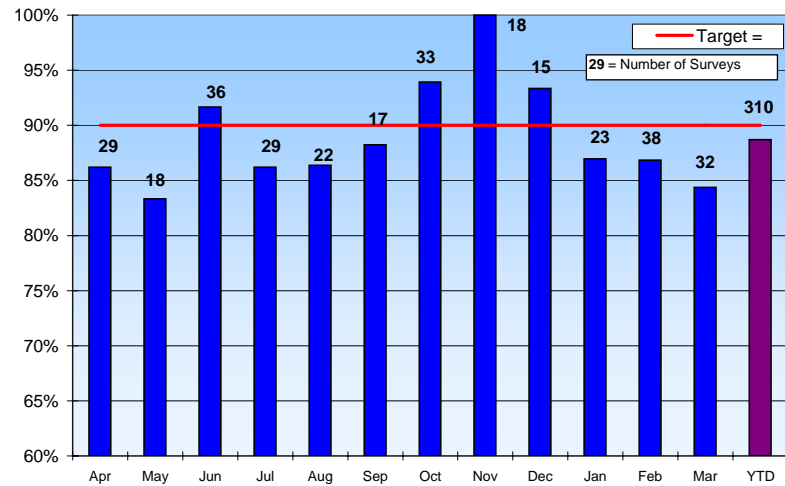
The percentage of new tenants satisfied with the condition of their new property

End of Year Target (High is good) 90%

Mar 11 Performance 84.4%

Mar 10 Performance 94.0%

YTD Performance 89%



Outstanding Voids

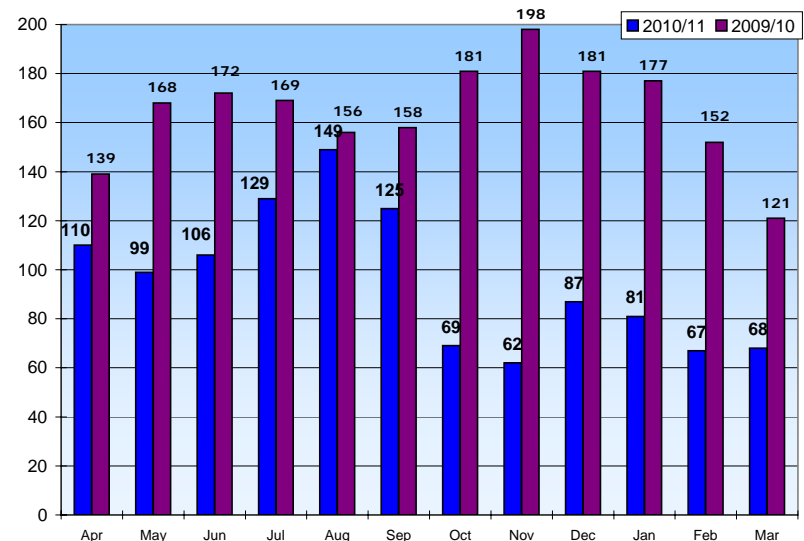


The number of empty properties at the end of each month

(Low is good)

Mar 11 Performance 68

Mar 10 Performance 121



3) Tenancy

- allocations; rents; tenure

Relet Time



The average time it takes to relet an empty property.

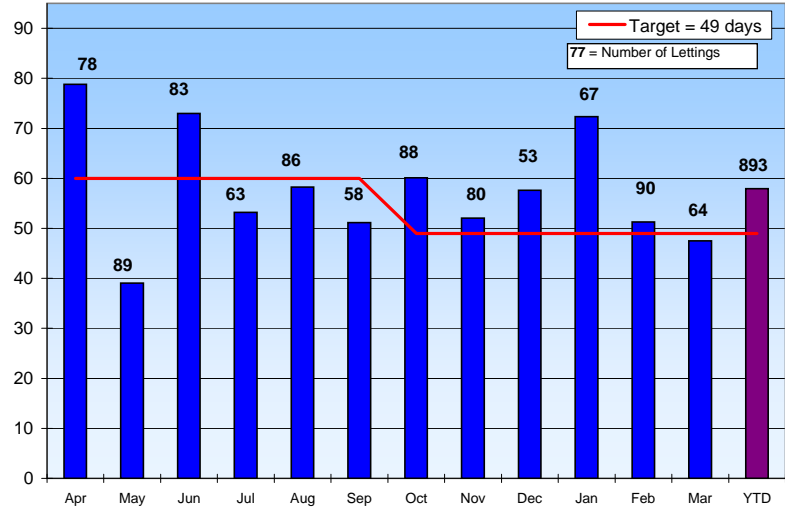
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Mar 11 Performance 47 days

Mar 10 Performance 95 days

YTD Performance 58 days

Top Quartile (BPSA) = 23.8 days



Tenant Satisfaction



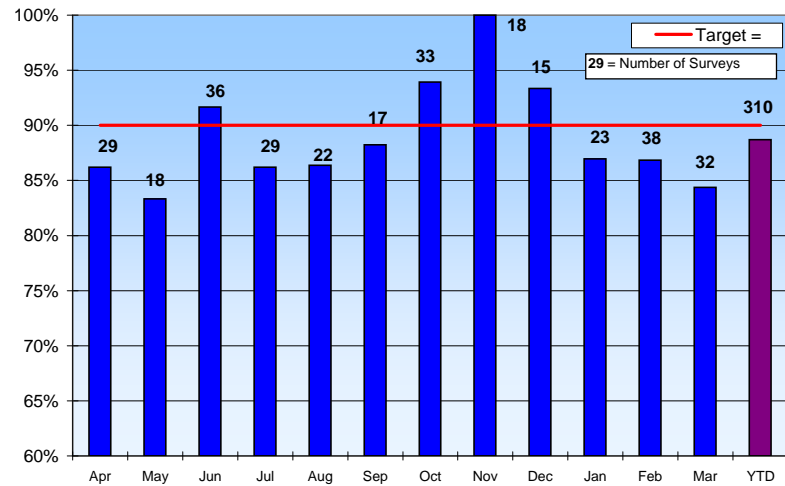
The percentage of new tenants satisfied with the condition of their new property

End of Year Target (High is good) 90%

Mar 11 Performance 84.4%

Mar 10 Performance 94.0%

YTD Performance 89%



Outstanding Voids

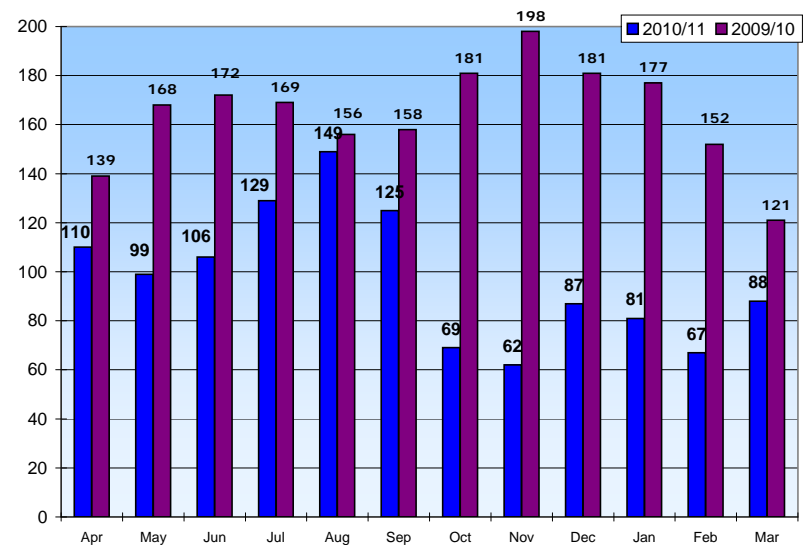


The number of empty properties at the end of each month

(Low is good)

Mar 11 Performance 88

Mar 10 Performance 121



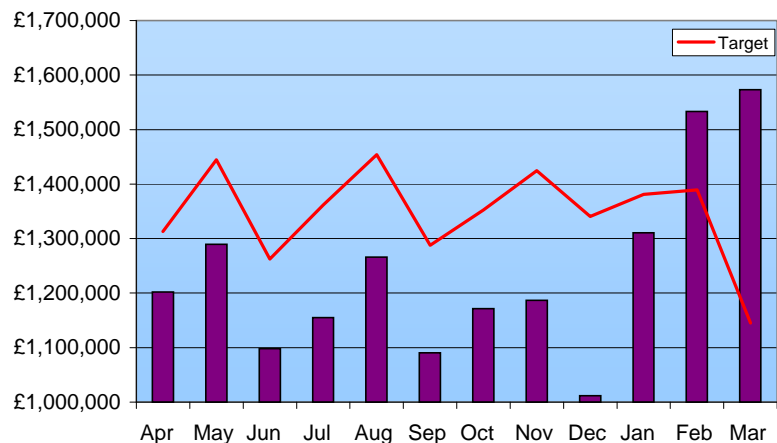
Barnet Homes Pulse Report



Arrears

The level of rent arrears at the end of each month

End of Year Target	(Low is good)	£1,145,000
Month Target		£1,145,000
Mar 11 Performance		£1,572,932
Mar 10 Performance		£1,155,870

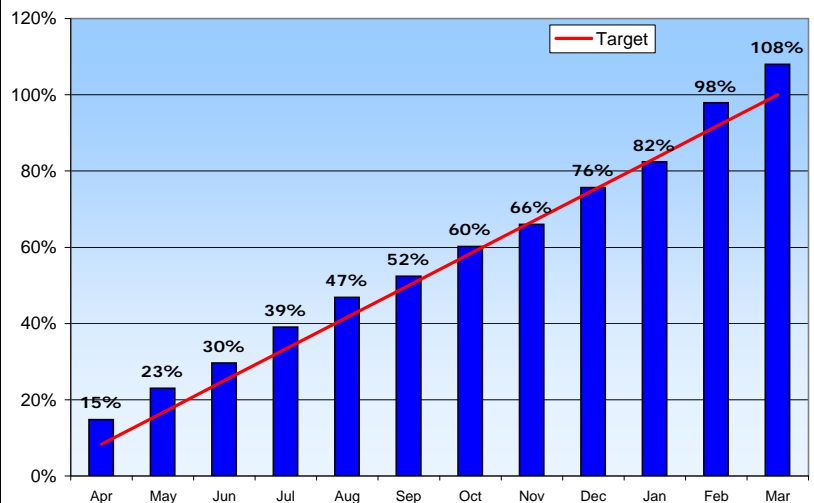


Service Charge



% Annual Service Charge Collected this year (vs. target)

End of Year Target	(High is good)	103%
Month Target		100.0%
Mar 11 Performance		108.0%
Mar 10 Performance		104.4%



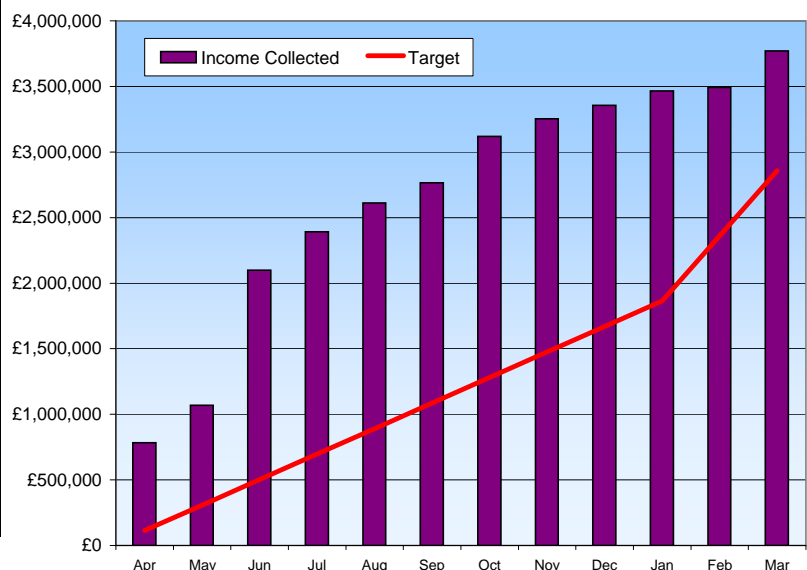
Major Works Income



The amount of major works income collected from leaseholders this year

(High is good)

Mar 11 Performance	£3,771,704
Target	£2,858,720



4) Neighbourhood & Community

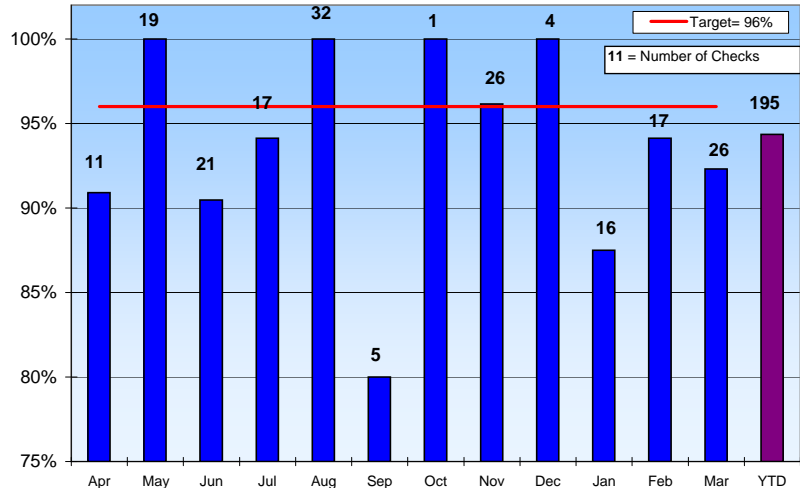
- neighbourhood management; local area cooperation; anti-social behaviour

Reality Checks - Non Regen



The percentage of reality checks achieving 2 star or above on all estates

End of Year Target (High is good)	96%
Mar 11 Performance	92%
Mar 10 Performance	93%
YTD Performance	94%
Number of checks in month	26
Number of checks YTD	195

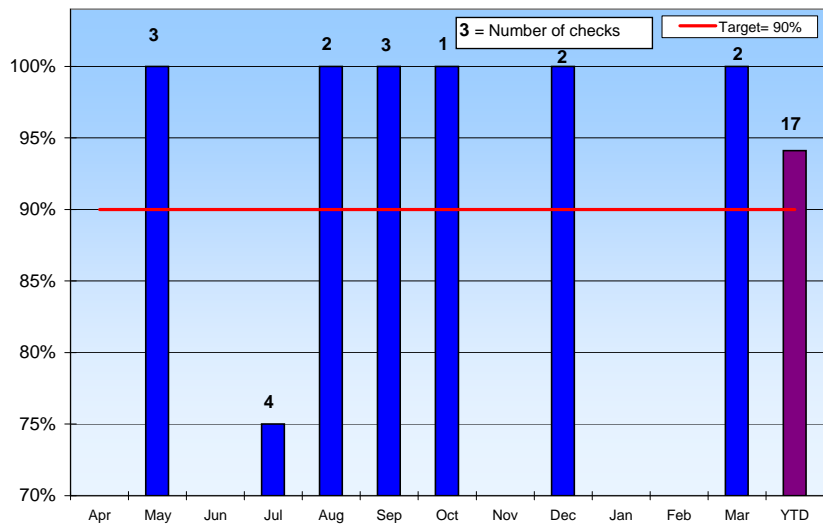


Reality Checks - Regeneration



The percentage of reality checks achieving 2 star or above on regeneration estates only

End of Year Target (High is good)	90%
Mar 11 Performance	100%
Mar 10 Performance	
YTD Performance	94%
Number of checks in month	2
Number of checks YTD	17

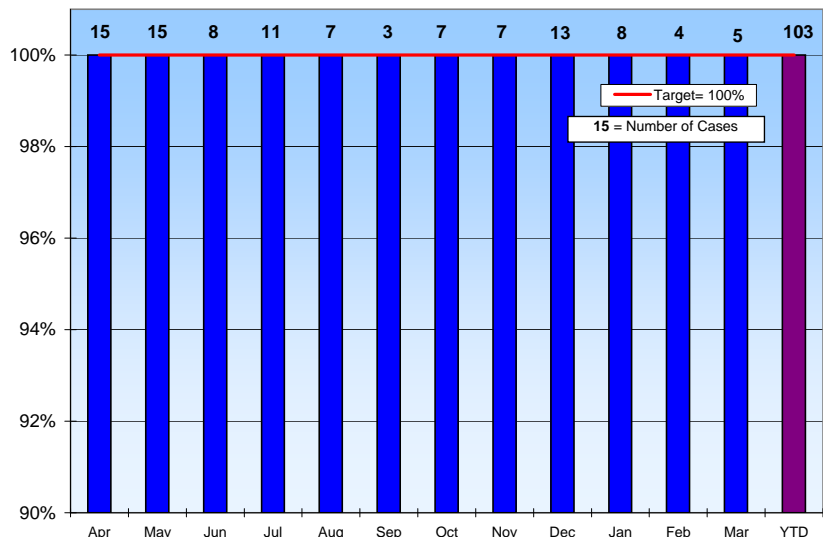


ASB



The percentage of serious ASB cases responded to in 1 day.

End of Year Target (High is good)	100%
Mar 11 Performance	100%
Mar 10 Performance	100%
YTD Performance	100%
No. of cases reported in month	5
No. of cases reported YTD	103



5) Value for Money

Sickness



The average number of days lost due to sickness per employee

End of Year Target (Low is good) 7 days

Mar 11 Performance 1.1 days

Mar 10 Performance 1.1 days

YTD Performance 7.1 days

