
Meeting	Budget and Performance Overview and Scrutiny Committee
Date	15 March 2012
Subject	Barnet Homes Performance Report, April – December 2011
Report of	Interim Head of Housing
Summary	The Council has agreed a set of performance targets with Barnet Homes as part of the Arms Length Management Organisation's (ALMO) business plan. This report provides information on performance against these targets from April – December 2011 and the actions being taken by Barnet Homes to improve performance where it is below target.

Officer Contributors	Cathy Osborn – Interim Head of Housing Kevin Turnpenney – Head of Operations (Customer Services), Barnet Homes Mandy Dunstan – Head of Operations (Environment)
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1 – Barnet Homes Board Report
For decision by	Budget and Performance Overview and Scrutiny Committee
Reason for urgency / exemption from call-in	Not applicable

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1. RECOMMENDATION

- 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 Business Plan for 2011-13 agreed with the Council.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet approved the establishment of Barnet Homes on 19 January 2004 (Decision Item 8)

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Barnet Homes contributes to the delivery of the Council's Corporate Plan objective Successful London Suburb by delivering major works to improve the condition of council properties and through its overall management of council homes and estates.
- 3.2 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.
- 3.3 A target has been set in the Council's Corporate Plan 2011/12 of improving overall tenant satisfaction from 73 percentage to 76 percentage. Barnet Homes is currently conducting another survey with results expected to be available before the end of March 2012.

4. RISK MANAGEMENT ISSUES

- 4.1 There is a risk that tenant and leaseholder satisfaction will not improve if Barnet Homes does not meet its 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. Profile information collected by Barnet Homes shows that 32 per cent of tenants are aged over 60, of which 8 per cent are aged over 80 (19 per cent of the whole borough's residents are aged over 60 and 4 per cent are over 80). 27 per cent of tenants consider themselves as having a longstanding illness, impairment or infirmity that limits their activities. 43 per cent of tenants are from black and minority ethnic (BME) backgrounds with 19 per cent black and 9 per cent Asian (31 per cent of the borough's residents are from BME backgrounds with 8 per cent black and 14 per cent Asian).
- 5.2 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.
- 6.3 Barnet Homes works closely with the Council to manage the HRA.
- 6.4 The Council's Head of Finance meets regularly with the Head of Financial Services from Barnet Homes to review performance on key financial matters.

7. LEGAL ISSUES

- 7.1 Barnet Council has a statutory duty to provide social housing and to keep it in good repair. It also has a duty to obtain best value in all its dealings.

8. CONSTITUTIONAL POWERS

- 8.1 The roles and terms of reference of all 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 and Scrutiny Committee, amongst other duties, is responsible for scrutinising the overall performance, effectiveness and value for money of Council services, including the planning, implementation and outcomes of all corporate improvement strategies.
- 8.2 The Budget and Performance Overview and Scrutiny Committee shall scrutinise the financial management of resources available to the council including: property and asset acquisitions and disposals; reviewing the council-wide property and asset strategy; and the capital investment programme.
- 8.3 The committee also has within its remit responsibility for scrutinising the effectiveness of the council's partnerships (not within the remit of other overview and scrutiny committees) in furthering the council's community and corporate plans, communication and public consultation including:
 - Local Strategic Partnership
 - Thematic Boards
 - Partnerships and sub-Partnerships
 - Relevant partner associations not covered by other stand alone committees
- 8.4 The Local Government Act 2000 determined that along with other responsibilities the remit of Overview and Scrutiny would include the responsibility to make recommendations to the executive on matters which affect the authority's area or inhabitants.
- 8.5 Additionally and insofar as relating to matters within its remit, the committee shall perform the overview and scrutiny role in relation to:
 - The council's leadership role in relation to diversity and inclusiveness; and
 - The fulfilment of the council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.

9. BACKGROUND INFORMATION

- 9.1 Barnet Homes was set up by the Council in April 2004 as an arm's length management organisation (ALMO) to provide day-to-day management and maintenance services for Barnet Council tenants and leaseholders.
- 9.2 Performance indicators for 2011/12 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 antisocial behaviour
 - **Value for money**
- 9.3 The Interim Head of Housing meets with the Chief Executive of Barnet Homes on a monthly basis to review its performance.

The last meeting of the Barnet Homes Board on 23 February received updates on December 2011 performance. Appendix 1 shows performance to December 2011 against the performance targets agreed with the Council for 2011/12. 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

A report covering the same period went to the 2 February meeting of the resident scrutiny panel – the Performance Advisory Group.

- 9.4 Barnet Homes' last major customer satisfaction survey carried out in 2010 reported that 73 per cent of the tenants of Barnet Homes were satisfied with overall landlord services. This compares favourably with the London top quartile of 71 per cent and average of 69 per cent. Satisfaction with repairs and maintenance stands at 68 per cent (2010). Satisfaction with overall services is highest among people aged 60 or above (79 per cent) and lowest among the 40-59 age bracket (63 per cent). Geographically, the highest overall satisfaction is in Hendon (76 per cent) and lowest at Grahame Park (67 per cent). Among ethnic groups, Asian residents have the highest satisfaction (77 per cent) and black residents have the lowest satisfaction (66 per cent).
- 9.5 Leaseholders are generally less satisfied across all local authority landlords. Their satisfaction in 2010 in Barnet was 40 per cent, compared to a London top quartile of 48 per cent and average of 42 per cent

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 neighbourhood services, including estate inspections, and supporting the mobilisation of new repairs contractors.

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**

Barnet Homes involves residents across all aspects of the company. It has a strong commitment to training, employment and community working as part of its Successful Tenancies policy.

- There are three residents on the Barnet Homes Board
- The Performance Advisory Group (PAG), comprised entirely of residents, actively scrutinises performance, sets the improvement agenda and creates a potential succession route for future Board directors
- Viewpoint is a database of 3,500 residents who have asked to be more involved. It is used, among other things, for focus groups, surveys, and to recruit new PAG members
- Quarterly HUB meetings are held across the borough and are open to any tenant or leaseholder to attend. Feedback is published on the Barnet Homes website
- There are 15 residents' associations and 20 gardening clubs
- Barnet Homes hosts three workclubs, is a Chartered Institute of Housing accredited training provider using a dedicated resident resource centre, and has employed seven resident apprentices in 2011
- Barnet Homes has over 2,000 friends linked to its Facebook pages targeted at young people
- The Barnet Homes Stage 3 complaints panel is comprised only of residents
- Residents have been instrumental in service development. Examples are the procurement process for new repairs contractors and reviewing case handling for antisocial behaviour cases

Barnet Homes tenant survey in 2008 asked residents for their views about communications and involvement:

- 74 per cent thought that Barnet Homes was good at keeping them informed about things that might affect them as a tenant (2008 London average 69 per cent Ipsos MORI)
- 58 per cent of tenants were satisfied that their views were taken into account. Older tenants and those from BME backgrounds scored higher while younger tenants scored lower on this indicator (2008 London average 55 per cent Ipsos MORI)

Targets are being met for responses in time to complaints and MP/Members inquiries. Complaints are 28 per cent lower than at the same point last year.

Barnet Homes has also met the waiting time target of 13 weeks for major adaptations and is in the process of delivering a lean review of the service in conjunction with the council to improve the service still further. The Assist service continues to deliver performance above industry standard and at an improved level from last year.

The year end average for call centre waiting times is expected to be below target, due to disappointing performance in the first six months of the year. Performance was affected by:

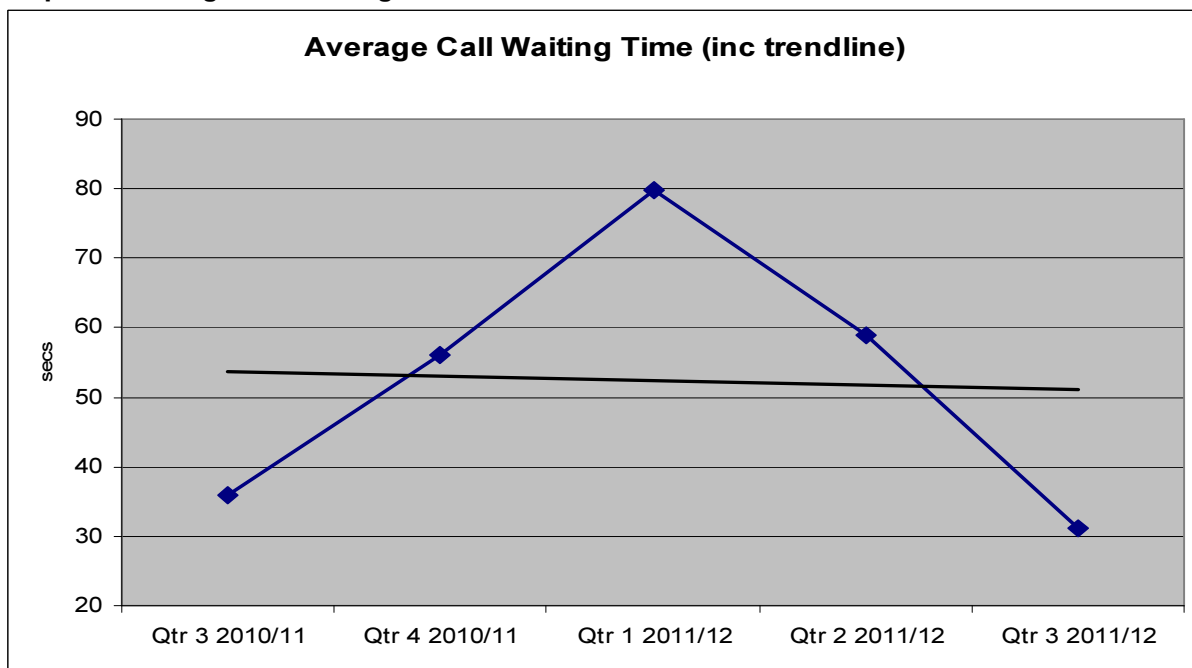
- the loss of the Call Centre Manager
- higher volumes of work in progress queries as a result of backlog of repairs orders earlier in the year
- high volume of housing benefit calls earlier in the year.

Actions taken to address under-performance include:

- recruitment of a new Call Centre Manager at the beginning of September
- Barnet Homes' managers joining a supervision rota to cover the recruitment period
- a Performance Improvement Plan agreed with Barnet Homes' repairs contractor, Lovell
- the use of message of the day to reduce call volumes in busy periods.

An improvement plan has been implemented by the Call Centre Manager and call centre staff now monitor qualitative performance through a short customer survey. The results will be used to identify areas of dissatisfaction and manage performance of individual officers. Performance in quarter three shows continued improvement as confirmed in Graph 1 below:

Graph 1 – Average Call Waiting Time



9.10 Home

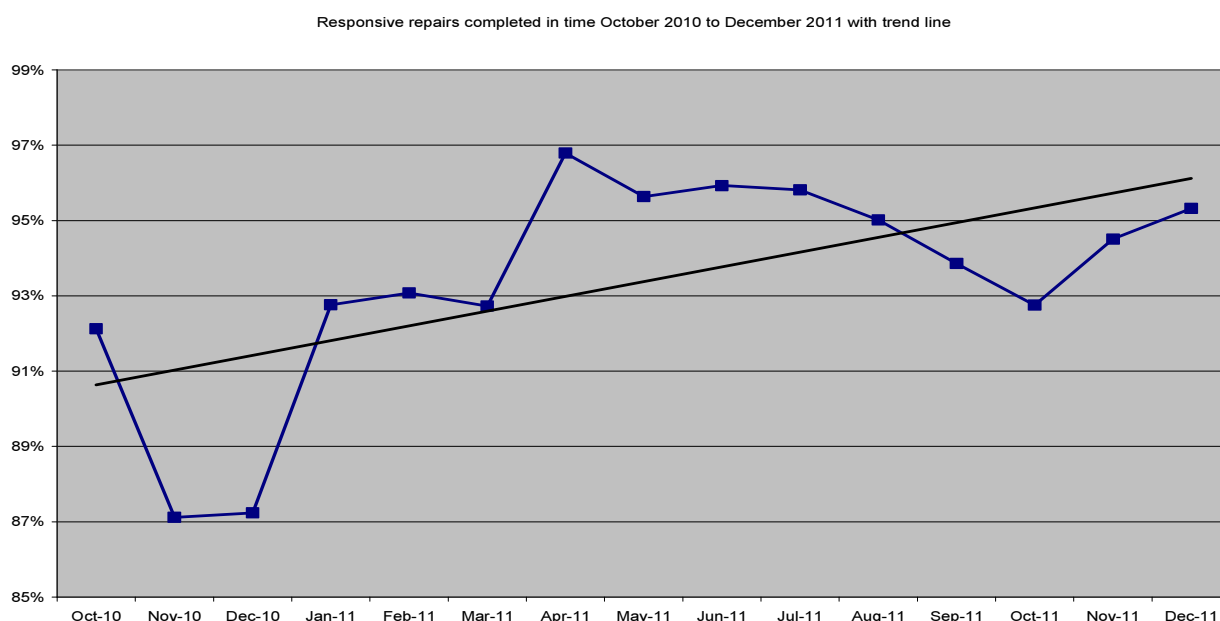
In December 99.9 per cent of homes had a current gas servicing certificate and at no point in the year has coverage fallen below 99.7 per cent. In total there are just over 8,900 homes which require gas servicing. Village Heating has been performing consistently well in this area and has agreed to take on additional work before March 2012 to assist in the mobilisation of the new gas contractor, Mitie.

Overall repairs in-time performance, which covers both Lovell and Village Heating, has been adversely impacted by a number of overdue decoration orders which built up due to sickness among Lovell's staff earlier in the year. These orders have been reduced by more than half and Lovell is working hard to complete the remainder. As the orders reduce, in-time performance is expected to improve. There is also a phased reduction of work planned for the last few months of the contract which should further improve performance.

There is a direct relationship between these overdue orders and the additional calls taken by the call centre as a result of residents calling to track progress on work.

Graph 2 below illustrates the overall trend in repairs in-time performance over the last year:

Graph 2 - Trend in repairs in-time performance Oct 201--Dec 2011



Two other key responsive repair performance measures - appointments made and kept (99 per cent year to date) and repairs completed right first time (89 per cent year to date) - are both performing well and are above target level. In addition Barnet Homes and Lovell are inspecting more than the target level of 10 per cent of completed jobs each month.

Lovell's representatives attend monthly operational performance meetings alongside Barnet Homes' managers to give updates on performance issues and discuss actions they are putting in place for improvements.

Following a rigorous procurement process, the Barnet Homes Board approved new maintenance contractors at its meeting on 1 June, with the majority of contracts due to go live on 1 April 2012.

The focus for the coming few months will be on ensuring a smooth transition from Lovell to a new repairs contractor, Mears. Residents will be monitoring this transition through their Performance Advisory Group. Residents have also worked with Barnet Homes and Mears to build in robust performance measures which will come into effect as contracts go live.

9.11 Tenancy

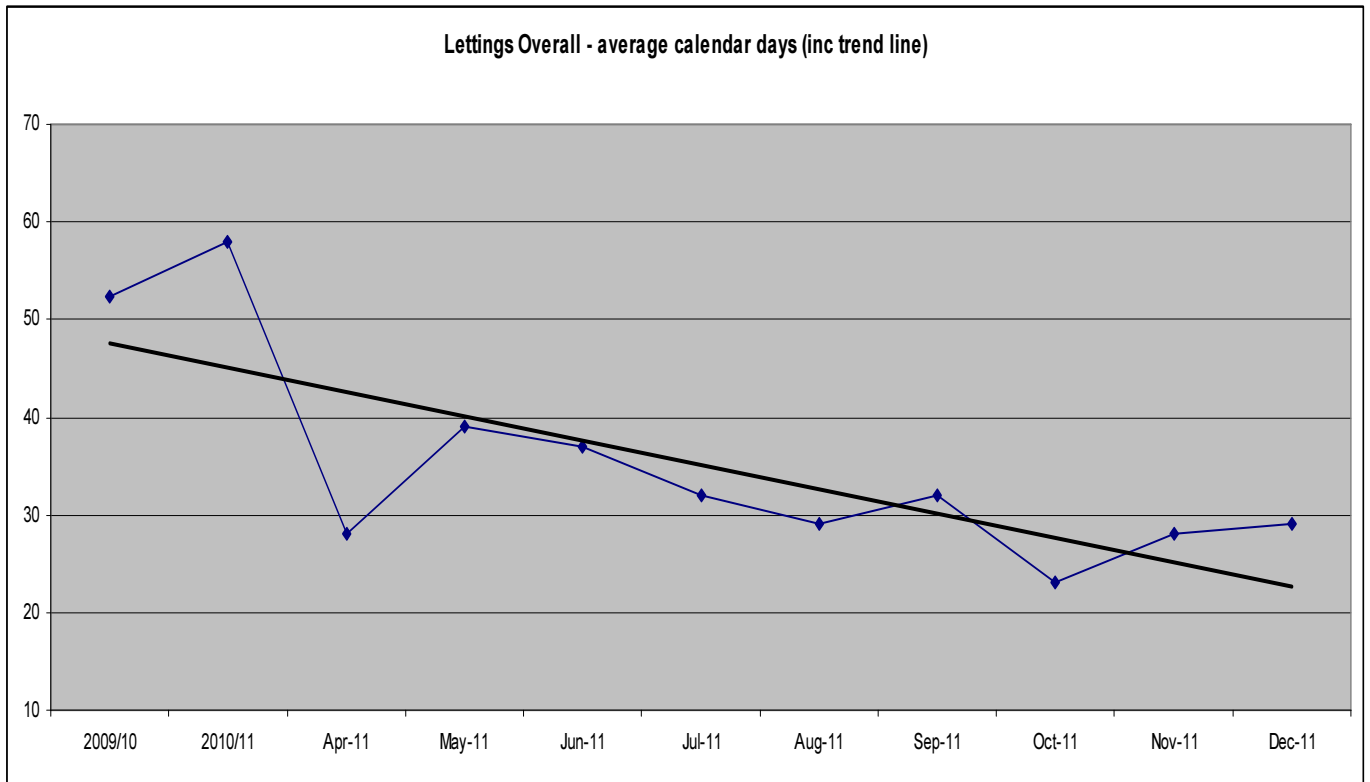
Lettings performance – re-letting empty properties

Table One below shows year end lettings performance for 2009/10 and 2010/11 and then month by month performance lettings for the current year.

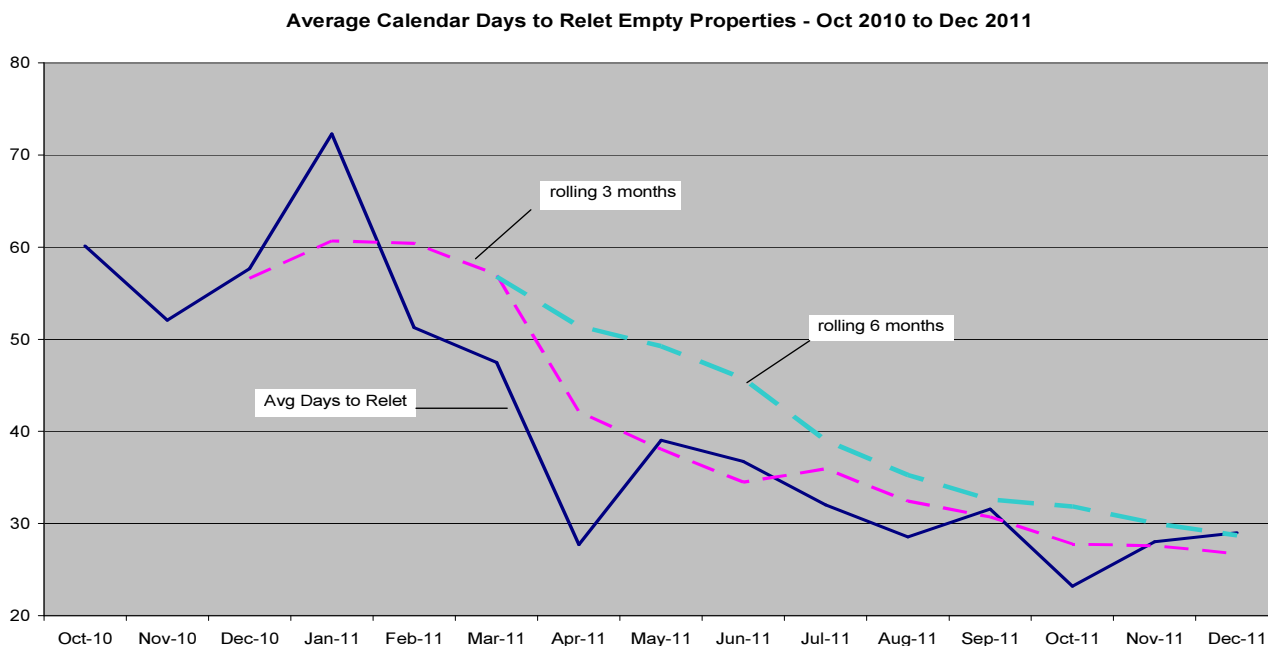
Table 1 - Lettings performance 2009/10 to December 2011

	2009/10	2010/11	April 2011	May 2011	June 2011	July 2011	August 2011	Sept 2011	Oct 2011	Nov 2011	Dec 2011	2011/12 Year to date
Routine		20	20	22	20	19	23	18	19	22	14	20
Sheltered		64	35	77	98	77	34	49	53	61	40	56
Regeneration		121	49	60	60	57	42	59	28	29	42	46
ALL	52	58	28	39	37	32	29	32	23	28	29	30
Year to date	52	58	28	36	36	34	32	32	31	30	30	

Graph 3 - Lettings overall



Graph 4 - Average calendar days to re-let empty properties - Oct 2010 to Dec 2011



The above table and accompanying charts show that:

Routine void lettings, which represent 65 per cent of all lettings, are slightly behind target with properties being let in 20 days against the 19 day target. It should be noted that four of the last six months have seen performance in line with or better than target with December's being the best performance of the year at 14 days.

Sheltered properties are still proving difficult to let although their impact on the overall performance is low as these properties represent only 6 per cent of all lettings. There are a variety of reasons for the difficulty in letting, ranging from the suitability of some properties, the brand or image of sheltered housing and the lack of demand.

Regeneration properties, which represent 29 per cent of all lettings, were let more quickly in October and November than at any point since July 2009, at 28 and 29 days respectively. Unfortunately, December performance slipped to 42 days. This was as a result of a large influx of voids and a decision to use some of the units as temporary accommodation, meaning more work was required to the properties. However, it remains the case that year to date performance of 46 days is some way behind a stepped target of 35 to 32 days.

Barnet Homes is working with the council to increasingly use regeneration properties as temporary accommodation. This helps towards reducing the costs of placing families in expensive short term accommodation, which is also currently in increasingly short supply.

Future Performance – outstanding routine voids

Table 2 below shows the number of voids outstanding at the end of 2009/10, 2010/11 and the position so far this year.

Table 2 - Number of voids outstanding

	2009/10	2010/11	April 2011	May 2011	June 2011	July 2011	August 2011	Sept 2011	Oct 2011	Nov 2011	Dec 2011
Number of voids outstanding	152	67	83	76	61	65	92	70	108	86	66
Average calendar days outstanding	98	27	36	47	44	34	38	28	24	32	29

The table shows peaks in void numbers in both August and October as a direct result of long-established tenants on the Grahame Park and Stonegrove regeneration estates being re-housed in their newly built homes.

Following the undertaking of a lean review by the council and introduction of a new allocation policy in April 2011, there have been recent signs of improved performance. However, we are not achieving the kind of consistent low level turnaround times delivered by top performing London organisations. The Director of Operations for Barnet Homes is working with council colleagues to identify the barriers preventing a step change in performance, and the transfer of the Housing Service to Barnet Homes will assist with this.

There are two key strategic projects planned for 2012/13 which are expected to deliver improvements:

- The opportunity to drive the new repairs contractor to achieve more challenging turnaround time targets
- Taking advantage of the synergies identified as part of the Housing Needs and Resources service alignment with Barnet Homes

Tenant satisfaction with the condition of new properties has averaged 88 per cent this year against a target of 90 per cent.

Tenancy – leaseholders

Performance for collection of annual service charges is on track and Barnet Homes expects to meet its year end target to collect 100 per cent of 2011/12 service charges and an additional amount from arrears.

Tenancy – Rents

December's rent arrears of £1.44 million are close to the target expected for this time of year (£1.46 million) but there remains a gap to close in order to meet the year end target of £1.15 million. Direct debit payments have not been captured in December's figures due to the date of reporting, so arrears levels are showing around £60,000 higher than expected. There is a decline in the average housing benefit payment with a number of tenants moving from full to partial housing benefit. This may reflect a growing trend towards tenants moving into part-time or temporary work. This results in an increase of collectable debit of around £30,000 per week. This pattern is likely to increase with implementation of welfare reform later this year. Overall housing benefit take up has increased by 3 per cent since April 2011 to nearly 68 per cent of tenants

Over the last few months Barnet Homes' officers have noticed through their telephone work that it is becoming increasingly difficult to secure payments or catch up payments. It is felt that this is one of the first real signs of tenants feeling the impact of the economic climate. At the last meeting of the London Boroughs Housing Directors benchmarking group this issue was discussed along with the implications of the welfare reform changes. Four of the five boroughs represented confirmed that they were also finding it increasingly difficult to secure payments.

To improve collection levels Barnet Homes is:

- Carrying out analysis to understand changes to housing benefit patterns
- Extending analysis to track factors that impact on arrears such as cash collection. This enables Barnet Homes to identify changes as they happen and be more proactive in its response
- Putting extra resources into specific areas with high arrears
- Asking officers to work extra hours to make phone calls for collection – specifically in the evenings when most tenants are at home

9.12 Neighbourhood and community

Reality checks are unannounced site visits to estates undertaken by Barnet Homes senior managers to gauge standards of caretaking and maintenance.

More than 120 reality checks have been carried out so far this year and in general the standard of estates is good with fewer than one in ten checks resulting in a below standard rating.

The reality checking process will undergo review early in the New Year with an aim to introduce an improved process by April 2012. This forms part of a wider piece of neighbourhood review work with estate inspections also being reviewed by Barnet Homes staff and residents. In addition a localised service pilot on the Grange Estate is taking place which targets the individual needs of the estate. Results of this will be reported to Barnet Homes Board early in 2012.

There have been fewer surveys tracking satisfaction with antisocial behaviour case handling carried out this year due to restructuring of the service. One consequence of this is that the satisfaction level appears unusually low. Priority is being given to increasing the number of surveys in the last quarter of 2011/12 which will give a more accurate picture.

9.13 Value for money

Barnet Homes has achieved substantial efficiencies over its lifetime and has cut operating costs by 15 per cent since 2004 while retaining good customer satisfaction. The procurement of ten-year repair and maintenance contracts starting in 2012 represents a significant commitment to value for money.

In the last 12 months the senior management structure of Barnet Homes has been reduced and neighbourhood services have been restructured. The creation of The Barnet Group and proposal to integrate housing needs and resources will deliver further efficiencies and help secure the long term future of Barnet Homes. In 2010/11 Barnet Homes secured in excess of £330,000 in grant funding.

Sickness levels are on target and are lower than at the same point last year.

10. LIST OF BACKGROUND PAPERS

10.1 None

Legal – BH

CFO – JH/MC

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