
Meeting	Budget and Performance Overview and Scrutiny Committee
Date	24 January 2013
Subject	The Barnet Group Performance Report, April – September 2012
Report of	Directors of Operations – Barnet Homes & Your Choice Barnet
Summary	This report provides the committee with an update on the performance of the Barnet Group from April to September 2012.

Officer Contributors	Derek Rust – Director of Operations Barnet Homes Amanda Jackson – Director of Operations Your Choice Barnet
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1 – The Barnet Group 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 committee note the report and make comment as appropriate.

2. RELEVANT PREVIOUS DECISIONS

2.1 Special Committee (Constitution Review) – 18 January 2012 – Decision Item 8 – LATC: Consequential Changes to Constitution – Budget and Performance Overview and Scrutiny Committee terms of reference to include responsibility for the scrutiny of the Barnet Group and to receive the Group’s Annual Report and Mid-Year Performance Report for review and to engage pre-decision scrutiny of other strategic documents as requested by the committee.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The Overview and Scrutiny Committees must ensure that the work of Scrutiny is reflective of the Council’s priorities.

3.2 The three priority outcomes set out in the 2012-13 Corporate Plan are: –

- Better services with less money
- Sharing opportunities, sharing responsibilities
- A successful London suburb

4. RISK MANAGEMENT ISSUES

4.1 There are no direct risk management issues in the context of this report. However, in-depth review of the Barnet Groups performance issues by the Budget and Performance Overview and Scrutiny Committee should contribute to performance improvement, and therefore mitigate the risk of non-improvement and failure to meet performance targets.

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.

5.3 Analysis of Your Choice Barnet service users shows that 51 per cent are male, 37 per cent are under 40 and 13 per cent are over 60. Where ethnicity is known the majority are White (60 per cent) and the largest BME group is Asian (28 per cent).

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

6.1 There are no direct resource implications in the context of this report however the Council's Overview and Scrutiny Committees are tasked with assisting the Council and the executive in the development of its budget and policy framework by in-depth analysis of policy issues. The Budget and Performance Overview and Scrutiny Committee has the specific remit to scrutinise the overall performance, effectiveness and value for money of Council services.

7. LEGAL ISSUES

7.1 None.

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 has the specific remit to scrutinise the performance of The Barnet Group LTD, including:

- The Annual Report
- The mid-year Performance Report
- Pre-decision Scrutiny of other strategic documents as requested by the Committee.

9. BACKGROUND INFORMATION

9.1 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.

9.2 The Barnet Group was established as a local authority trading company in February 2012 bringing together the existing arm's length management organisation (ALMO) Barnet Homes, set up by the Council in April 2004, and Your Choice Barnet, a new company providing services to adults with learning disabilities.

9.3 Formal meetings take place on a monthly basis between the Barnet Group executive team and council officers to review performance.

Appendix 1 shows performance to September 2012 against the performance targets agreed with the Council for 2012/13. The indicators monitored and the targets set take into account:

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

- Contract requirements

The last meeting of the Barnet Group Board on 20 November received updates on performance to September 2012.

- 9.4 Barnet Homes' last major customer satisfaction survey carried out in 2012 reported that 78 per cent of the tenants of Barnet Homes were satisfied with overall landlord services. This is an increase from 2010 of 5 per cent and compares favourably with other London boroughs. Satisfaction with overall services is highest among people aged 60 or above and lowest among the 18-39 age bracket. Geographically, the highest overall satisfaction is in Finchley Church End ward (93 per cent) and lowest in Woodhouse ward (63 per cent). Among ethnic groups those classing themselves as Other scored lowest at 74 per cent and Asian and Black residents have the highest satisfaction (79 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 and 2010.
- 9.7 Your Choice Barnet satisfaction was surveyed close to go-live earlier this year but the low response rate and lack of service user feedback means that further work is required and is part of the Your Choice engagement plan scheduled for later in the financial year.
- 9.8 Customers are actively involved in monitoring Barnet Homes performance through the Performance Advisory Group and Your Choice Barnet Board has recently approved an engagement plan for carers and service users to become more actively involved.

The following extracts detail key performance information and issues:

9.9 **Barnet Homes**

9.9.1 Housing Options

9.9.2 When the Housing Needs and Resources service was transferred from Barnet Council to Barnet Homes in April 2012 the business case indicated that the service was experiencing performance challenges in key areas:

- Falling supply of accommodation
- Increasing demand for accommodation
- Cost of providing temporary accommodation
- Length of stay in temporary accommodation
- Lack of leadership and performance culture amongst staff

9.9.3 Since service transfer a major restructure has taken place and a head of service has been appointed. An improvement plan is in place to address the issues highlighted and progress is being made.

9.9.4 There are a number of positive developments to report in Quarter 2 against the issues highlighted above:

- Private Rented Sector procurement strategy in place to increase housing supply
- Use of Discretionary Housing Payments to provide rent deposits
- Launch of Let2Barnet management service for private landlords yielding new private sector rental opportunities for applicants

- Acquiring more units from Housing Association leased direct schemes
- Manager's approval must be sought for new applicants to temporary accommodation
- Occupancy checks to ensure applicants are in residence
- Clearing the backlog of cases awaiting banding built up prior to transfer

9.9.5 Lettings – 399 lettings have been completed to date and these empty properties are turned around in 20 days on average against a target of 26 days. New tenants are routinely surveyed and of 144 new tenants who responded between April and September 90 per cent reported that they were satisfied that their new homes are clean and tidy and safe and secure.

9.9.6 Income – at the end of September there were 4,061 tenants in arrears (value £0.01 or more) out of a total of 10,498 live accounts (39 per cent) and 5,031 in credit (48 per cent). The value of arrears is tracked as a proportion of debit raised and at the end of September this stood at 2.55 per cent against a target of 2.43 per cent.

Research undertaken indicates that the increase in arrears is attributable to tenants on partial or no housing benefit and there is a decline in the number of clients on full housing benefit.

Benchmarking work undertaken by Barnet Homes shows that housing organisations across London are beginning to feel the impact of the economic climate on their arrears performance with all forms of rent becoming increasingly more difficult to collect. It is expected that the position will deteriorate further next year with the impact of welfare reforms and introduction of Universal Credit.

51 per cent of leasehold service charges had been collected by the end of September against a target of 50 per cent.

9.9.7 Repairs – from April 2012 Barnet Homes went live with new 10 year repair contracts residents were involved in the selection process as well as setting standards for service delivery. Customer satisfaction with repairs is running at 97 per cent against a target of 90 per cent. The completion of repairs in time has been affected by a backlog built up over the summer which Mears are clearing but the turnaround times have adversely affected the average which is currently 90 per cent in time against a target of 96 per cent. 99.9 per cent of properties have a current gas servicing certificate against a 100 per cent target.

9.9.8 Complaints – fewer complaints are being received compared to same period last year and this is an ongoing trend. The target for responses in time is being met.

9.9.9 Sickness – at 2.4 days average per full time equivalent Barnet Homes is on track to meet target and ahead of the same point last year.

9.10 **Your Choice Barnet**

9.10.1 Your Choice has been in operation since February 2012 and has inherited the six day and accommodation services from the council. Service users continue to receive the services that they had when provided by the council. This forms the commissioned service against which performance is monitored. Over the year individuals will be reassessed to ensure their service is commissioned at an appropriate level.

Services delivered against those commissioned – service delivery varies across sites at Barnet Independent Living Service (BILS) has the lowest delivery rate (71 per cent) but service users' fluctuating health conditions at BILS means they often need to take time away from the service. In contrast steadily increasing take-up at Flower Lane Autism Service and Rosa Morison mean rates are closer to 90 per cent. Supported Living services are recording over 100 per cent commissioned support while the reassessments take place and a clearer commissioning position is reached.

There is an imperative to provide flexibility of service to ensure that service users can receive support when it is most beneficial to them. Your Choice is looking at its service offer and structures to ensure that it can be responsive to changing demand of service users.

9.10.2 Percentage of service capacity utilised – capacity utilisation rates also vary and again BILS is the lowest scoring service (35 per cent). To address this support plans are being updated and the council has been asked to prioritise social work reviews which will enable targeting of accurate support. Rates at Community Space are quite low (76 per cent) but the service structure has been reviewed and new clients were not actively sought over that period. The Valley Way Respite service has 72 per cent of capacity used and Your Choice Barnet recognise this as an area for targeting new clients. The remaining services are achieving acceptable levels of utilisation (85 per cent-90 per cent).

9.10.3 Complaints – only one formal complaint has been received since April. Parents, carers and service users tend to resolve any issues informally at service level with the local staff they know and trust. Compliments have been received about many of the services and Your Choice Barnet will ensure these are recorded formally in future.

9.10.6 Sickness – sickness rates are significantly higher than Barnet Homes and there is wide variation amongst services. HR support managers will robustly manage sickness absence by ensuring return to work interviews are carried out effectively and ensure actions, including referrals to Occupational Health, are made in a timely manner

10. LIST OF BACKGROUND PAPERS

10.1 None

Legal – PJ

CFO – JH