Hexagon Housing Association

**Board of Management**

**26 July 2016**

**Agenda item 11**

**Quarter 1, 2016/17 Performance Indicators**

**Lead Board Member: Kellie Elmes**

**Report by the Operations Director**

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| ***1.*** | ***Summary*** |
|  | This report summarises the performance on our key PIs for Quarter 1, 2016/17 and compares this with the previous quarter. On 9 indicators where a valid comparison with Q1 in 15/16 is possible, performance improved and on 7 it declined and on 3, it remained stable.  |
| ***2.*** | ***Recommendations*** |
| 2.1  | That the Board notes the performance and approves the actions shown in the commentaries in the tables to improve performance where required to meet targets.  |
| 2.2 | The Board approves the new indicator in Table 4b showing the response time to email queries about repairs.  |
| ***3.*** | ***New performance indicator*** |
|  | A new PI has been added this quarter which is measuring the time taken to respond to an email about repairs sent to the corporate repairs reporting email address. We have not been able to measure this in the past except by spot checking. These emails are handled by Customer Services and a target of 5 days was agreed last year following resident consultation. These emails are now presented to customer services advisors in the same way as a telephone call and can therefore be monitored using the reporting facilities in our new telephone system. The response time has been within 24 hours for 100% of the time so we are doing much better than the target currently.  |
| ***4.*** | ***Highlights of results***  |
| **4.1** | **Resident focus PIs**  |
|  | Performance is mixed on the customer focussed PIs with slight improvements on the repairs satisfaction indicators but slight deterioration on the proportion of emergency repairs done on time and on the “end to end” times of repairs. The new PI on the time taken to respond to emails about repairs is shown for the first time (Table 4b) with 100% performance for responding within 1 day.  |
| **4.2** | **Safety indicators**  |
|  | Gas safety check coverage is once again at 100%. There are fewer FRA reviews and action points outstanding than there were at the end of Q4.  |
| **4.3** | **Income indicators** |
| 4.3.1 | Comparison with the Q4 results for arrears specifically is not straightforward as the Q4 results are usually the best of the year as every effort is made to post as much income as possible at the year end. Performance on most of the arrears income measures has deteriorated somewhat at the end of Q1 compared with the end of Q4 but when the *average* performance for quarter 1 was compared with the average performance for Q4 on general needs social rent arrears, there was no change. Most of the housing officers are using the “Rentsense” arrears monitoring tool well but there are some consistency issues within the team and there has also been long-term sickness which has affected the performance on some patches. A temporary income officer and staff doing additional hours have been utilised to alleviate the staff shortage. We will be doing a full evaluation of the Rentsense system in the autumn.  |
| 4.3.2 | Three of the four voids indicators are significantly improved compared with last quarter.  |
| **4.4** | **People indicator** |
| 4.4.1 | Sickness absence has deteriorated significantly in Q1 and although long-term absence accounts for much of this, short-term absence has also got worse. The Human Resources Manager reports in her commentary in Table P1 that she expects the long-term sickness position to improve in July.  |
| **4.5** | **Development programme**  |
| 4.5.1 | These PIs relate to the Development Programme made up of the two funding streams - Building the Pipeline (MHC BTP) and the Mayor's Housing Covenant 15/18 (MHC 15/18), for which we have schemes on site.We will continue to report on the conversion position for MHC BTP and MHC 15/18 as the subsidy requirement may change for these programmes. GLA targets for 16/17 are based on the Q1 position in IMS.**Conversions**As reported previously, we have now generated enough conversion subsidy so that relets at MRR and disposals have stopped. There is currently £3.7m of additional subsidy generated.**Hexagon subsidy (from operating surplus)**The current position (June) is that we are forecasting to utilise 64% of the Board approved subsidy across the 2 programmes ( a 'saving' of circa £2.3m) This is as a result of the interest rate assumptions, increased market rents and higher surpluses from shared ownership sales. This position may change if the housing market alters. |
| 4.5.2 | **Programme Delivery****MHC BTP**34% of the programme is still to complete with Mitcham Rd & Virgo Fidelis (56 flats) still on-site. Mitcham Rd is still the major concern although the GLA have accepted the reforecast to Sept 16. The largest risk item is the need to close the road for Thames Water works. We are following up with Thames Water on a weekly basis to get the submitted design approved and scheduled in. |
| 4.5.3 | **MHC 15/18**Good progress has been made in securing the 2015/18 programme (199 of 200). Those schemes without planning (76 homes) still remain high risk. In addition we have 11 s.106 units secured and on-site as well as another 35 potential s.106s, and a 29 unit rented scheme which may come to fruition. |
| 4.5.4 | **Outright Sale**Biggin Hill will deliver 7 outright sale houses as part of a 13 unit mixed tenure scheme. Works on site have commenced but have been delayed due to a design issue with the height of the buildings. This will cause a 5 week delay. Now that the 2015/18 programme is largely secured, the New Business team are focussed on identifying outright sale opportunities which will utilise the £10.5m available. In addition they are actively looking for land investment opportunities to utilise the £8.5m available. Obviously, this will be reviewed in the context of the impact of Brexit on the housing market. |
| 4.5.5 | **Capital at Risk**We currently have an estimated £550k capital at risk across our shared ownership and outright sale schemes. This is well within the Board's agreed limit of £5.7m.  |
| **4.6** | **Financial indicators**  |
|  | The finance PIs are all well within an acceptable range.  |
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