Hexagon Housing Association

Board of Management

26 January 2016

Agenda item 10

Q3, 2015/16 Performance indicators

LBM: Rosalind Watson

Report by the Operations Director

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| ***1.*** | ***Summary*** |
|  | The report summarises the performance on our key PIs for Quarter 3.  On 9 of the 17 indicators where an annual comparison with Q3 last year is possible, performance improved and on 7 it declined; on one indicator, performance was about the same. This is overall a better position than in Q2. |
| ***2.*** | ***Recommendation*** |
| 2.1 | The Board notes the Q3 performance and approves the actions shown in the commentaries in the tables to improve performance where required to meet targets. |
| ***3.*** | ***Highlights of results*** |
| *3.1*  *3.1.1* | ***Resident focus***  The PIs with a focus on service to residents again show a mixed picture this quarter. The satisfaction surveys following repairs show a deteriorating picture for satisfaction with the recent repair and a slight deterioration in the indicators measuring the quality of the work and whether the repair was fixed first time. Last year’s data for Q3 was not reliable enough to make a comparison but it is disappointing to see a reduction in satisfaction from quarter 2. |
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| *3.2* | Although the Customer Services PIs show that the targets have once again not been achieved, the service levels have improved now that we are fully staffed. The targets were exceeded in the month of December. |
| *3.2.1* | The target for responding to emergency repairs was once again consistently met and the “end to end” time for repairs has improved and whilst still below the 10 day target, the performance is the best we have seen for many quarters. Complaints performance has improved compared with the last few quarters and very few complaints in the last few weeks are being responded to late. |
| *3.3* | ***Safety*** |
|  | The gas safety coverage was 100%. The performance on compliance on FRAs has however deteriorated; although the FRA reviews due have all been done, the evidence is not yet in the right place in the IT system. This is being sorted out. In addition there are more follow up actions which are not yet completed than last quarter. |
| *3.4* | ***Income indicators*** |
| *3.4.1* | The income indicators show a worsening position on arrears from Q2 to Q3 but a mostly improving position on voids. Arrears across all three rent areas are a long way from our targets. The pre-Christmas drive on arrears has had little impact. However, the arrears software “Rentsense” went live on 12 January and this should save housing officers time in their arrears work allowing more cases to be actioned in the time they have available for arrears work. We expect to be able to see whether this is starting to work in reducing arrears after about three months. |
| *3.4.2*  *3.5* | Overall, the position on voids is improving. Indeed the target was met for Q3 alone in General Needs and for December in Supported Housing although this only has a limited impact on the cumulative figures in the PI. As forecast last quarter the void loss has started to improve as the back-log of voids in the disposal consideration process has reduced.  ***People indicator***  Overall sickness absence has reduced significantly over the last quarter and has remained below target throughout. This is predominately due to a reduction in long-term absence. |
| *3.6* | ***Development programme*** |
| 3.6.1 | **Subsidy from Conversions**  As reported in the last set of PIs, the conversion subsidy for all three programmes has been met (based on current scheme assumptions for 15/18 programme), consequently void relets to higher rents, and void disposals to support the development programme have stopped.  **Hexagon subsidy (from operating surplus)**  We are forecasting to utilise 85% of the Board approved subsidy across the 3 programmes ( a 'saving' of circa £1.3m) This is as a result of the interest rate assumptions, increased market rents and higher surpluses from shared ownership sales.  The ‘headroom’ for the 15/18 programme has reduced since last quarter as a result of ‘real’ schemes replacing the indicative ones to secure the 200 unit programme and submit it to the GLA. The costs of these schemes are greater than the assumptions used on the indicative schemes. |
| 3.6.2 | **Programme Delivery**  **MHC BTP**  With completion of Birchfield, Whitehorse Lane and Kings Highway in this quarter, 43% of the programme is now complete. Mitcham Road is the major concern in that completion is predicted 6 months after the GLA target of March 16. However, we are in discussions with the GLA as to how we deal with this, and will be reviewing the position in January. |
|  | **MHC 15/18**  We have now identified all 200 units, which we are 75% confident will be delivered (i.e. offers have been accepted and lawyers instructed). 10% (19 units) are now on site. Of the 181 that have not yet reached that stage, 119 units across five schemes do not yet have planning consent, and of these, we are yet to exchange contracts on 86 units sites, so these five sites are most at risk of being lost. We have exchanged contracts on 74 of the 181 units, some on a subject to planning basis. We are liaising closely with our LA contacts where we can, to ensure the planning applications are considered as early as possible. We continue to identify sites with planning as a backup, to replace the more risky sites if they do not come to fruition within the timescales we are aiming for.  More detail is provided on the strategic issues development report elsewhere on the agenda.  **Outright Sale**  Biggin Hill will deliver 7 outright sale houses as part of a 13 unit mixed tenure scheme. As at writing this report, we have exchanged contracts with the vendor, securing the site, with works due to commence within the next few months.  We have also exchanged contracts on an 11 unit section 106 scheme - Grant Rd which does not have any grant or subsidy going into it and actually generates a surplus. It currently sits outside the GLA 200 unit programme, but may be added if one of the identified risky schemes does not progress as expected. We will seek Board approval before committing to deliver more than 200 units. |
| *3.6.3* | ***Capital at Risk***  We currently have an estimated £2.14m capital at risk across our shared ownership, outright sale and land investment schemes (yet to be identified). This is well within the Board's agreed limit of £5.7m. |