Hexagon Housing Association

Board of Management

29 November 2016

Agenda item 9

Quarter 2, 2016/17 Performance Indicators

Lead Board Member: position vacant

Report by the Operations Director

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| *1.* | *Summary* |
|  | This report summarises the performance on our key PIs for Quarter 2 2016/17 and compares this with the previous quarter.  On 14 indicators where a valid comparison with Q1 in 15/16 is possible, performance improved and on 4 it declined and on 1, it remained stable. This is the best performance we have seen for some time. |
| *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. |
| *3.* | *Highlights of results* |
| **3.1** | **Resident focus PIs** |
|  | Performance is good on the customer focussed PIs with improvements compared with Q1 on all bar one indicator. The one PI showing slippage was on repairs completed at the first visit. All recorded complaints were responded to on time which met the target. In addition three other resident focussed indicators also met the targets this quarter. |
| **3.2** | **Safety indicators** |
|  | Gas safety check coverage is once again at 100%. There was only one outstanding FRA review at the end of Q2 and this was done on the next working day. Again this was an improved performance on Q1. |
| **3.3** | **Income indicators** |
| 3.3.1 | Slightly more than half the income indicators are showing a deterioration on Q1. The arrears position is mostly slightly worse but this is largely related to the point in the Housing Benefit cycle. The week at the end of Q2 when the figures were taken was not the lowest point in the cycle whereas the week at the end of Q1 happened to be the lowest point in the cycle. The separate risk appetite summary report newly presented for the first time shows that some of the income indicators have deteriorated for 2 quarters on the run. This is not in itself a significant cause for concern as the deterioration is in part due to the Housing Benefit timing issue and in Supported Housing which has one of the deteriorating indicators , performance is still better than target. |
| 3.3.2 | There has been a general improvement in voids – both relet times and void losses. However this will not be sustained as we have frozen all our lettings pending sorting out the temporary decanting of Brickfield Cottages. |
| **3.4** | **People indicator** |
| 3.4.1 | Sickness absence has improved significantly in Q2 with the target being achieved in each of the three months. |
| **3.5** | **Development programme** |
| 3.5.1 | 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 £2.5m of additional subsidy generated.  **Hexagon subsidy (from operating surplus)**  The current position (October) is that we are forecasting to utilise 73% of the Board approved subsidy across the 2 programmes ( a 'saving' of circa £1.75m) This is as a result of the interest rate assumptions, increased market rents and higher surpluses from shared ownership sales. |
| 3.5.2 | **Programme Delivery**  **MHC BTP**  34% of the programme is still to complete with Mitcham Rd & Virgo Fidelis (56 flats) still on-site. The GLA has accepted reforecasts for both schemes – Virgo (November) and Mitcham Rd (January 17.) The largest risk is the need to close the busy A23 road for Thames Water works. We are awaiting a commencement date for works from Thames Water’s sub-contractor. |
| 3.5.3 | **MHC 15/18**  Good progress has been made in securing all of the 2015/18 programme (200 units). The number of units without planning consent has reduced from 76 to 33 in the last quarter. There remains a risk in the two schemes involved but the GLA has confirmed they will accept starts up to March 17. It is now likely that we will use the section 106 units at Grant Road which are on-site to make up the numbers for the 2015-18 programme. |
| 3.5.4 | **Outright Sale**  Biggin Hill will deliver 7 outright sale houses as part of a 13 unit mixed tenure scheme. Works on site are progressing well with planning issues resolved.  Now that the 2015/18 programme is largely secured, the New Business team are focussed on identifying outright sale opportunities. In addition they are actively looking for land investment opportunities for the 2018/21 programme. |
| 3.5.5 | **Capital at Risk**  We currently have an estimated £2.063m capital at risk across our shared ownership and outright sale schemes. This is well within the Board's agreed limit of £5.7m. |
| 3.6 | **Sales programme**  There is currently a hold-up on the sales of the 7 shared ownership units at Virgo Fidelis as a result of an issue with the site boundaries and land registry. |
| **3.7** | **Financial indicators** |
|  | The finance PIs are all well within an acceptable range. |
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