Tower Hamlets Homes

Title: Annual Performance Indicator Monitoring Report 2012-13	**Meeting:** Board	
Report authorised by: Jamie Carswell, Director of Investment Services	**Date of the meeting:** 24 April 2013	**Item No.** 8
Report author: Lesley Owen, Business Improvement Manager	**Classification** Open	**Report type:** Discussion /Information

Business Plan Priority:

The suite of performance indicators measures performance across all key areas of service delivery. The Business Critical Indicator set, together with the Roadmap, form the basis of tracking how well we are doing in meeting Business Plan priorities.

Impact for Customer:

The business critical indicators aim to measure at a high level to what extent service delivery and outcomes for residents are improving.

Diversity Impact:

The 2012 -13 business critical indicator suite includes the headline diversity measure of working towards achieving Level 3 of the Equality Framework.

Cost and Income Implications:

The 2012-13 business critical suite includes income and budget measures, and a number of value for money indicators.

Risk Management:

Risks identified in the Strategic Risk register that relate are:
3 – Making a Difference
4 – Financial Sustainability

Summary:

This report updates the Board on the performance of Tower Hamlets Homes in 2012-13 on its full suite of business critical indicators, compares this performance with that of 2011 -12, and analyses where applicable why targets were not met.

Recommendations:

That the Board:

i) Note the performance of Tower Hamlets Homes on the 2012-13 business critical indicators and the exception analysis on the indicators not meeting target.

ii) Note the update on the Diversity Strategy and Equality Framework Level 3.

Tower Hamlets Homes

1. Performance for the Year

1.1 The Tower Hamlets Homes' performance management framework top level of reporting is its business critical indicators (BCIs). The 2012/13 suite consists of 17 monthly business critical indicators, a further 8 each quarter, and a full set of 29 at year end.

1.2 A third of the 2012/13 BCIs are based on direct feedback from residents; all these satisfaction indicators measure the top two categories out of five, either excellent/good, or very/fairly satisfied.

1.3 On the whole performance has improved. For indicators with results calculated annual targets have been achieved for 70%, and of the indicators common to last year and the year before, almost two thirds show improved performance.

We have solidly performed across a range of areas in another challenging year that saw us continuing to address the general decline in the economy and preparing for changes in welfare benefits, moving to new specialist repairs contracts and continuing to deliver our decent homes programme.

Areas of relative weakness in meeting target in 2012-13 include:

- Service charge collection
- Decent Homes satisfaction

1.4 Areas of particular strength in meeting target in 2012-13 include:

- Resident satisfaction
- Neighbourhood measures
- Rent collection

Our new Business Plan maintains a focus on our core business areas whilst trying to improve the range and flexibility of our response to residents. We are aiming to further improve the customer experience whilst better targeting our services and resources. Our priority to invest in staff and improve staff engagement and development is aimed at having a workforce that is more reflective of the community and one that is motivated and empowered to deliver great services.

2. Performance Data Summary 2012 – 2013

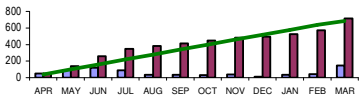
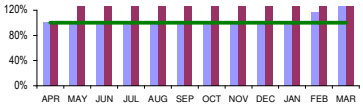
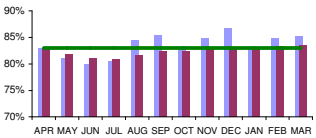
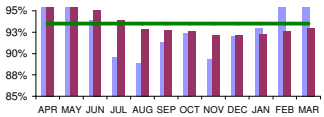
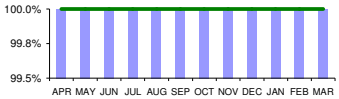
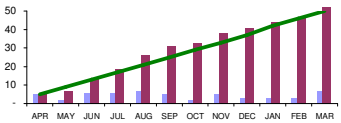
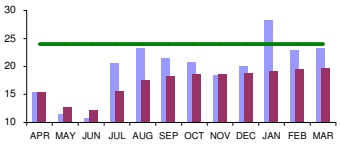
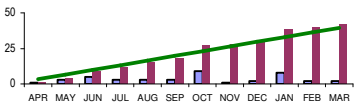
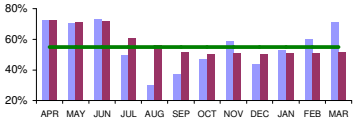
2.1 Our current performance management framework uses 29 business critical indicators. Information on performance in 2012-13 compared to target is set out below. Performance is 'flagged' as green where the target has been achieved, amber where performance is within the agreed tolerance - usually 5% - of target, or red to denote the target has not been achieved.

Tower Hamlets Homes

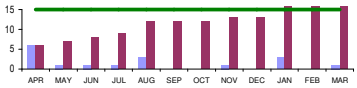
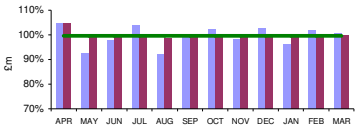
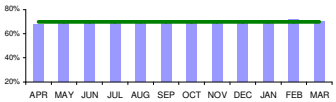
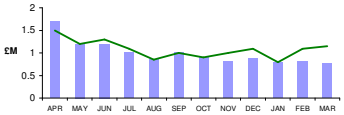
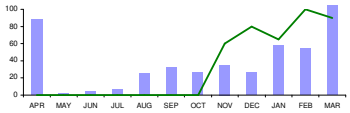
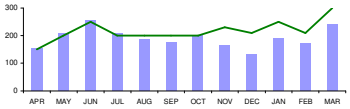
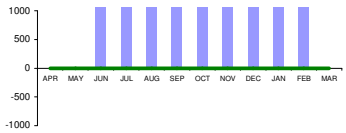
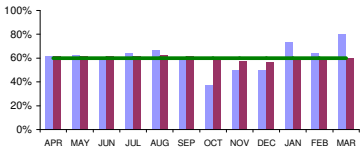
Monthly BCIs

Tower Hamlets Homes

March 2013

Business Critical Indicator	2012/ 13 target	Perf in month	Perf 2012/13	Monthly target	YTD target	Perf by month (Monthly Result / YTD / Target)	Direction of travel
Investment							
No. of homes made decent	686	**146**	**717**	47	686		▼
Decent Homes programme spend vs profile	100%	**100%**	**100%**	100%	100%		▲
Repairs							
Repairs rated good+	83%	**85.18%**	**83.50%**	83%	83%		▲
Right first time	93.5%	**97.21%**	**93.00%**	93.5%	93.5%		▼
Gas safety	100%	**100%**	**100%**	100%	100%		◄►
Underoccupation							
Underoccupiers rehoused	50	**7**	**54**	4	50		▲
Voids							
Re-let time	24	**23.37**	**19.73**	24	24		▲
Illegal occupation							
Homes recovered	40	**2**	**42**	2	40		▲
ASB							
Satisfaction with outcome	55%	**71.43%**	**51.63%**	55%	55%		▼

Tower Hamlets Homes

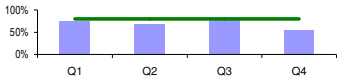
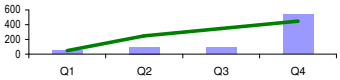
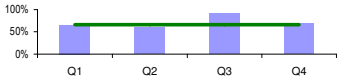
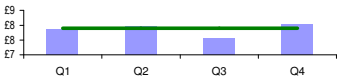
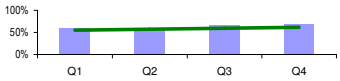
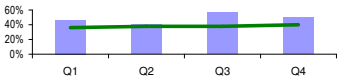
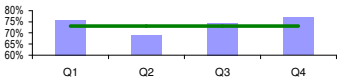
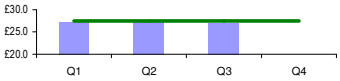
Business Critical Indicator	2012/ 13 target	Perf in month	Perf YTD	Monthly target	YTD target	Perf by month	
Vulnerability							
No. of evictions	15	**1**	**17**	2	15		
Rent							
% collected	99.6%	**100.49%**	**99.71%**	99.6%	99.6%		▲
% of arrears 7+ weeks old	70%	**70%**	**70%**	70%	70%		
Service charges							
Service charge collected (£M)	£13m	**0.77**	**11.92**	1.15	13.00		▼
Improvement charges collected - in year (£k)	£400k	**129.00**	**487.65**	90	395		
Improvement charges collected - historic (£k)	£2.6m	**240.00**	**2,286.40**	300	2,600		
Delegated Budget							
Forecast outturn (£m) & Balance Accruing (- = Balance increasing, + = Balance decreasing)	56.1	**2,500**	**2,500**	0	0		▲
Complaints							
Satisfaction with outcome	60%	**80.00%**	**60.38%**	60%	60%		▲

Tower Hamlets Homes

Quarterly BCIs

Tower Hamlets Homes

March 2013

Business Critical Indicator	2012/ 13 target	Perf in quarter	Perf 2012/13	Quarterly target	YTD target	Perf by month (Quarterly Result, YTD, Target)	Direction of travel
Investment							
Percentage residents satisfied with improvement & investment works.	80%	**54%**	**74%**	80%	80%		▲
Number of homes benefiting from energy saving measures	1,100	**539**	**773**	250	1,100		
Percentage of issues resolved at first point of contact	66%	**69%**	**66%**	66%	66%		▲
Customer contact: average transaction cost	£7.90	**£8.02**	**£8.28**	£7.90	£7.90		▼
Percentage tenant satisfaction (Local type)	61%	**68.77%**	**63.44%**	61%	61%		▲
Percentage of leaseholders rating the overall service as excellent/good.	40%	**50.00%**	**48.62%**	40%	40%		▲
Percentage of residents agreeing or strongly agreeing with the statement 'THH does what it says it will do'	73%	**77.00%**	**74.00%**	73%	73%		▲
Average Cost Of Management	£27.48	**£27.01**	**£27.01**	£27.48	£27.48		

Tower Hamlets Homes

Annual BCIs

Tower Hamlets Homes

March 2013

Business Critical Indicator	2012/ 13 target	Perf 2012/13	Direction of travel
Investment			
Percentage of stock non-decent	63%	*To follow*	
Average stock SAP rating	68.70	*To follow*	
Equality			
Equality Level 3 - percentage of due actions achieved	100%	**100%**	
Satisfaction			
Percentage of tenants satisfied (STAR)	75%	**77%**	▲

2.2 **Table 1** below summarises performance in 2012 - 2013 compared to target and to the previous year on the full suite of business critical indicators

Table 1: March 2013 year end status.

Status	Red	Amber	Green	*To follow*	All
March 13 **No. of indicators**	6 21%	2 7%	19 66%	2 7%	29 100%
March 12 **No. of indicators**	13 39%		20 61%		33 100%

2.4 The outturns on two indicators have yet to be calculated and are marked above 'to follow':

- Percentage of stock non-decent, &
- Average SAP rating

We are optimistic that target will be met on these measures.

2.5 Two of the 'outturns' reported are latest positions as follows

- Delegated budget measure - reported a month in arrears
- Average cost of housing management – reported a quarter in arrears

2.6 **Table 2** below summarises the 'direction of travel' position on the 22 business

critical indicators common to both years, comparing year end performance in 2012–13 to that in 2011 –12.

Table 2: March 2013: Direction of travel.

Direction of travel	Improved	Weakened	Stayed the same	*To follow*	All
March 13: No. of indicators	14 64%	5 23%	1 5%	2 14%	22 100%
March 12: No. of indicators	10 63%	5 31%	1 6%		16 100%

3. Performance comparison 2012-13 and 2011-12

3.1 A comparison of the 2012-13 results available with equivalent 2011-12 results shows 75% achieving target in 2012-13 with a further 2 still to be reported, whilst 63% met target in the previous year.

4. Performance analysis

4.1 Analysis of the 8 indicators that did not meet target in 2012-13 can be summarised as follows:

Intervention not taken swiftly enough (2)

Repairs right first time

At 93% this indicator narrowly missed the target of 93.5%. Performance in the latter part of the year improved as a result of the Mears Right First Time action plan. Further improvements are anticipated in the current year.

Satisfaction with outcome of ASB

Recommendations from the Residents' Scrutiny Review are currently being implemented, delivering increased management focus, better communication and closer case management. Board members will also recall that the method of collecting the data was changed, so that the data was collected independently, which had an impact on the satisfaction rate.

Prevented through unprecedented/unforeseen circumstance (4)

Service charge and improvement charge collection

We did not reach our collection target of £16m in 2012/13 and the shortfall of £1.27m is very disappointing. However, the targets were ambitious, and even though we did not hit them we finished the year with less leaseholder debt (£13.9m) than we started it (£14.1m). The council's independent audit on the Ocean announced in April 2012 impacted on the collection of both current and historic charges of around £3m because no active arrears recovery has been allowed.

Our recovery plan has already seen significant improvements. At year end the

legal team had referrals of 226 cases amounting to £2m of the £13m total debt. 170 of these referrals were made due to the recovery plan put in place in Q3 and, as we move forward and obtain judgements, we will be able to increase collection significantly. An enforcement protocol was submitted to LBTH in Q3, which – once signed off - will allow us to enforce judgements. We are also awaiting a decision on whether we can issue claims online which will increase our turnaround of cases from 20-30 per week to more than 100 and reduce the need for in-depth case preparation where cases are undefended.

Number of homes benefiting from energy saving measures
A total of 773 homes benefited from energy saving measures including boiler replacements and loft insulation in the year against a target of 1,100. The target when set anticipated that a significant number of cladding schemes supported by the Community Energy Savings Programme would be carried out in 2012-13. Final agreement of funding remains outstanding.

Average transaction cost
Additional resources were recruited in August to help implement the changes introduced as part the LEAP 2012 project. During September/October, as part of the launch of the new service, operating hours were extended from 8am to 8pm to introduce controlled call message transfers through Comino to the relevant NHD patch and monitoring this to ensure that the NHO's were calling customers back within 48 hours. In addition to this, the opening hours were further extended to support Leasehold service charge estimates due to the significant increases in service charges and the potential high volume of calls from customers. These areas had an impact on the average Cost Per Transaction. Average Handling Times also increased as Agents were familiarising themselves with new call scripts. In November 2012, a number of services transferred over from Leasehold Services into the Housing Service Centre which also resulted in the increase in costs.

Improvement works satisfaction
The decent homes satisfaction rating fell significantly below its target of 80% in the final quarter of the year. This was due to on-site difficulties, particularly the late mobilisation of the Keepmoat contract, which resulted in prolonged works, which has in turn translated into poor satisfaction levels. Following these issues, we have developed a rectification plan with the given contractor and we are confident that this will result in improved satisfaction in the coming months.

Other (1)
Rent evictions
17 rent evictions were carried out in 2012-13 against a 'target' of 15. The indicator is in place to ensure evictions are only ever used as a last resort after all other avenues and supportive measures have been exhausted. The measure is retained in service monitoring to also track the impact of the multiple welfare reforms currently being implemented. In addition, six evictions were carried out against perpetrators of anti-social behaviour, and twenty nine evictions for unauthorised occupiers and sixteen of squatters.

Tower Hamlets Homes

5. Diversity Strategy 2012 -14 (Year 1) and Equality Framework Level 3 Progress Review

5.1 The Diversity Policy, Strategy and the Action Plan which were developed in line with the five outcome areas of the Equality Framework for Social Housing will ensure that THH continues to develop the best housing services in Tower Hamlets by 2014, with services which are accessible, inclusive and fair for residents and staff.

The two year Action Plan driven by the Diversity Strategy and the Social Housing Equality Framework has seen substantial progress in achieving year one action targets.

At present 86% of all year 1 actions have been completed, with a further 8% anticipated to be completed within the first few weeks of the new financial year. 6% of actions remain as work in progress with anticipated completion sometime in the new financial year.

Diversity Strategy Action Plan Progress

Key Priorty Area	Status	% by priority area		Total completed
Knowing our residents	✓	75%		86%
	✓	25%	(achieve by 15/04/2013)	
Leadership, partnership and organisational commitment	✓	90%		
	✓	10%	(achieve by 22/04/2013)	
Resident engagement and satisfaction	✓	86%		
	×	14%	(carried into new FY)	
Responsive services, access and customer care	✓	80%		
	×	20%	(carried into new FY)	
Developing a diverse and progressive workforce	✓	90%		
	✓	10%	(achieve by 29/04/2013)	

Key: ✓Work completed ✓Work started and expected completion in coming weeks
×Work carried over into new financial year

Appendix A sets out the detail of progress on the of Diversity Strategy Action Plan)

5.2 Based on self-assessment, we currently meet 73% of all points under Level 3 of the Social Housing Equality Framework with the remainder of all points as

work in progress. Work is underway to ensure that we fully meet the criteria in achieving "Excellent" with a peer review likely to take place around early July 2013.

Areas which require further work include:

- Data sharing with contractors
- Monitoring progress of engagement what improves services
- Domestic violence and hate crime: satisfaction with services
- Staff satisfaction
- Staff say fair place to work
- Bullying at work dealt with effectively

6. Equalities and Diversity Implications

6.1 The business critical indicators include the specific equality/diversity indicator on Equality Framework Level 3, supplemented in lower level reporting by a range of other equality and diversity indicators.

7. Implications

7.1 VfM Implications

The 2012/13 suite of BCIs includes a number of income management measures as well as specific VfM indicators on the average housing management cost and promoting channel migration.

7.2 Legal Implications

The business critical indicator suite helps support the achievement of statutory obligations including ensuring gas safety, repairing the stock and maintaining a balanced HRA.

8. Conclusion

8.1 From a total of 27 indicators with outturns calculated, 19 (70%) have achieved target. Of the 20 indicators common to 2011-12 and 2012-13, with outturns calculated 14 (70%) show an improved performance. Outturns remain to be calculated on 2 indicators.