

Report



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Status: Discussion

Subject: Group Performance Summary & Contextual Information Year End 2008/09

Appendices: Appendix 1 – Strategic Goal Indicators
 Appendix 2 – Year End SHA, THA, VHA performance indicators
 Appendix 3 – Year End contextual information

1 Purpose of report

To inform Board members of the group performance and company contextual data at Year End 2008/09.

2 Recommendations

That Members note the information presented in the attached performance reports. That Members decide the measurement of the strategic objectives.

3 Background

The attached summary reports set out Sovereign Group, Sovereign HA, Twynham HA, and Vale HA:

- Group Strategic performance
- Operational key performance indicators against 2008/09 targets
- Company contextual information.

Group strategy

The Group Strategy 2008/09 incorporates 14 goals aligned to the three corporate objectives:

1. Make sure our homes and services improve the quality of life in people's communities.
2. Optimise our financial strength as a group to build more new homes and improve neighbourhoods.
3. Be a leading, influential and sustainable social business.

The goals are designed to be SMART (Specific, Measurable, Achievable, Relevant, Time-bound), and therefore emphasize measurable outputs, rather than the broad outcomes that are encompassed in the corporate objectives.

The proposed goals are measured via Key Performance Indicators. All Associations have action plans set to continually improve the performance highlighted and are addressing the issues with their boards.

The following table highlights the Indicators included with the Strategy and the 2008/09 performance.

	Target	08/09			
		SHG	SHA	THA	VHA
Better Services					
Resident satisfaction with overall service provided by their Landlord	85%	82%	80%	77%	88%
Upper Quartile performance of agreed Key Performance Indicators	90%	48%	43%	29%	71%
Better neighbourhoods					
Resident satisfaction with the neighbourhoods they live in	80%	85%	84%	80%	88%
Resident satisfaction with support provided to deal with ASB	55%	42%	41%	46%	41%
Better Homes					
Resident satisfaction with the quality of their new home	90%	88%	86%	100%	100%
Better Lives					
Resident satisfaction that their views are being taken into account	70%	58%	55%	59%	61%
Consistency					
Have set and delivered high common standards across the Group	90%	84%			

The measurement of consistency is derived from the number of standards within the Orion framework that are met or partially met across the Group

Efficiency			
Achieve improved service quality and/ or reduced overall costs		0.8%	

Efficiency is the Total Group costs, as per the Group Consolidated Accounts, divided by the number of properties within the Group. This excludes any changes in accounting treatment (Impairment) and is a year on year

comparison.

The Efficiency percentage equates to £26 per property or a total efficiency over the year of £615,930.

An efficiency target has not been set, but this will be considered as part of the business planning exercise.

New homes			
We will provide up to 3,000 new homes in strategic development areas (cumulative)	3000	742	
Increased income			
Generate £250k from new business and fundraising opportunities	£250K		

The strategy to achieve the £250k will begin in April 2010

Asset Management			
Homes meet people's changing need – Resident satisfaction with quality of home	85%	85%	
Homes create increased financial value – Year on year increase in average property net present value (existing use value social housing).		3.87%	

A financial value target has not been set, but this will be considered as part of the business planning exercise.

Sustainability					
Achieve 85% staff satisfaction with us as an employer	85%	84%	87%	78%	80%
Growth					
We will grow sustainably within our current operating area to encompass 40,000 homes	40,000	23,287			
Lead and Influence					
Responding to 95% of policy consultations	95%	100%			
Achieving coverage for 75% of our media releases	75%	81%			
Participating in at least 4 high level policy	4	5			
Environment					
We will develop and deliver a group-wide policy	1	0			
Governance and Regulation					
We continue to achieve 4 green lights on the HCA (or equivalent)	4	4			

Operational Key Performance Indicators

Numbers in brackets relate to the reference number on the Appendix attached

Sovereign HA

Average Re-Let Time for All Rented Dwellings (2)

The number of physical completions has risen from 378 in 2007/08 to 640 in current year, highlighting the Associations commitment to the development of our stock. Resident increased desire to move is highlighted by an increase in re-lets from 529 in 2008/09 to 632 (5.84% of stock). The top three key reasons for moving are external mutual exchanges; deceased; and moving to private rented accommodation. The latter has been particularly high in Bristol, accounting for 29% of all moves in the region. Despite the increase in voids and the introduction of Choice Based Lettings (CBL) in some areas we have kept the void turnaround time within our target of four weeks. The turnaround time in Bristol has been relatively high, reflecting new schemes coming into management at short notice and the introduction of CBL. As CBL becomes more widespread we are likely to see our turnaround time increase due to the need to advertise properties, usually for two weeks, before we can begin our allocation process.

Former tenant arrear (5)

The write off value of £148,780 is under the budget of £163,000. A further £14,173 was written off against Commercial Property which is not highlighted in this General Needs report.

Had the allowance for the commercial rent not been accounted for through this write off budget, the full sum available would have been used to write off uncollectable debts from the accounts of ex general needs tenants. The reduction in the creation of FTA's is a key element in the work of the eviction prevention panel mentioned above, alongside the broader objective of reducing the number of failing tenancies. All FTA's are closely monitored and recovered wherever possible.

Current tenant arrears (8)

The current arrears balance of £1,113,028 is an increase of £308,689 in the year. The proportion of projected rent is at a year low of 2.38%, which is not at target and a decrease on last year's performance.

In the context of the current financial conditions, job losses and increase in Housing Benefit applications, with the pressure on processing time that the latter brings, this performance is good despite being above target. A review of the Rent Services Strategy has been undertaken and resources realigned to continue to manage arrears effectively and to maintain our upper quartile performance.

Response repairs (11)

Embedding our 'appointment driven' process continues to have a positive effect in terms of efficiency against jobs completed in target. An overall year-end position of 94% to target is a significant improvement on the 2007/08 figure of 93%.

Anti Social Behaviour (20)

The Operations Manager and ASB Advisor have started a review of the ASB policy, reporting system and resources deployed in responding to cases. This reflects concern about both the performance reported in this report and the relevant resident satisfaction response through the Status Survey. It is anticipated that this review will result in changes to all aspects of our approach with the intention of meeting timescales more effectively in future, as well as driving up satisfaction levels. The latter however is acknowledged nationally as being difficult to achieve due to the nature of the service and the complexities of delivering the outcome expectations of residents within the legal and regulatory framework and the objective of sustaining tenancies wherever possible.

Twynham HA

Average Re-Let Time for All Rented Dwellings (2)

THA re-let performance dipped slightly in quarter 4, due to 3 properties averaging nearly 100 days. Two of these properties (Leyton House and Palmerston Road) are identified in this year's annual allocations and lettings report as hard to let schemes in unpopular areas and so we received a number of refusals for our offers of accommodation. We received 6 refusals for the other property at Chestnut Court and a variety of reasons were given.

Aside from the above a concerted effort has been made to let as many properties as we could before year end which resulted in 30 properties being let during March. This was more than January and February put together.

Former Tenant Arrears (5) (6)

Former tenant arrears are below target for the year; however we have exceeded the write off target.

Current Tenant Arrears (8)

Year on year performance has seen Twynham owned stock move from 2.8% to 3.3%, an increase of 0.5% however Sovereign managed stock arrears have dropped from 6.8% to 5.2%. The combined result has reduced from 4.1% in 07/08 to 3.9% in 08/09.

Vale HA

Average Re-let times (2)

The improvement in the turnaround time from 5 weeks to below 23 days is a significant improvement over the year and has had a beneficial impact of improving rental income by £135,000 over the year.

The number of empty properties available at the end of the quarter was 62 but 35 of these had only recently been handed over from development.

Rent Arrears (7)

Expressed as a percentage of the amount due, rent arrears have been steady throughout the year and a good performance during the final quarter resulted in the year end figures showing an improved performance over the 2008 position – down from 3.8% to 3.7%.

The Vale has recently recruited a Tenant Support Officer to assist our recovery

teams in supporting tenants with welfare and benefit issues.

Decent Homes Compliance (10)

There were 208 properties, identified at April 2008 as needing work to bring them up to Decent Homes standard by the end of March 2009. By this date there were only 9 properties where works remained outstanding. This was 6 more than last year but our stock has increased by over 900 homes over this period.

What continues to be an increasing trend is the number of tenants who are refusing to have works undertaken - 269 properties now fail the decent home standard because the tenants do not want the work to take place. These include almost 100 homes where central heating has not been installed. Vale will continue to respect tenant choice and pick this work up when the property is next void.

Antisocial behaviour (20)

The number of cases being recorded this year (243) shows a significant increase over the previous year (108). Within this total, the number of reports due to noise nuisance has almost trebled.

The overall increase in caseload is partly explained by previous underreporting and a greater focus of attention on this issue over the last twelve months.

Contextual Information

The contextual data summarises key indicators drawn from departmental reports of which the board should be delivered at year end.

Company Secretariat

A number of complicated staffing changes over the past year have strongly impacted these performance indicators; as a result some data was not available. Where this was the case, the performance indicator was recorded as not having been met. The true numbers are likely to be better but cannot be evidenced.

A reminder about the process of recording these will be sent to all staff involved in preparing and distributing this documentation to ensure accurate and complete data gathering occurs going forward.

4 Legal, financial and IT implications

None.

5 Assessment of risk

Monitoring and reporting against Key Performance Indicators (KPIs) helps us to manage our business and measure and demonstrate our continuous improvement.

6 Equalities and diversity and staffing implications

None.
