

LONDON BOROUGH OF BRENT

Executive - 12 April 2005

Report from the Director of Housing

For information

Wards affected:

Report Title: **BHP Performance Report to the Executive**

Forward Plan Ref: HSG-04/05-26

1. Summary

- 1.1** This report looks at the operation of Brent Housing Partnership (BHP), the Council's wholly owned Arms Length Housing Management Organisation in the period since the last report (30th April 2003 to the Executive Committee) to the end of the third quarter of 2004/05. Brent Housing Partnership is a company limited by guarantee and wholly owned by Brent Council. It was established in October 2002 as an "Arms Length Management Organisation" (ALMO) by transfer of the responsibilities for management and maintenance of the Council's housing properties, along with the relevant council staff who worked on those functions. The relationship between Brent Housing Partnership (BHP) and Brent Council is governed by a Management Agreement, initially for five years, and an Annual Development Plan.
- 1.2** It looks at the performance of BHP in Key Performance areas and the progress it has made in achieving its long term aims of achieving "Decent Homes" for the properties under its control. It also considers progress that has been achieved in securing improved ratings through the external inspection process.
- 1.3** The report further considers the Council's relationship with BHP and how this has developed in the period since the last report and addresses key issues concerning the necessity for the Council to consider its monitoring requirements for the future.

2. Recommendations

- 2.1** Members to note the progress made by BHP in both setting up and delivering the decent homes programme.
- 2.2** Members to note performance reports will be produced at six monthly intervals i.e. half yearly performance.
- 2.3** Members to note Tenant satisfaction levels have dramatically increased.

3. Performance Monitoring Details

- 3.1** BHP performance is measured against key performance indicators. They consist of both Best Value as well as local agreed performance indicators. These provide regular information that enables effective monitoring to take place. Furthermore, external inspections and benchmarking ensure the process is rigorous, in line with other ALMO's and according to National requirements and guidelines. Quarterly monitoring of BHP takes place through the Housing Services Report, a review of performance in 2003-04 and 2004-05 (to date) is outlined in **Appendix 1**. This measures BHP's performance against the Service Operational Plan targets, Best Value performance indicators (BVPI) and local performance indicators.
- 3.2** Graphs depicting performance improvement are shown in **Appendix 2**. Amongst the quarterly BVPI's, BHP has shown consistent and steady improvement in its performance. A comparison of yearly indicators is not possible at this stage simply because the final quarter (2004/05) figures are not yet available (at the time of writing), however BHP is on course to achieve their targets.
- 3.3** The proportion of rent collected for the 3rd quarter of 2004/05 is 99.6%, which compares favourably with the upper quartile figure of 99.22% and shows an improvement in performance over the 3rd quarter figures when compared with the previous year. In respect of rent loss BHP have remained within its annual target and again shown improvements when compared to the 3rd quarter of the previous year. Additionally, with regard to the indicator - 'tenants with more than 13 weeks in arrears', BHP has exceeded the set target.
- 3.4** Repair appointments kept' were 97% (2004/05), which again compares favourably with the upper quartile figure of 95.27%. There has also been an improvement when compared to 3rd quarter figures of the previous year. Historically, this is an area that has generated a high level of complaints and tenant dissatisfaction. However, BHP has introduced a range of initiatives to improve performance and customer service in this area. In April 2004 the Repairs Contact Centre was set up to replace the area repairs teams. Tenants and leaseholders can now also report repairs online, a facility that is available in a number of languages.
- 3.5** The average number of days taken to relet dwellings currently stands at 34 days (3rd quarter 2004/05), which is just below the upper quartile figure of 30.91. BHP are consistently improving every quarter and moving closer to their target of 31 days.
- 3.6** The ODPM tenant satisfaction survey which was conducted in March 2004 showed that 75% of tenants were satisfied with the overall services from their landlord and 70% agreed that the rent was good value for money. This is in stark contrast to a similar survey conducted in February 2003 where only 53% of the tenants were satisfied with the overall services and 66% thought that the rent was good value for money. The service provided in terms of communicating with the landlord was generally good. In a more recent satisfaction survey¹ conducted between April and June 2004 (covered responsive repairs) over 94% of tenants were satisfied with repairs carried out. All of the above indicates a dramatic improvement in satisfaction levels amongst tenants.

¹ Tenant Satisfaction Survey Apr04 – Jun04.xls

- 3.7** BHP's Business Plan for 2003 – 2008 states that it aims to at least equal (or continue to equal) the top quartile performers in Brent's peer group against the performance indicators as outlined in **Appendix 3**. Analysis of achievements in the specific areas of rent collection, carrying out repairs, letting homes and in achieving an excellent rating from the housing inspectorate give an overall indication of sustained performance at this level.
- 3.8** National developments with regards Performance e.g. CPA changes, move from quartiles to targets base performance measurement mean that formats will inevitably change, however BHP and the Housing Service are geared towards encompassing any forthcoming changes.

4. Financial Implications

- 4.1** Whilst BHP is a limited company (albeit owned by Brent Council) its expenditure forms part of the Council's statutory Housing Revenue Account (HRA) directly through spending HRA resources on items such as repairs and maintenance or indirectly through the fee paid to BHP for managing the dwelling stock.
- 4.2** BHP has its own board which oversees BHP's operations and policies. BHP is the delivery vehicle for the management, maintenance and implementation of the 'Decent Homes' programme. The national ALMO programme assumes a high level of delegation to the delivery vehicle and this model has been adopted by Brent; this does necessitate the Council needing to consider the most appropriate means of ensuring that the ALMO undertakes its work in an appropriate manner, offers 'Value for Money' (VFM) and spends its money with regards to standards expected of the public sector.
- 4.3** High level budgetary control is undertaken by the Housing Finance Manager who is also responsible for the co-ordination and compilation of the overall HRA (including the completion of the Housing Revenue Account Subsidy (HRAS) claim.
- 4.4** Regular meetings are held between the Housing Finance Manager and BHP and the flow of financial information is formalised. As regards budgetary control there is nothing arising in the financial year that concern officers at present.
- 4.5** It is noted that the Executive (14 February 2005) agreed a joint review process for HRA/BHP expenditure during 2005/06.
- 4.6** It should be clearly understood that whilst BHP is responsible for the management and maintenance of the stock and rent collection, the tenants remain council tenants and the Council retains responsibility for setting rents and maintaining the HRA.

5. Legal Implications

None

6. Diversity Implications

- 6.1** A review of BHP's Equalities Scheme in 2004 by the Housing Quality Network (HQN) found that BHP had made significant progress in implementing year 1 of the scheme relating to repairs, human resources, governance, neighbour

relations management, tenancy management, right to buy, procurement and customer satisfaction.

- 6.2 Equalities Impact Assessment training was carried out in December by HQN for relevant managers of services covered by years 2 and 3 of the Equalities Scheme.
- 6.3 The HQN report also recommended further equalities training for members of the Equalities/Diversity Sub Committee and the BHP board has agreed that this will be made available to all board members. The training will be scheduled for summer of 2005.
- 6.4 BHP has made significant progress in the exercise to improve record keeping of the ethnicity of tenants. Tenancy records on the 1st Housing database now include ethnicity data on 76% of households, compared to 44% in 2003-04.

7. Staffing Implications

- 7.1 There are no staffing implications arising from the report.

8. Progress on Delivering Decent Homes

- 8.1 Setting up BHP was only the first stage of the process of securing additional funds. Since then much progress has been made. BHP are currently half way through a 4 year investment programme to achieve the decent homes standard in all Council homes by April 2007. Since the previous report in April 2003, BHP have secured;
 - A 3 star rating from the Housing Inspectorate (June '03)
 - £53.9M ALMO borrowing for the Round 2 ALMO stock
 - A £24M investment programme for the South Kilburn ALMO extension
- 8.2 Significant progress has been made towards attaining the decent homes standard for all Council tenants, At the start of programme the number of non decent properties in the ALMO stock was 4891 of these 2549 have been made decent (3rd quarter figures 04/05). BHP have also revised it yearly target from 29.7% to 41% in light of its improved performance. The estimated percentage of change in the proportion of non-decent local authority homes for the 3rd quarter is 32.85%². BHP is on the way of achieving its new target with £56M of investment projected to be spent by April 2005.
- 8.3 In addition to its own decent homes performance targets, which are set by BHP, it is striving to achieve the Local Public Service Agreement targets agreed by the Council and the Government. The new target will require BHP to bring another 200 properties up to the decent homes standard by year ending 31st March 2006.³
- 8.4 The Council and BHP are in the process of finalising the third phase of the capital programme and are looking at options for bringing works forward for those properties not in the current programme.
- 8.5 Brent Housing Partnership let four partnering contracts in year 2 of the Round 2 ALMO Decent Homes Programme which have delivered significant savings in unit costs compared to the traditional contracts that operated in year 1. BHP

² Vital Signs Report 3rd Quarter

³ Local Public Service Agreement

has also let partnering contracts for the South Kilburn ALMO extension where internal refurbishments are currently on site.

9. Relationship of BHP to Brent Council

9.1 Brent Housing Partnership maintains a close working relationship with Brent Council, which includes procurement of support services from various departments of the Council including Information Technology, One Stop Shops, Legal Services and Human Resources. These arrangements are governed by Service Level Agreements (SLAs). The SLA requires BHP to carry out a Best Value style review of support services before making any changes. It also specifies for each service the amount of notice required from either party before an agreement can be terminated. A number of these reviews have been completed and work in progress for the outstanding areas, to help ensure value for money is fully implemented.

10. Governance

10.1 The Main Board of BHP is composed of 6 members appointed by Brent Council, 6 members elected by current tenants and leaseholders of Brent Council and 6 members co-opted for their complimentary skills and experience; a total of 18 members. BHP main board meetings have been open to the public for observation from 30th October 2003 onwards. Sub-committees have been established in the following areas: finance and audit; equality and diversity; operations and personnel and remuneration.

10.2 The effective relationship between Brent Council and the ALMO is enhanced through a degree of synergy between ALMO Board processes and member level reporting at Brent Council. Officers consider that BHP should produce an annual report (approved by the board) that clearly identifies to the Council BHP's performance.

11. Long Term Sustainability

11.1 ALMOs have been set up to deliver the Decent Homes Programme; however, what happens after the programme has been delivered is under review and is lead by the ODPM. .

11.2 As part of this there is an ongoing dialogue between the ODPM, Councils with ALMOs and the ALMOs themselves. Additionally, on a local level there is continual discussion between the Council and BHP.

11.3 The proposals from the ODPM's review are due to be published in the summer, members will be updated accordingly of any changes.

12. Conclusion

12.1 After nearly 2 1/2 years in operation, BHP has exceeded all expectations, achieving a 3 star rating with excellent prospect of improvement demonstrates this. The revision of the Decent Homes targets further indicates BHP success to date.

12.2 The decent homes programme is gathering pace and making excellent progress towards meeting its targets.

12.3 The partnership approach between the Council and BHP has matured to aid effective working arrangements, which are working well.

13. Background Information

Audit Commission Inspection Report Summary

BHP Business Plan 2003 - 2008

Housing Services Performance Reports

Local Public Service Agreement

Vital Signs

Best Value Indicators 2003/04 – A Comparison of Brent's Performance

Appendix 1

Brent Housing Partnership Indicators 03 / 04								
Indicator	Outturn 03/04	Baseline	Q1	Q2 Plus cumulative figure where appropriate	Q3 Plus cumulative figure where appropriate	Q4 Plus cumulative figure where appropriate	Target 2004/05	Current Qtr
BV63: The average SAP rating of local authority owned dwellings	54	n/a	Annual			54	55	↑
BV66(a): Proportion of rent collected (altered definition from previous year)	96.3%	Debit for year	99.37	98.9%	98.9%	96.3%	96.5	↑
BV74: Satisfaction of tenants of council housing with the overall service provided by their landlord, broken down by:		No of tenants			Annual			
(i) black and minority ethnic	76%		Annual			76%	Plus 5%	↑
(ii) non-black and minority ethnic tenants	74%		Annual			74%	Plus 5%	↑
BV75: Satisfaction of tenants of council housing with opportunities for participation in management and decision making in relation to housing services provided by their landlord, broken down by:		No of tenants			Annual			
(i) black and minority ethnic	75%		Annual			75%	Plus 5%	↑
(ii) non-black and minority ethnic tenants	71%		Annual			71%	Plus 5%	↑
BV184: a) The proportion of LA homes that were non-decent at 1 st April 2003 b) The percentage change in the proportion of non-decent LA homes between 1 st April 2003 and April 2004	a) 51.06% b) 17%	4116	Annual		Annual	a)51.06% b)17%	a) 43.28% b) 29.7%	↑

Brent Housing Partnership Indicators 03 / 04

Indicator	Outturn 03/04	Baseline	Q1	Q2 Plus cumulative figure where appropriate	Q3 Plus cumulative figure where appropriate	Q4 Plus cumulative figure where appropriate	Target 2004/05	Current Qtr
BV185: Percentage of responsive (but not emergency) repairs during 2002/2003, for which the authority both made and kept an appointment.	97%	No of repairs eligible	96.3 %	95.8%	95.8%	97%	97%	↑
Percentage of repairs completed on first visit	83%	No of repairs	80%	88.3%	84.2%	83%	85%	↑
Local: Number of tenants in arrears	3919	No of tenants	4347	4612	4255	3919	None set (new indicator)	↑
Local: Percentage of rent loss through local authority dwellings becoming vacant	1.6%	Total debit	0.11 %	1.45%	1.5%	1.6%	1.4%	↓
Local: The percentage of all current tenants owing over 13 weeks' rent (net of housing benefit) at 31 March 2001, excluding those owing less than £250.	8%	No of tenants	8.45 %	6.4%	7.04%	8%	6.5%	↓
Local: The percentage of urgent repairs completed within government time limits	93%	No of repairs eligible	95%	94%	91.6%	93%	95%	↑
Local: The average time taken to complete non urgent responsive repairs	14 days	No of repairs eligible	11 days	13.27 days	14.8 days	14	11 days	↑
Performance on service charge collection (note this is % of total annual bill the target for qtr 2 was 50%)	117%	Total service charge	23%	61.12%	87.5%	117%	100%	↑
Domestic violence cases resolved	74%	No of cases	10	Under review	Under review	74%	None set (new indicator)	↑

Brent Housing Partnership Indicators 04 / 05

Indicator	Outturn 03/04	Baseline	Q1	Q2 Plus cumulative	Q3 Plus cumulative	Q4 Plus cumulative	Target 2004/05	Current Qtr
BV63: The average SAP rating of local authority owned dwellings	54	n/a	Annual				55	
BV66(a): Proportion of rent collected (altered definition from previous year)	96.3%	Debit for year	Annual				96.5%	
BV66(b): Proportion of rent collected excluding tenant arrears	99.6%		100.6%	100.1%	99.6%		100.5%	●
BV74: Satisfaction of tenants of council housing with the overall service provided by their landlord, broken down by:		No of tenants	Annual					
(i) black and minority ethnic	76%						Plus 5%	
(ii) non-black and minority ethnic tenants	74%						Plus 5%	
BV75: Satisfaction of tenants of council housing with opportunities for participation in management and decision making in relation to housing services provided by their landlord, broken down by:		No of tenants	Annual					
(i) black and minority ethnic	75%						Plus 5%	
(ii) non-black and minority ethnic tenants	71%						Plus 5%	
BV184: a) The proportion of LA homes that were non-decent at 1 st April 2004 b) The percentage change in the	a) 51.06 %	4116	Annual				b) 43.28 %	

Brent Housing Partnership Indicators 04 / 05

Indicator	Outturn 03/04	Baseline	Q1	Q2 Plus cumulative	Q3 Plus cumulative	Q4 Plus cumulative	Target 2004/05	Current Qtr
proportion of non-decent LA homes between 1 st April 2004 and April 2005	b) 17%						b) 41%	
BV185: Percentage of responsive (but not emergency) repairs during 2004/2004, for which the authority both made and kept an appointment.	97%	No of repairs eligible	97%	97%	97%		97%	●
Percentage of repairs completed on first visit	83%	No of repairs	81%	82%	85%		85%	●
Local: Tenant Satisfaction with major works	87%		Annual					
Local: Number of tenants in arrears	3919	No of tenants	4033	4015	4477			●
No of vacant properties – NEW Q3						491		
Local: Percentage of rent loss through dwellings becoming vacant	1.6%	Total debit	0.5%	1%	1.4%		1.4%	●
Local: The % of current tenants owing over 13 wks rent (net of housing benefit) exc those owing under £250.	8 %	No of tenants	7%	7.1%	7.2%		6.5%	●
Local: Rent arrears of current tenants as a proportion of the rent roll	3.3%		3%	2.9%	3.5%		4.5%	●
Local: The percentage of urgent repairs completed within govt time limits	93%	No of repairs eligible	92%	93%	93%		95%	●

Brent Housing Partnership Indicators 04 / 05

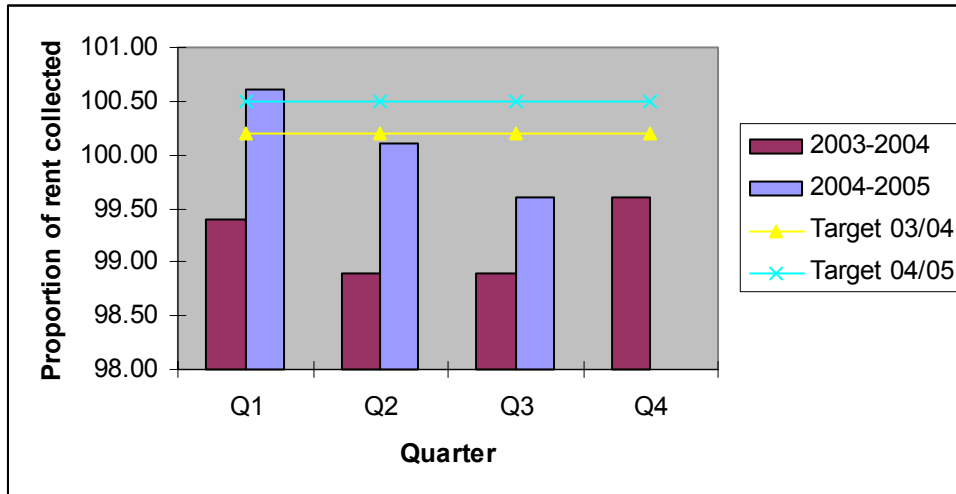
Indicator	Outturn 03/04	Baseline	Q1	Q2 Plus cumulative	Q3 Plus cumulative	Q4 Plus cumulative	Target 2004/05	Current Qtr
Local: The average time taken to complete non urgent responsive repairs	14 days	No of repairs eligible	13 days	15 days	14		11 days	●
Local: Average number of days to relet dwellings	34 days		36	35	34		31 days	●
Local: Percentage of properties with a valid gas certificate	96.1%		95%	95.6%	97%		100%	●
Performance on service charge collection (note this is % of total annual bill the target for qtr 2 was 50%)	117%	Total service charge	12%	47%	78%		100%	●
Local: Number of racial incidents reported and percentage which resulted in further action	8 63%		50 (1/2 cases)	50% (1/2 cases)	33 (1/3 cases)			
Local: Percentage of vulnerable tenants visited against quarterly targets (Please note: The figure should not include % of visits made but the % of vulnerable tenants visited.)	78%		126%	88%	88%		100%	●
No of vulnerable tenants NEW Q3						516		
Domestic violence cases resolved	74%	No of cases	83%	88%	86%		85% (TBC)	●
Phone Response			81%	80%	81%		100%	●

Average time taken to reply to:								
Customer Complaints (days)								
Stage 1			13	13	13		15	●
Stage 2			19	21	20		20	●
Stage 3			38	41	40		30	●
Members & Ombudsman Enquiries			n/a					
General Correspondence			19	16	12		20 working days	●

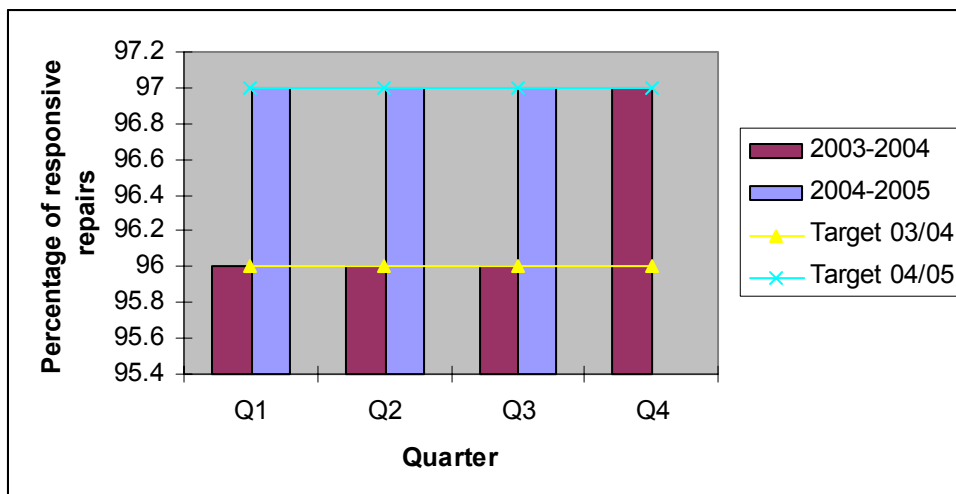
Appendix 2

The graphs below compares some performances of quarterly performance indicators for 03/04 and 04/05. However quarter 4 performance is currently not available and hence there is no comparator against 03/04 in quarter 4.

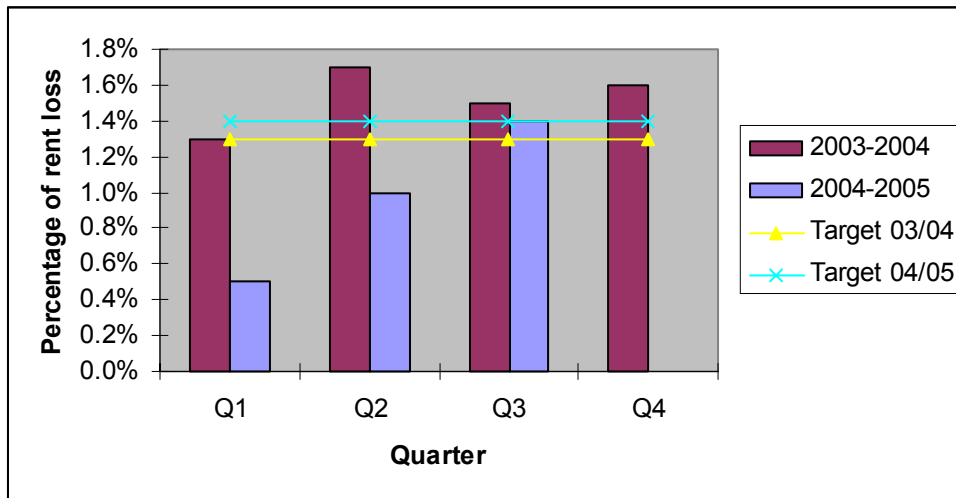
BV66(b): Proportion of rent collected excluding tenant arrears



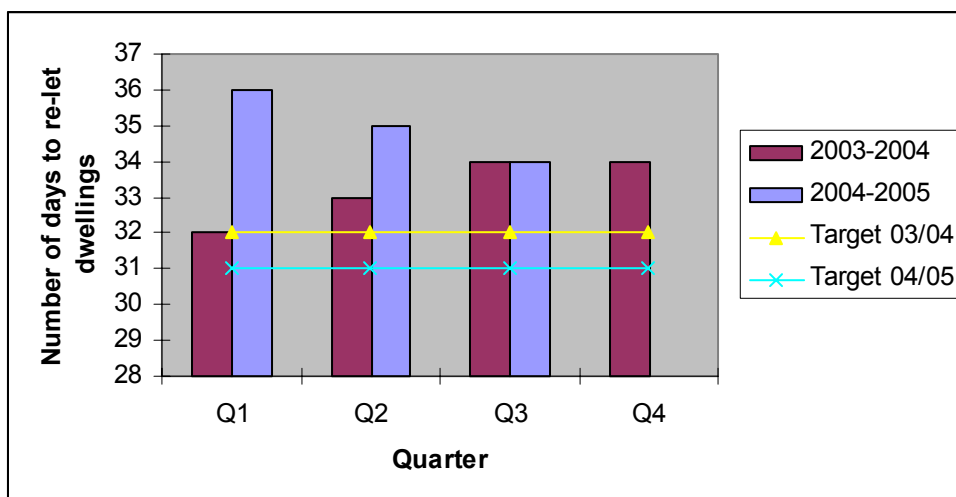
BV185: Percentage of responsive (but not emergency) repairs, for which the authority both made and kept an appointment.



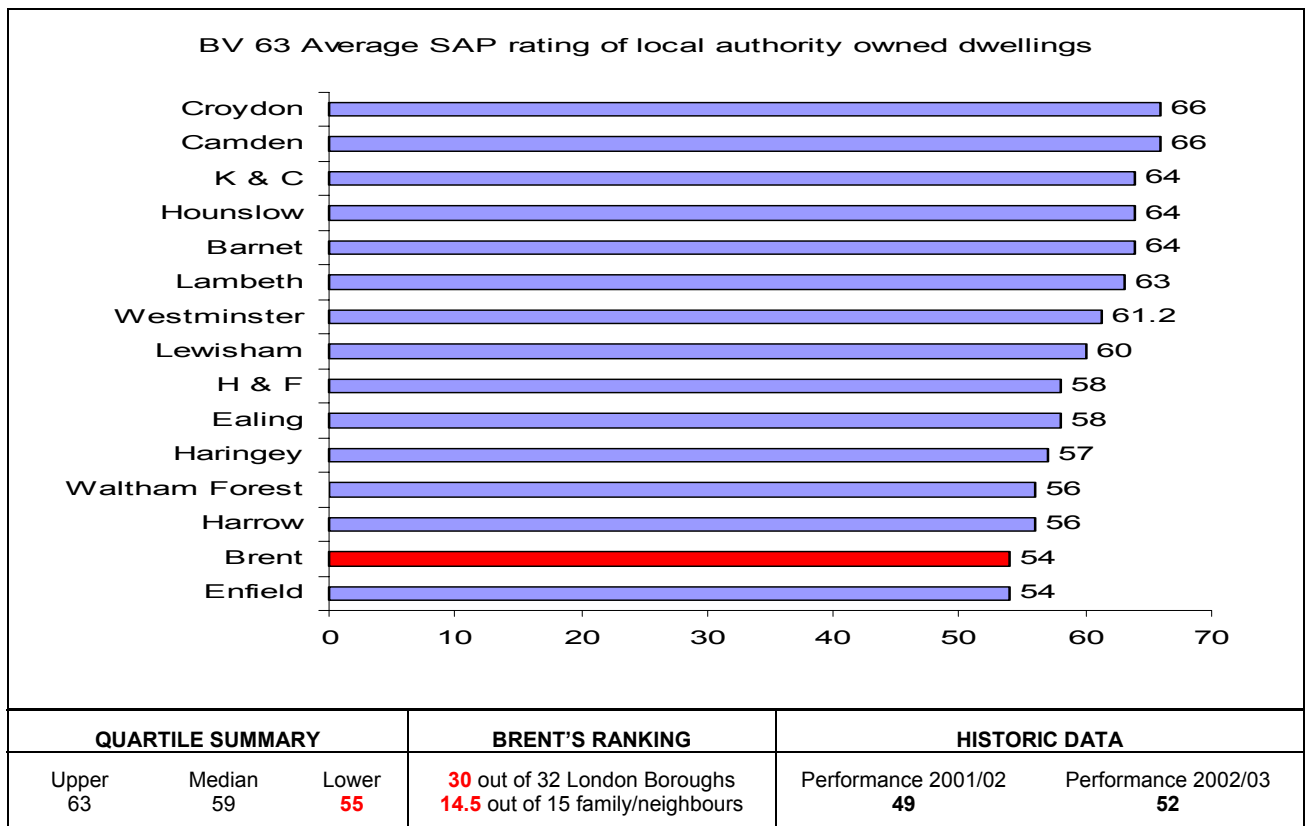
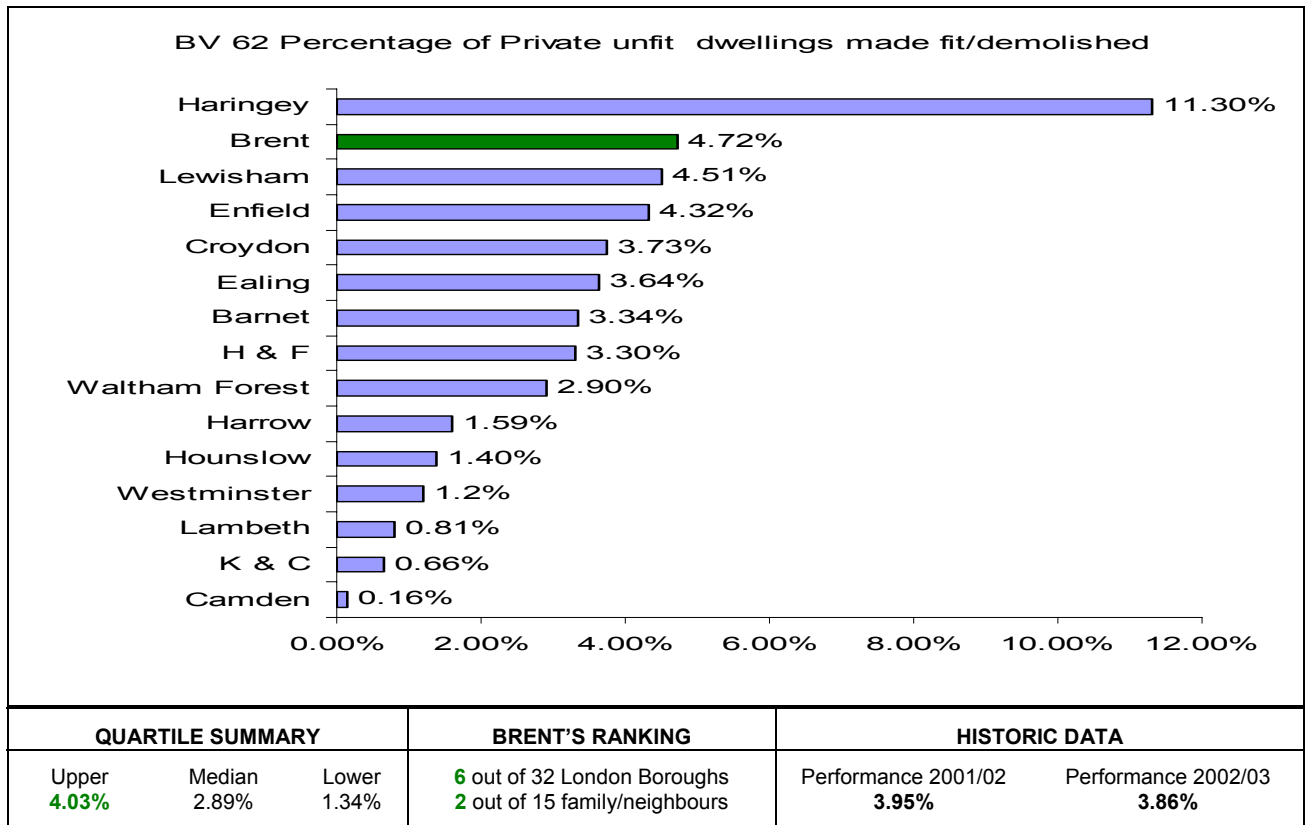
Local: Percentage of rent loss through dwellings becoming vacant.

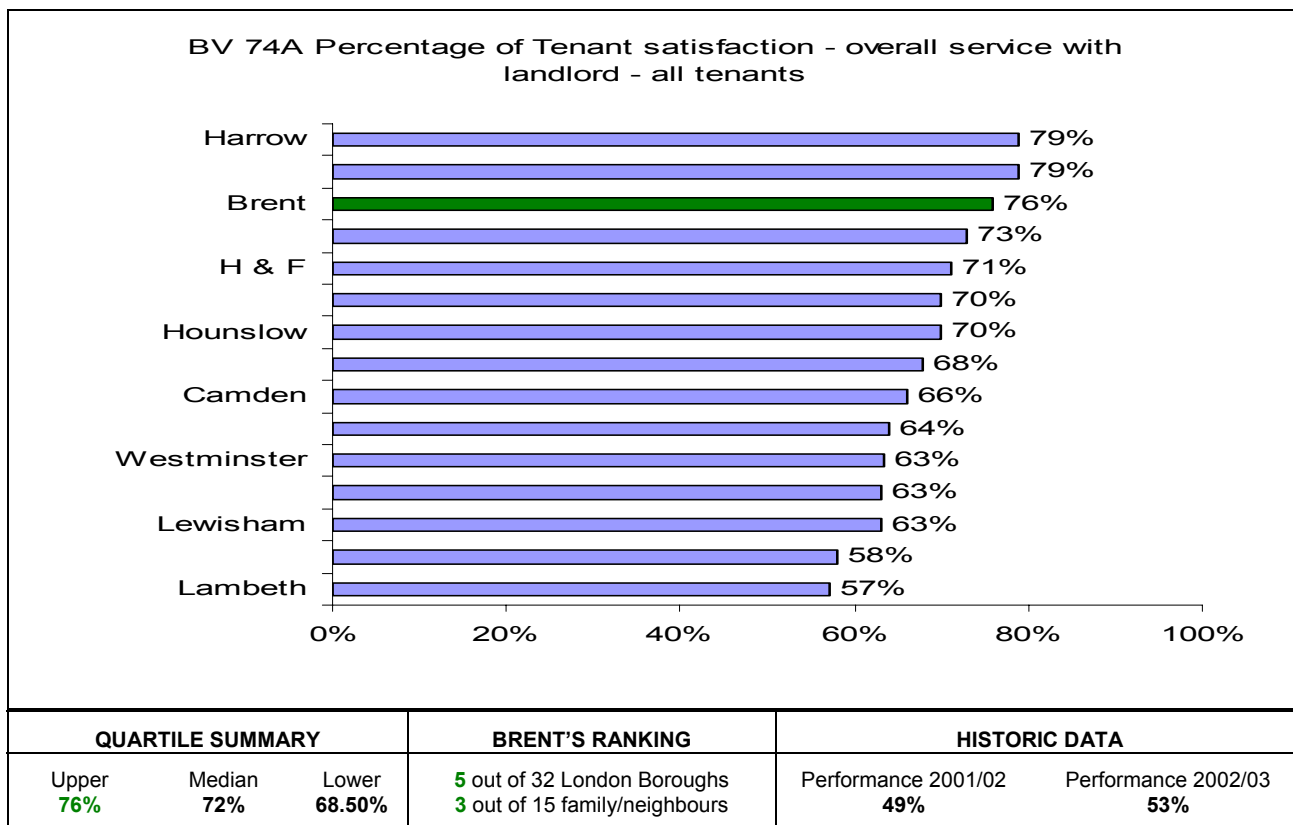
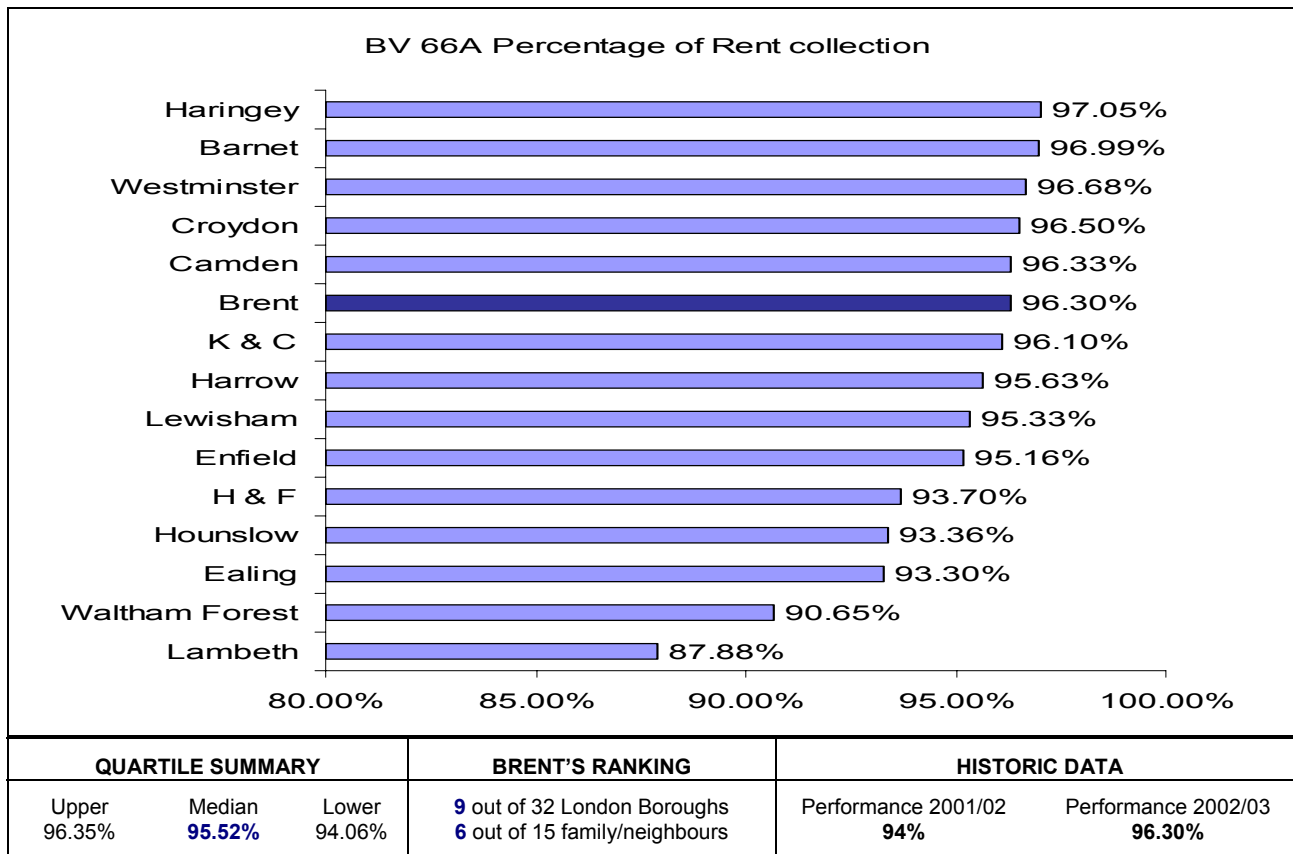


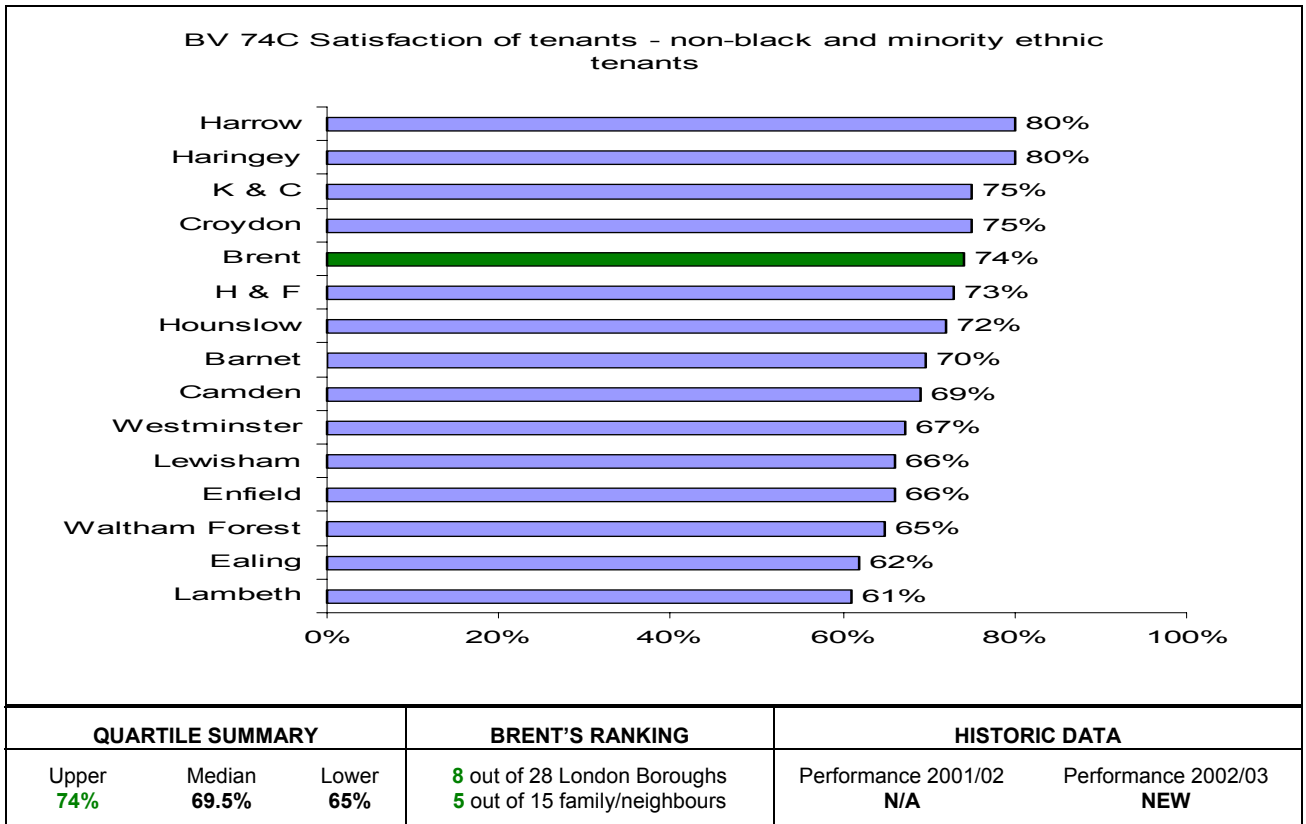
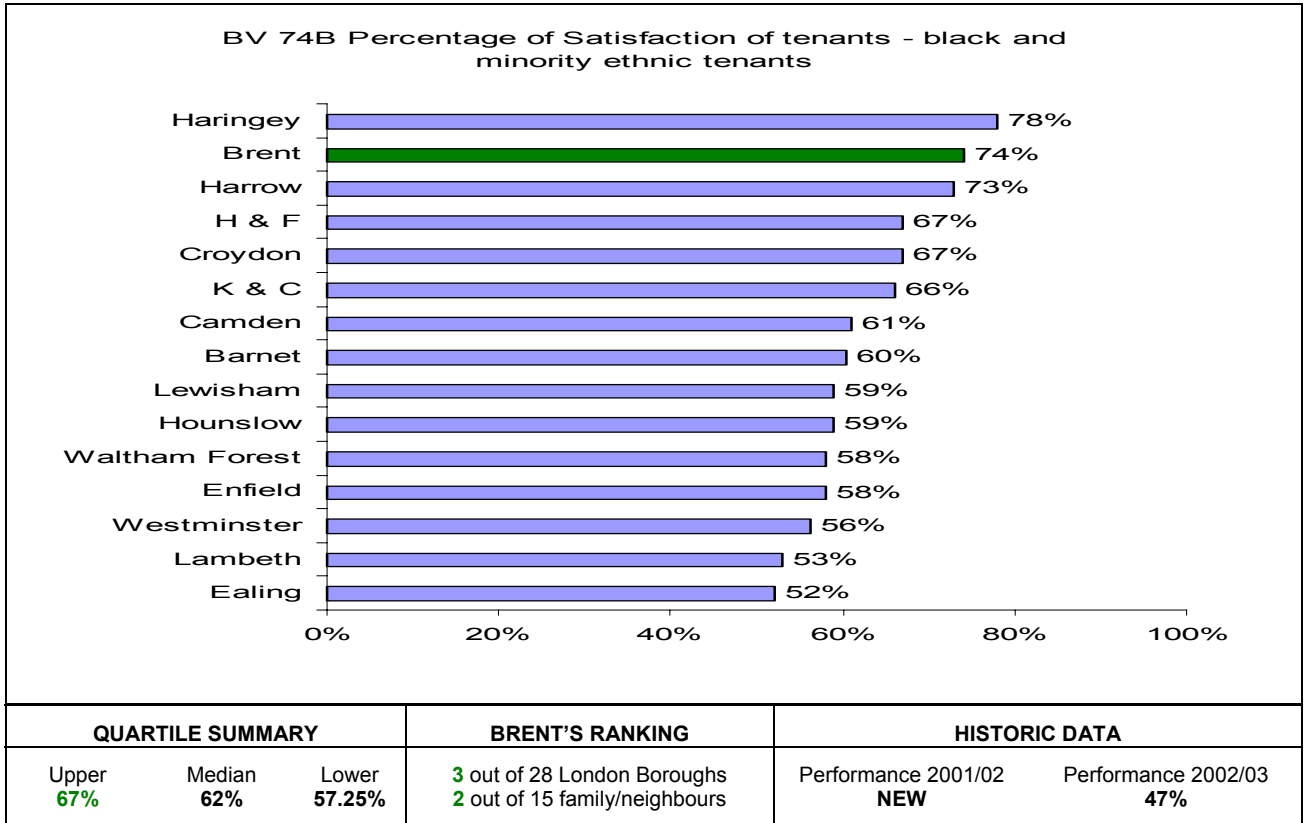
Local: Average number of days to re-let dwellings

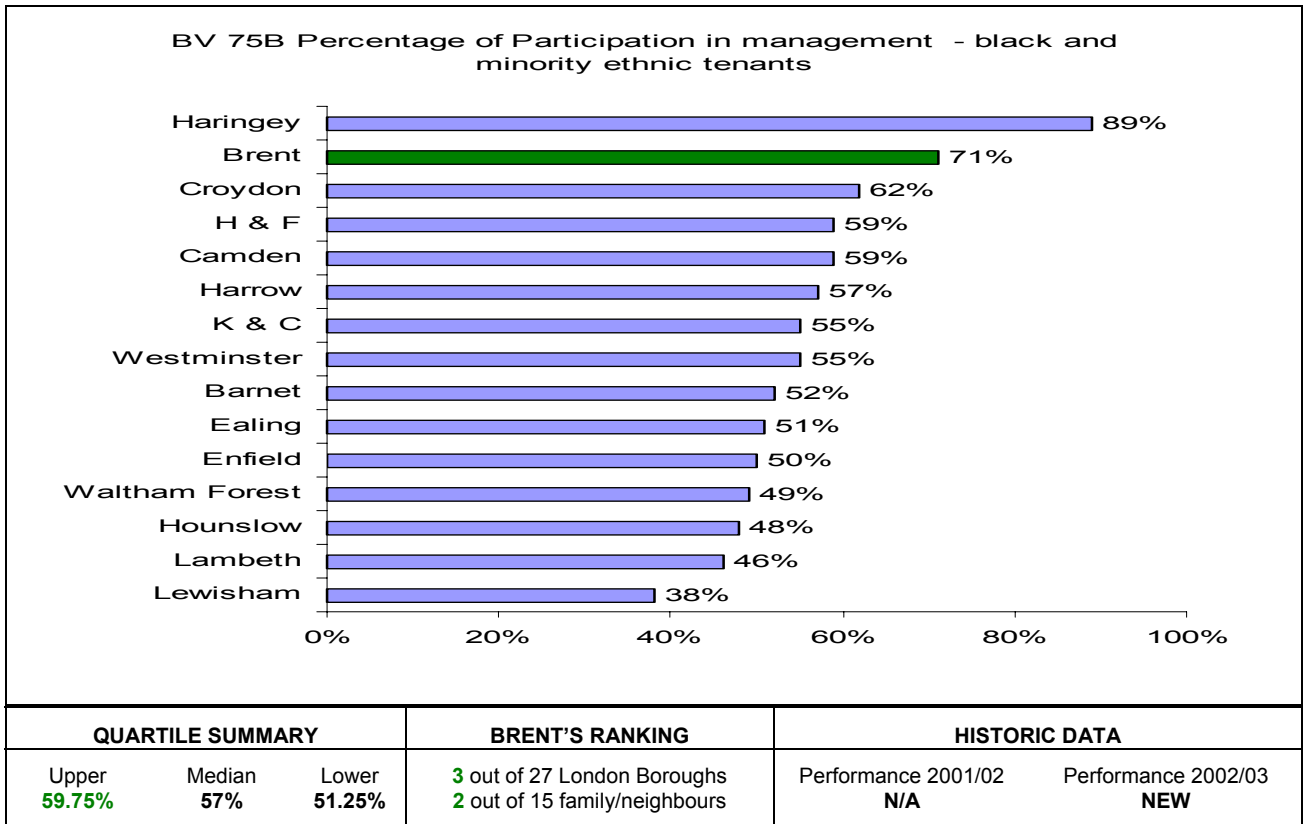
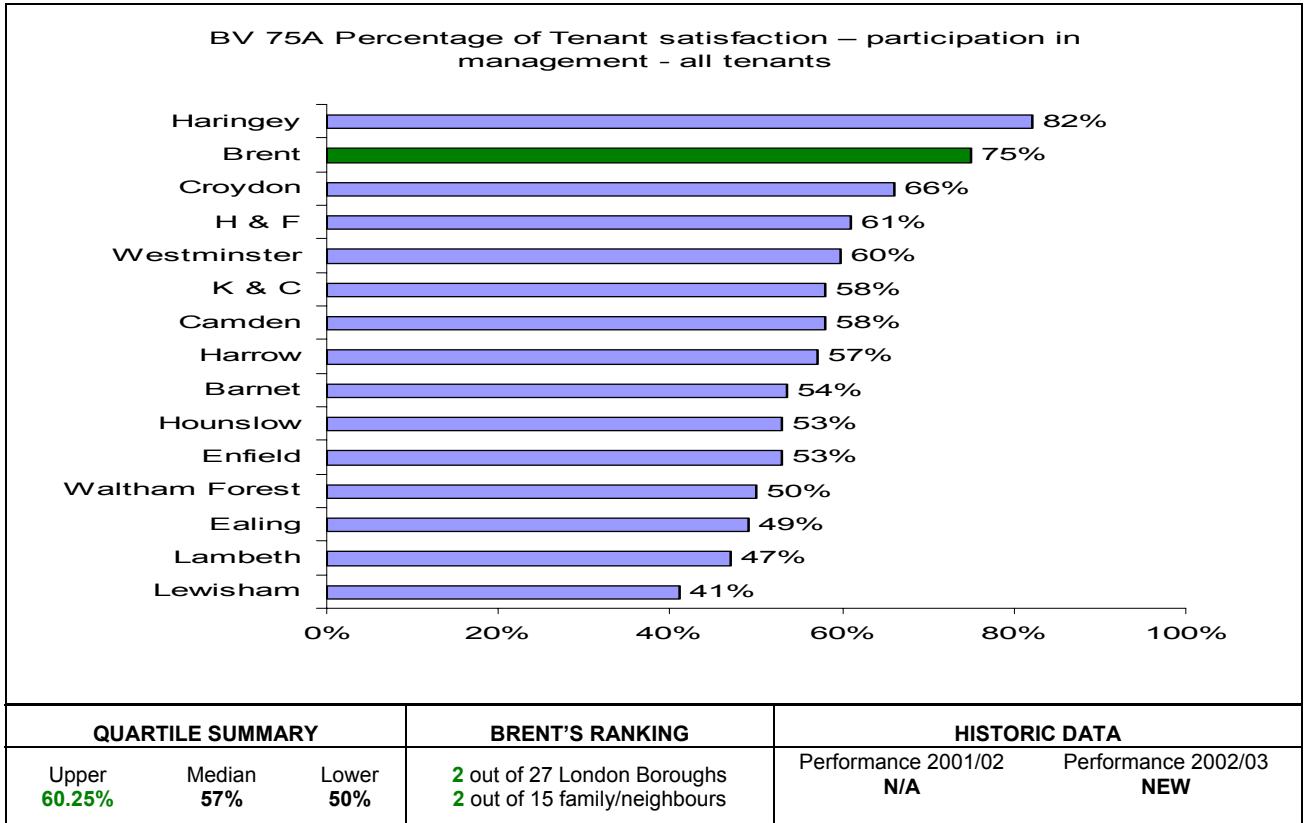


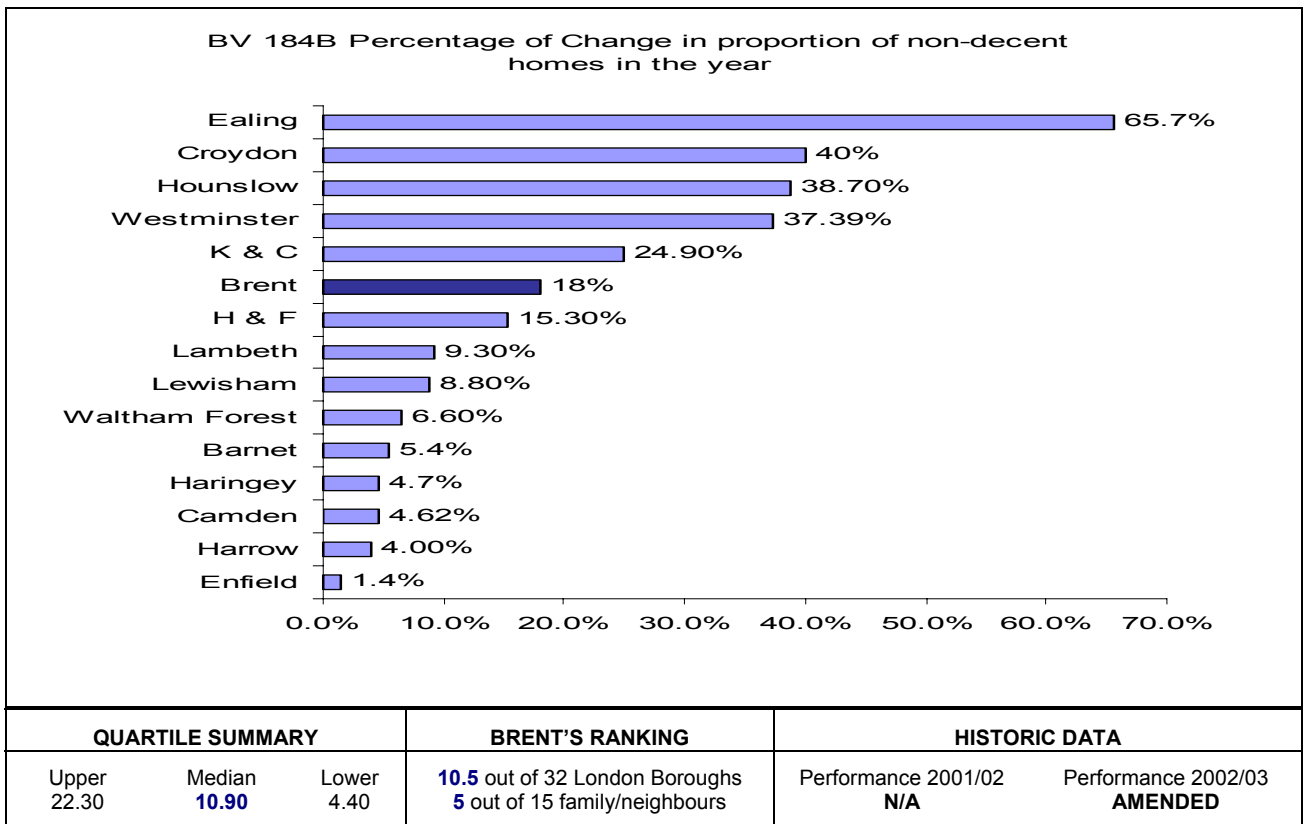
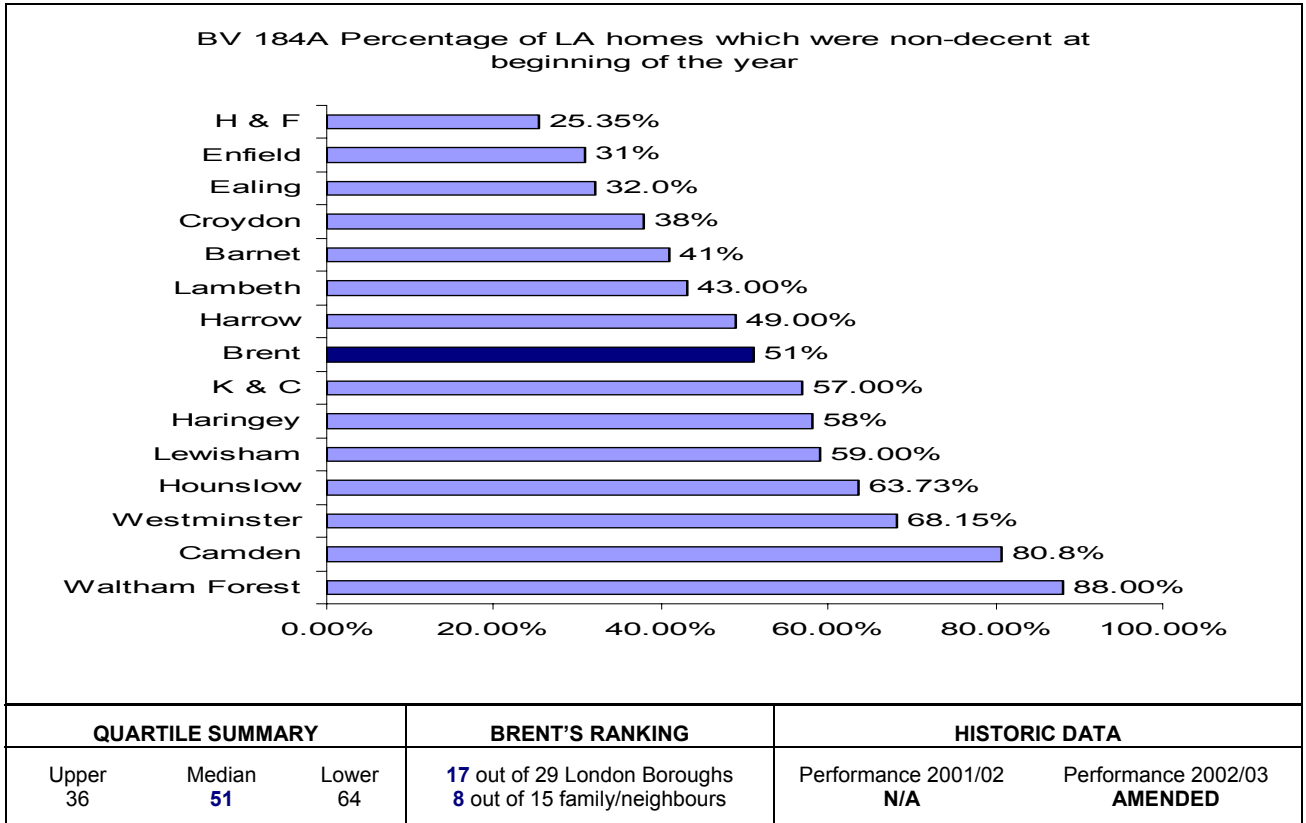
Appendix 3



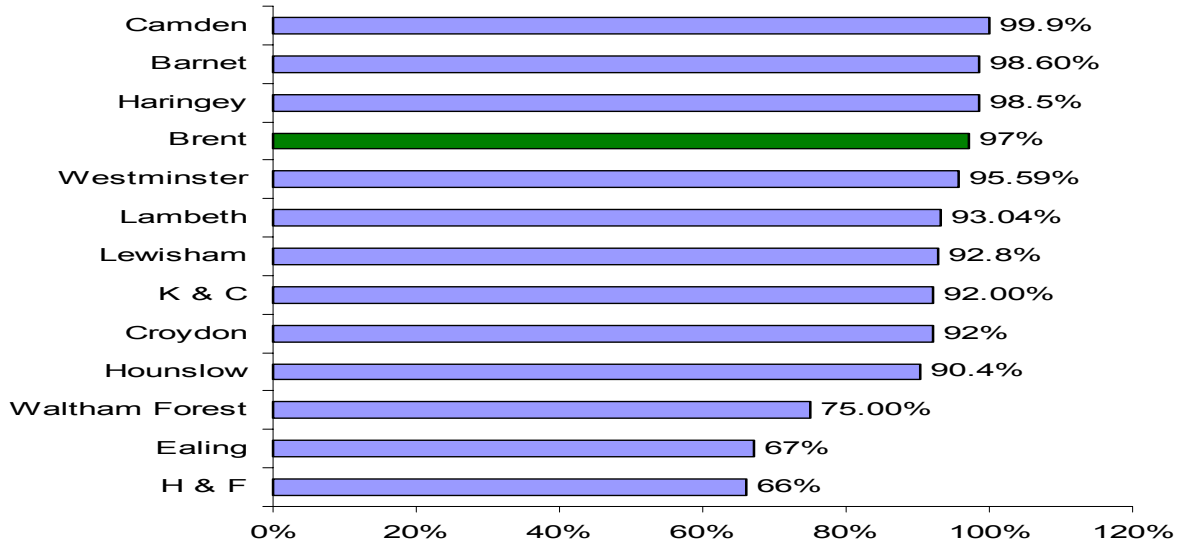








BV 185 Percentage of Responsive repairs (non-emergency), appointments made & kept



QUARTILE SUMMARY			BRENT'S RANKING	HISTORIC DATA	
Upper 95.60	Median 92.0	Lower 63.0	7 out of 32 London Boroughs 4 out of 15 family/neighbours	Performance 2001/02 N/A	Performance 2002/03 93.80%