

**LBB/ BHP
Scrutiny Committee**

Date: 14th July 2015

BHP Performance 2014/15

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For decision, discussion or information	Information
Does the report contain private and confidential information	No

Implications of this report

Status of this report	This report provides an update on BHP performance in relation to 2014/15
Value for Money	The plan set out the high level approach as to how we will demonstrate VFM
Business Risk	There is a requirement in the management agreement for BHP to agree a Delivery Plan each year with the Council. Failure to deliver against this requirement would have a significant impact on the future of the company.
Environmental Impact	There are no direct implication on the environment in respect of this report
Equality and Diversity	Equality and diversity are key themes in the implementation of the tasks set out in the Delivery Plan.
Financial and Legal Impact	The BHP Budget was designed to enable this plan to be delivered
Service Delivery Impact	The Plan was designed to improve service delivery
Co-regulatory Impact	We have worked in partnership with senior council colleagues on the formation of the plan to ensure that the regulation requirement contained within the management agreement are met to the council's satisfaction.
Access to information	No restrictions apply

1. Recommendations

- 1.1 That the Council note the BHP performance in respect of 2014/15.

2. Purpose of this report

- 2.1 The Board are required in the management agreement to provide the Council with information in respect of the provision of services. This report is intended to provide this information in respect of performance in 2014/15.

3. Report Detail

- 3.1 It is imperative that BHP can demonstrate to the Council that it is delivering against the objectives set out by the Council.

3.2 Achievements

3.2.1 The highlights of BHP's overall performance in 2014/15 are:

- The change programme was agreed by the Board and implemented
- A new Finance and Human Resources system was implemented
- A new Leasehold Management System was implemented
- A full review of service charges was undertaken
- The new repairs and maintenance contracts were mobilised
- The Risk Management Strategy was updated and a Board Risk Appetite statement developed
- A new 5 year Medium Term Financial Strategy was agreed
- Leadership in Diversity status was achieved
- Investors in People status was retained
- A successful funding bid was made to the GLA on the council's behalf
- A New Business Evaluation Model was agreed

3.2.2 There were also a number of projects with the Council which will continue into 2015/16:

- The implementation of an agreed Brent/BHP action plan for the community at the Gypsy and Traveller site at Lynton Close
- Progress the identified sites (75 new homes) included in the 2015/18 GLA Funding Bid
- The setting up of a Lettings Agency
- Work with adult social care, mental health, children's services, health and the voluntary sector to maximise the opportunity for customers to maintain their independence/ tenancies/ families

3.3 Resident Engagement and Community Leadership

3.3.1 The Committee expressed an interest in understanding the work which is carried out by BHP in respect of resident engagement and community leadership.

3.3.2 The BHP Board has six resident representatives, one of whom is the Vice-Chair, who are elected for a three year period (this is in addition to three independents, three councillors and an independent chair appointed by the council). Elections have just concluded for three new resident representatives and in addition the BHP Board has agreed a secondment of a younger person to the Board as there is under-representation of young people.

3.3.3 As part of the election and selection process a BHP Academy was established with every BHP resident given the opportunity to get involved in a training and development programme which would equip them to stand for the BHP Board and for other opportunities for involvement with BHP. There are around 30 members of the BHP Academy and they have had training on a whole range of issue including governance, performance management, the establishment of a BHP ethical lettings agency and safeguarding.

3.3.4 BHP has a Customer Committee which is chaired by a resident and which oversees the performance of BHP. In addition there are key areas that residents have been involved in looking at to improve and develop the service. Some examples include:

- a panel that is looking at how BHP deals with complaints and how this can be made more resident focussed;
- scrutinising a major works scheme, where there were a number of resident complaints, to understand from their point of view what went wrong and what is needed to put it right;

- A Board Community Panel made of around 20 residents who see the BHP Board papers in advance of the meetings and scrutinise and comment on these so that the Board can take into account (and feedback) their comments. This has led directly to changes in the BHP Business Plan for 2015/18
- A community fund panel made up of members of the customer committee who consider funding applications received from organisations. These projects must benefit the local community in Brent.

3.3.5 We undertake quarterly Talkback meetings to which all leaseholders are invited. Over 300 residents have attended these meetings over the past year.

3.3.6 A large part of the work for 2014/15 has focussed on Financial Inclusion, and the impact of Welfare Reform on our residents.

3.3.7 The team are also actively involved in the Working Places, Working People Project on the St Raphaels estate which will involve getting residents in one of our most deprived ward back into work.

3.4 Performance

3.4.1 The Scrutiny Committee has specifically requested information against a number of indicators, more detail on which is set out below:

3.4.2 Rent collection - 98.52% collection against a target of 98.75%:

BHP is 0.23% below target on annual collection. There has been a significant improvement in quarter four, with a collection rate of over 100% for the last three months. There are approximately 30 succession cases pending at year end. Use and occupation charges for successors are enforced however in instances where these cases accrue arrears, it is very difficult for rent officers to take actions to collect them and this has a detrimental affect on rent collections.

An agreement has been reached with the council to authorise these within two weeks of receipt beginning in the new financial year, this will enable officers to have more power to escalate high arrears cases where necessary. However it should be noted that this performance was achieved even though the amount of DHP money made available to our tenants reduced considerably.

In 2013/14 we received £496,270 in DHP money which reduced by over half in 2014/15 to £216,000 making it harder for our tenants affected by welfare reform changes to keep up with rent payments. Good practices that have helped increase collection towards the end of this year will be carried forward into 2015/16.

3.4.3 Arrears and actions arising and evictions

The table below sets out the level of actions undertaken in 2014/15:

Action	Of which	Number
Notices to seek possession orders		832
Notices for proceedings for possession (Court Referrals)		170
Suspended Possession Orders	76	
Firm Possession Orders	13	
Total Actual possession orders		89

In respect of evictions there were 24 in total of which 12 were for rent arrears and 1 was for recorded fraud. The average tenure at eviction was 11 years, 4 months. The shortest tenure was 1 year, 8 months.

3.4.4 Repairs performance - 93% completed in time against a target of 95%

Over the past year the major mobilisation of a new contract has taken place. Over the last six months BHP's Property Services team has been working closely with Wates to ensure that WIP (work in progress) is kept to a minimum and that all jobs are updated daily. Working towards a more streamlined process will have a follow on effect in reducing turnaround times. It is hoped that by working together to achieve this, the 95% target will be met every month and the over target jobs will be minimum.

3.4.5 Right to buy

The figures for Right to Buy both applications and completions have reduced over the last year as shown in the table below:

Action	2012/13	2013/14	2014/15
Number of Right to Buy forms received	351	167	173
Number of Right to Buy 2 notices issued indicating eligible (snapshot figures)	30	32	42
Number of Right to Buy section 125 offer notices issued	262	292	187
Number of applicant intention forms received indicating yes	98	168	114
Number of Right to Buy's completed	13	93	78

There are proposals in the Queen's Speech to extend the right to buy to housing association tenants and to fund the discount through the sale of empty, higher value void council properties, however there are no details about how this will operate.

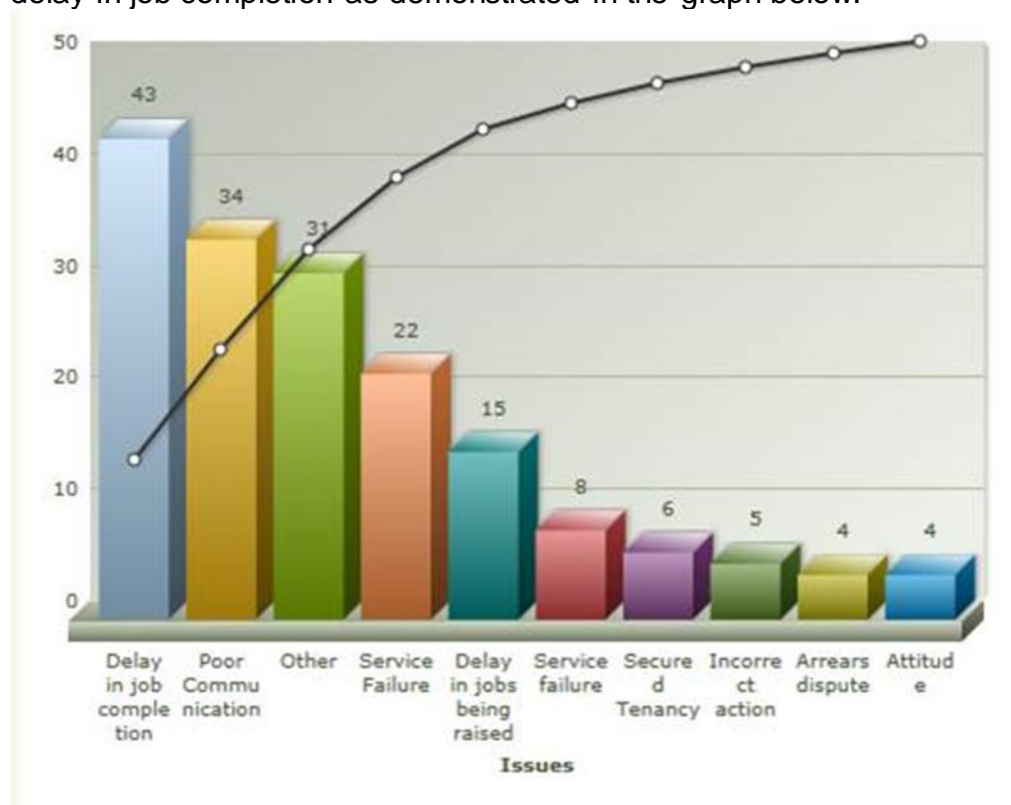
3.4.6 Voids and void turn around times.

Voids are categorised as either standard, or major, with the major voids being those which require more extensive work to make them lettable.

- **Standard voids (turnaround time of 55.7 days against a target of 24days):** The target turnaround for standard voids of 24 days is very challenging as the process of obtaining a short-list of applicants from the council's choice-based lettings system to view the property takes on average 14 days. However, standard void turnaround performance has dramatically improved from 79.1 days (Q2) to 51.6 days (Q3) to 40.5 days in Q4. The time taken to undertake repairs on void properties is now consistently within the 12 day target in Q4. The most significant factor contributing to lettings delays of standard voids is the number of refusals, particularly of the smallest studio-sized properties. A specific action plan to address the issue of refusals is gradually bearing fruit.
- **Major voids (turnaround time of 79.3 days against a target of 61days):** Although this indicator would be green against the benchmark, it is red against the target. Performance on the turnaround of vacant properties was poor in the first two quarters of 2014/15. However a wide-ranging action plan to address all aspects of void turnaround performance was devised and implemented in quarter three. As a result major voids performance improved from 75.8 days (Q2) to 69.0 days (Q3) to 63.8 days in Q4. This is very close to the target of 61 days set at top quartile performance for comparator landlords. The voids team met their targets for completing major works within their 35 day target in quarter three. It is worth noting that were it not for one property, the overall target for turnaround time for major works voids would have been met in quarter four. Very extensive works were required in this property and an applicant waiting for the work to be completed changed their mind at the last minute.

3.4.7 Complaints, numbers, reasons time taken to respond, numbers upheld and escalation rates.

BHP received 855 cases over the year, 139 were received through our informal 48 Hour response offer, 377 were logged as formal stage 1 complaint cases and 339 members enquiries were logged. The majority of these cases were received in the Property Services area, 45% and neighbourhood services area, 27%. This is also reflected in the top 10 issues in BHP complaints with the number one issue being delay in job completion as demonstrated in the graph below:



Please note that top 10 issue analysis is only from iCasework, Brent Council's complaint management system, which BHP started using in November 2014, the issue analysis comes from 5 months worth of complaints logged. This outcome is not unexpected, repairs have historically accounted for around 50% of BHP complaints (2012/13 = 53%, 2013/14 = 40%).

The escalation rate increased in 2014/15 to 9.8% from 6% in 2013/14. However we have seen this reduce from its highest in quarter 2 at 15.2% to 7.4% in quarter 4, with the level of stage 1 compensation for 2014/15 set out in the table below:

Stage 1 compensation 2014/15:

18	£1,949.00	Respond
26	£6,143.52	icase
44	£8,092.52	Total

4. Appendices

None

5 Material and Published Documents referred to in compiling this report

BHP Management Agreement
Reports to BHP Board and Committees