Rother District Council   Agenda Item: **5.2**

Report to	-	Overview and Scrutiny Committee
Date	-	18 March 2019
Report of the	-	Executive Director
Subject	-	Performance Report: Third Quarter 2018/19

Recommendation: It be **RESOLVED**: That the Overview and Scrutiny Committee consider these findings and recommend any actions to Cabinet, as necessary.

Head of Service: Ben Hook

Introduction and Background

1.   For the financial year 2018/19, Members of the Overview and Scrutiny Committee (OSC) and Cabinet selected a set of eight key performance indicators (KPIs). These indicators stand as a barometer of the delivery of the Council's Corporate Plan and those service areas Members wished to scrutinise over the year (Cabinet Minute CB17/71 refers). This financial year, the focus is on housing and homelessness and the financial return on investment assets.

2.   This report brings before Members a summary of the Council's performance against the selected indicators, giving the position at the end of the third financial quarter (1 October to 31 December 2018) for 2018/19. The report gives Members an opportunity to scrutinise the progress towards the Council's stated aims, outcomes and actions in the Corporate Plan and make any necessary recommendations to Cabinet for future service delivery. This report delivers the Corporate Plan action to 'account for performance'.

Key Performance Indicator Results

3.   During quarter three, of the eight individual measurements, five met or exceeded their target/forecast (green), one is slightly off target/forecast (amber) and two did not meet their targets/forecasts (red). This is an improvement on quarter two. Detail is provided in Appendix 1.

4.   On target indicators are likely to meet the end of year target. The indicators on target are:

       a. Average calendar days taken to process new housing benefit claims
       b. Average calendar days taken to process changes to existing housing benefit claims
       c. Number of households placed in temporary accommodation
       d. Number of new affordable homes completed in the district
       e. The net income and return on investment from the Council's investment assets

5. Indicators slightly off target are at risk of not being on target at the end of the year. The indicator slightly off target is the number of households that were prevented from homelessness for every 1,000 Rother households.

6. Indicators not on target are unlikely to be on target/forecast at the end of the year. Indicators not on target/forecast in the third quarter are:

   a. The number of homelessness relief applications received by the Council
   b. New homes built in the district (net gain)

7. The results are summarised in the following table and reported in more detail in Appendix 1. Benchmarking only can be provided where data is nationally reported, published and comparable.

8. Benchmarking refers to a comparison with all English district councils using quartiles (dividing the list of all results into four equal parts). For our purposes, best quartile is the 25% of district councils showing best performance, whether or not lower is better or higher is better. Above median is the 25% of councils whose performance is from median or better but not in the best 25%. Below median performance are the 25% of councils whose performance is from median (the middle figure) but not in the worst 25%. Worst quartile means councils in the worst 25%, whether or not lower is better or higher is better.

PI Name	Status[1]	Q2 to Q3 Trend[2]	Annual Trend[3]
Housing benefit: time to process new claims	🟢	⬆	⬆
Housing benefit: time to process existing claims	🟢	⬆	⬆
Homelessness applications	🔴	⬆	⬇
Homelessness prevention	🔺	⬆	⬆
Temporary accommodation	🟢	⬆	⬇
New homes built (net)	🔴	⬇	⬇
Affordable homes built (gross)	🟢	⬆	⬆
Assets: Return on Investment	🟢	⬇	⬆
Key: 🟢 green/on target, 🔺 amber/just off target, 🔴 red/off target ⬇ worse performance, ⬆ better performance, ▬ no change in performance			

Table 1: KPI summary performance, Quarter Three

Performance by Exception

9. Members wished to have reported, by exception, any performance that is doing significantly better or significantly worse than its target. There is one indicator to report.

10. The amount received as a result of the Community Infrastructure Levy is exceeding its target. More information regarding this indicator is set out in Appendix 2.

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[1] Relates to whether reported performance met the target for the quarter

[2] Relates to this quarter's performance compared to the previous quarter (short term trend)

[3] Relates to this year's performance compared to last year's performance at the same time (medium term trend)

Conclusion

11.   Members are requested to consider performance against targets or forecasts and pass any recommendations for action to Cabinet for their consideration.

Dr Anthony Leonard
Executive Director

Risk Assessment Statement
There are financial, reputational, statutory and health risks to the Council and, more importantly, the wider community if the Council does not monitor and manage its performance across all the services.

This report mitigates those risks, because it ensures that reporting performance to Members takes place and gives Members an opportunity to scrutinise results and make remedial recommendations.

Any changes to risks on individual performance areas are included in appendices.

Performance KPI Report: Quarter Three 2018/19

New Housing Benefit Claims on Time ✅

1.   This measurement is the average number of calendar days it takes to process a new housing benefit claim from the date the claim is received to the date the decision is taken. The end of year and quarter's targets are both 35 calendar days average processing time.

2.   The result for the third quarter was 24.62 calendar days, which exceeded target (green). The worst quartile for English district councils starts at 25 calendar days and the median is 22 calendar days (DWP: All English councils, average for financial year 2017/18. The average for the year to date is 32.6 calendar days, which is on target (green). Results are reported to and monitored by the Department of Work and Pensions and published online.

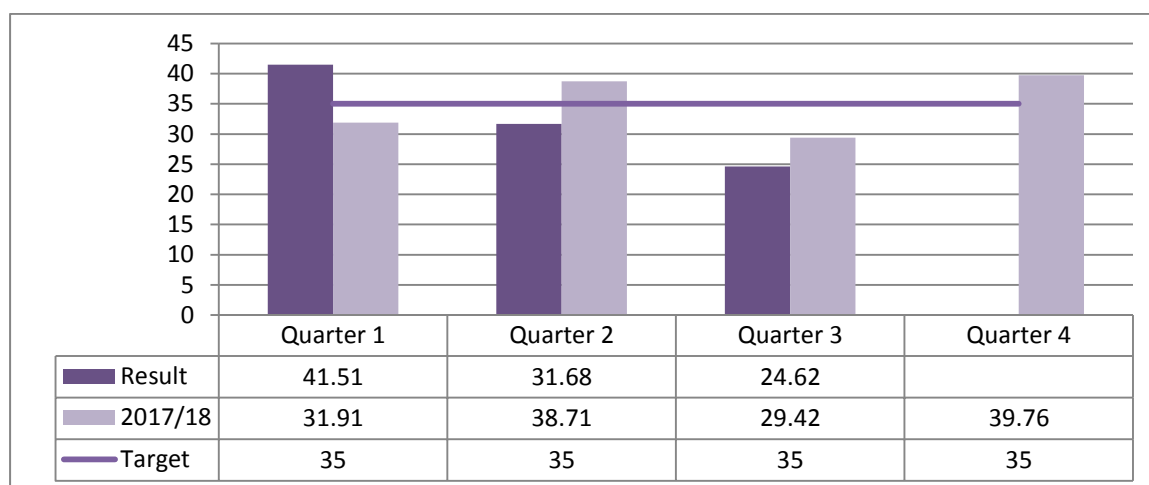|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	41.51	31.68	24.62	
2017/18	31.91	38.71	29.42	39.76
Target	35	35	35	35

Figure 1: Processing time, new housing benefit claims. Polarity: Lower is better.

3.   The Assistant Director Resources reports that processing times are much better than the start of the year, due to the impact of the service improvement plan and the external support contractors. Going into the financial year-end it is likely workloads will increase and processing times lengthen. Maintaining the external support contracts would be necessary to keep processing times reasonable.

Changes to Housing Benefit Claims on Time ✅

4.   This measurement is the average number of calendar days it takes to process a submitted change to an existing housing benefit claim from the date of submission to the date of the decision.   This indicator and related measurements monitor delivery of the Corporate Plan actions to deliver efficient service options and manage the impact of welfare reform. The end of year target is an average of 20 calendar days. The target for quarter three is 20 calendar days.

5.   The result for quarter three is 11.23 calendar days (green). The target for the year to date is 20.07 and the result is 23.22 (red) but improving. The worst quartile for English district councils starts at 9 days and the median is 6 days (DWP: All English councils, average for financial year 2017/18). Results are

reported to and monitored by the Department of Work and Pensions and published by the Government.

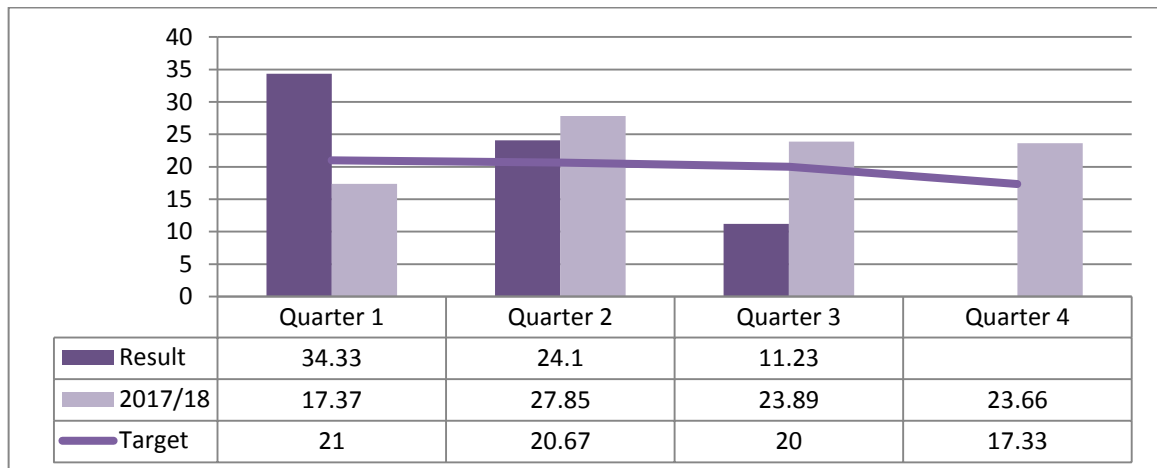|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	34.33	24.1	11.23	
2017/18	17.37	27.85	23.89	23.66
Target	21	20.67	20	17.33

Figure 2: Processing days existing housing benefit claims. Polarity: Lower is better.

6. The Assistant Director Resources' report from paragraph 2 covers this measurement as well.

Homelessness Applications Received 🔴

7. This measurement is the number of homelessness applications from Rother households received in the financial year. This indicator monitors delivery of the Corporate Plan action to provide support for those in housing need. The forecast by the end of 2018/19 is 204. The forecast for the third quarter was 51 and we received 64 homelessness relief applications.

8. This gives us a total of 217 for the financial year so far. We have had 6% more applications than we forecast for the whole year (204) with another three months to go. Therefore, this indicator will not meet the forecast for the end of the year.

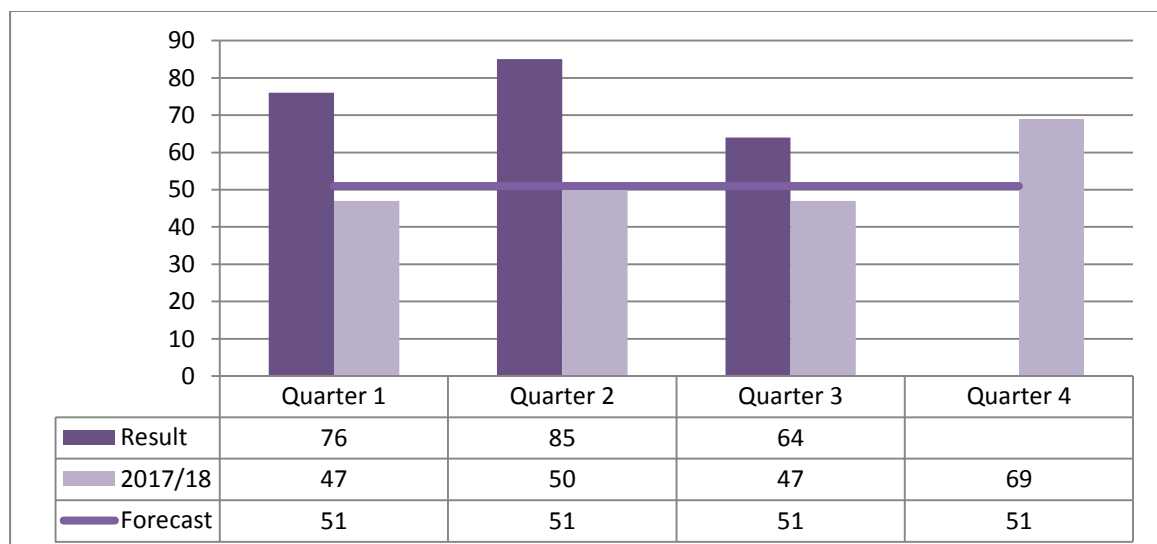|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	76	85	64	
2017/18	47	50	47	69
Forecast	51	51	51	51

Figure 3: Homelessness cases Polarity: Lower is better

9. The Head of Service for Housing and Community reports the overall trend continues to be an increase in the number of households applying as homeless, mirroring wider national trends. The introduction of the new Homelessness Reduction Act was always likely to create a greater number of homelessness applications. The new Act defines a person as threatened with

homelessness if it is likely that they will become homeless in 56 calendar days; prior to April 2018 this period was 28 days.

10.	The dip seen in applications in December (15) that affected the result for the quarter, was typical and was principally due to the Council offices being closed for Christmas. In addition, we tend to see a reduction in applications in December, generally, as families are more inclined to accommodate their relatives temporarily over Christmas. However, given the overall trend of increasing homelessness in recent months, the figure in December is relatively low compared to the previous 12 months.

Prevention of Homelessness Cases per 1,000 Rother Households 🔴

11.	This measurement shows the number of households the Housing Needs service prevented from becoming homeless through intervention and advice. It is expressed as the number of cases in proportion to 1,000 Rother households and can be benchmarked against other district councils in England. The target by the end of 2018/19 is 5 preventions per 1,000 households (above median performance).

12.	The total for the year so far is 2.05 against a target of 3.75 per 1,000 households from April to December. This is below median performance for district councils and reflects the challenges associated with accessing affordable housing in the South East of England, relative to other areas of the country. We are projected to be at 2.92 by year end and below the median for South East district councils.

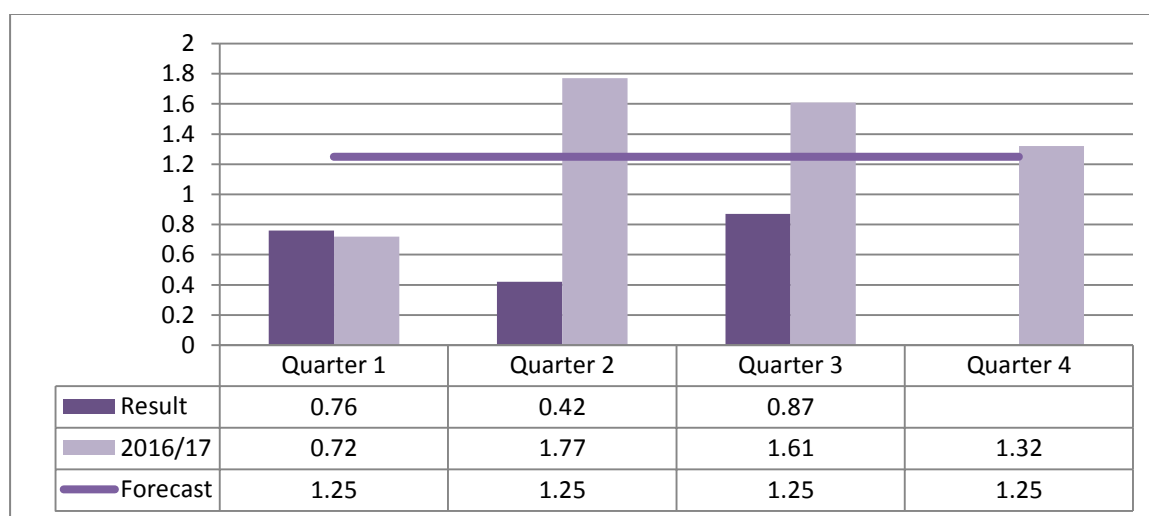|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	0.76	0.42	0.87	
2016/17	0.72	1.77	1.61	1.32
Forecast	1.25	1.25	1.25	1.25

Figure 4 Cases of Homelessness Prevention per 1000 Households. Polarity: Higher is better

13.	The Head of Service for Housing and Community reports that the second quarter result has been audited and revised upward to 0.42. The number of homelessness preventions achieved by the Housing Needs team has fallen since 2016/17, as it becomes more challenging to access an increasingly unaffordable private rented sector.

14.	The 0.87 preventions per 1,000 households achieved in quarter three (2018/19) is an increase from previous quarters in 2018/19 and from 2017/18. However, the 39 preventions this represents in three months are lower than anticipated. Cabinet recently approved a range of new homelessness prevention measures, which will be implemented in 2019/20 [Cabinet Minute CB18/70 refers]. These new measures will make use of the central

government grant ring-fenced to improve the level of preventions achieved. In addition, we are reviewing internal recording practices to ensure that we are accurately capturing the true scale of the positive homelessness prevention interventions the Council makes both directly with our Housing Needs team and indirectly through commissioned activity.

Households in Temporary Accommodation (TA) ✅

15. This measurement is the number of households placed in temporary accommodation (TA) by the Housing Needs Team as measured on the last day of the quarter. The forecast for 2018/19 is 60 households. The result at the end of quarter three was 40. The number of households in TA was 51 at the end of October, fell to 50 in November and fell further to 40 at the end of December.

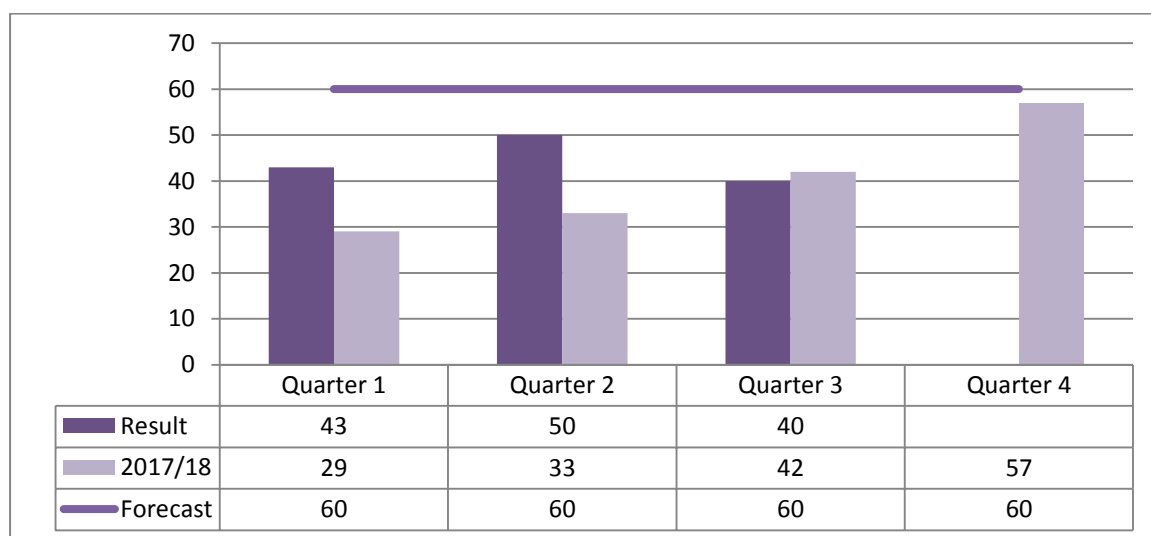|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	43	50	40	
2017/18	29	33	42	57
Forecast	60	60	60	60

Figure 5: Households in Temporary Accommodation. Polarity: Lower is better

16. The Head of Service for Housing and Community reports the number of new households put into TA in December occurred in parallel with a fall in overall homelessness applications (see paragraph 10). We were closed for a longer period in December than is typical and it is not unusual to see a dip in the number of TA placements at Christmas.

17. However, it remains positive that the number is lower than at the same point in December 2017 (42) and it is hoped the recent decision to target greater levels of rent in advance and deposit loans at households at high risk of entering TA is having some success. A range of measures will be brought forward during 2019 using the Flexible Homelessness Support Grant to improve how quickly households move on from TA and shorten the average length of stay.

18. Of the 40 households in TA, on 31 December 2018, 24 were accepted homeless and waiting to be rehoused, one was a Section 202 review (appealing their decision) and 15 were pending cases waiting for a decision.

Net Additional New Homes in Rother 🔴

19. This measurement counts the number of all new homes in Rother, allowing for demolitions and change of use to give a net gain. The target for 2018/19 is 238 new homes. The target for the third quarter is 60. The result is 38 new homes, giving a total of 151 for the year to date, against a target of 180.
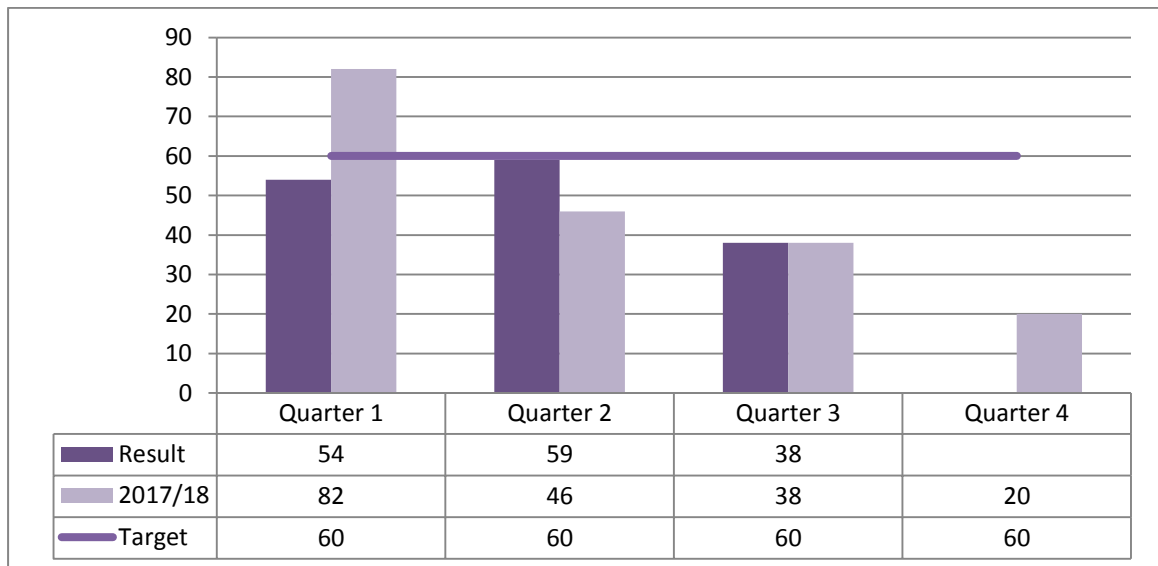
Figure 6: Net additional new homes. Polarity: Higher is better

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	54	59	38	
2017/18	82	46	38	20
Target	60	60	60	60

20. The Head of Service for Strategy and Planning reports that the figures are provisional. The results for quarter one and quarter two were updated at the end of January 2019, following the production of the most recent Housing Land Supply position statement. There was an increase in quarter one from 33 to 54 homes and a reduction in quarter two figures from 69 to 59. In order to be on target by the end of the year there would have to be a net gain of 87 new homes during quarter four.

New Affordable Homes ✅

21. This measurement is the gross number of new affordable homes that have been completed in the district. By completed we mean that the home has been built and handed over from the developer to the provider for occupation by a tenant or purchaser. The home may not yet be occupied. The target for 2018/19 is 10 new homes. This target was based on anticipated delivery at the time of setting the target. We have already exceeded the annual target with 51 new homes built in the last three quarters. The target for quarter three was three new homes. The result was eight new affordable homes.

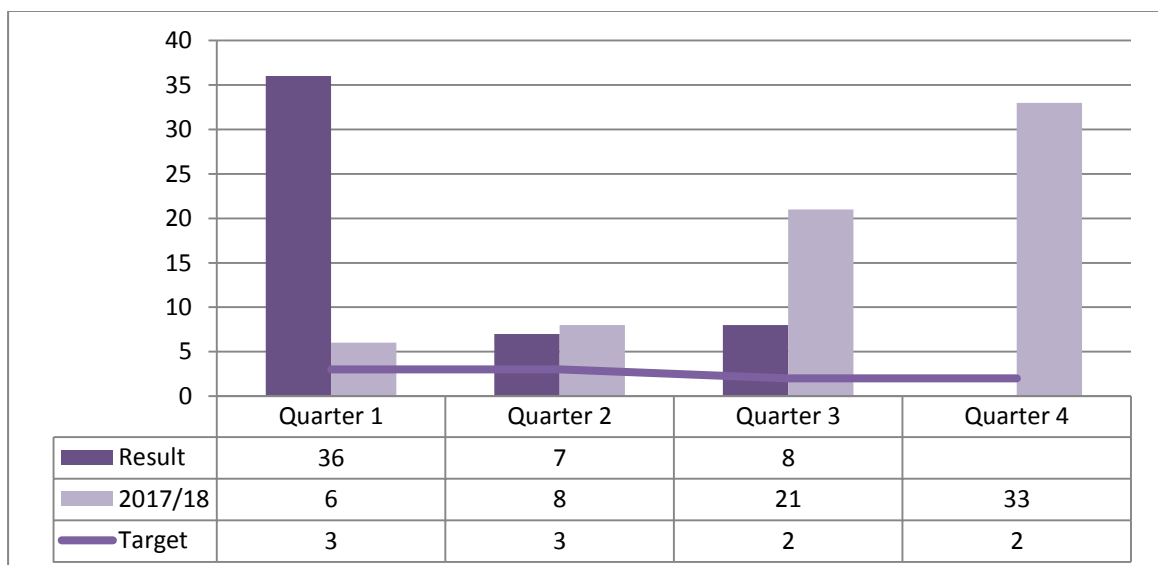|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	36	7	8	
2017/18	6	8	21	33
Target	3	3	2	2

Figure 7: New affordable homes delivered. Polarity: Higher is better.

22.   The Head of Service for Acquisitions, Transformation and Regeneration reports in quarter 3 there were 8 early completions at Rosewood Park, Barnhorn Road, Bexhill made up of 4 shared ownership and 4 affordable rented homes.

23.   In quarter 4, we expect at least a further 26 with potential for up to 54 more completions at sites across Rother, subject to no on-site delays between now and the end of March 2019. Amongst other properties, these new homes will include three new two-bedroom wheelchair accessible dwellings and four one-bedroom wheelchair accessible dwellings in Bexhill and potentially a wheel-chair accessible flat in Staplecross.

Return on Investment from Investment Assets ✅

24.   This measurement calculates the return on investment from the income, expenditure and value of the Council's investment assets. It was agreed to report this in cash terms as well as achieving the target percentage return on investment that was agreed at Cabinet and full Council. The Council forecasted a net income of £195,210.77, in quarter three. The result was £242,510.57 (net). This gives a total income for the financial year so far of £997,627.23 (net).

25.   The Council targets to get at least a 6% a year return on investment on our investment property. (This is 6% of the value of the property calculated from net income.) The percentage return on investment in quarter three was 2.27% against a target of 1.5%. The overall return on investment for the year so far is 8.92% against a forecast of 4.5% by this point in the financial year.

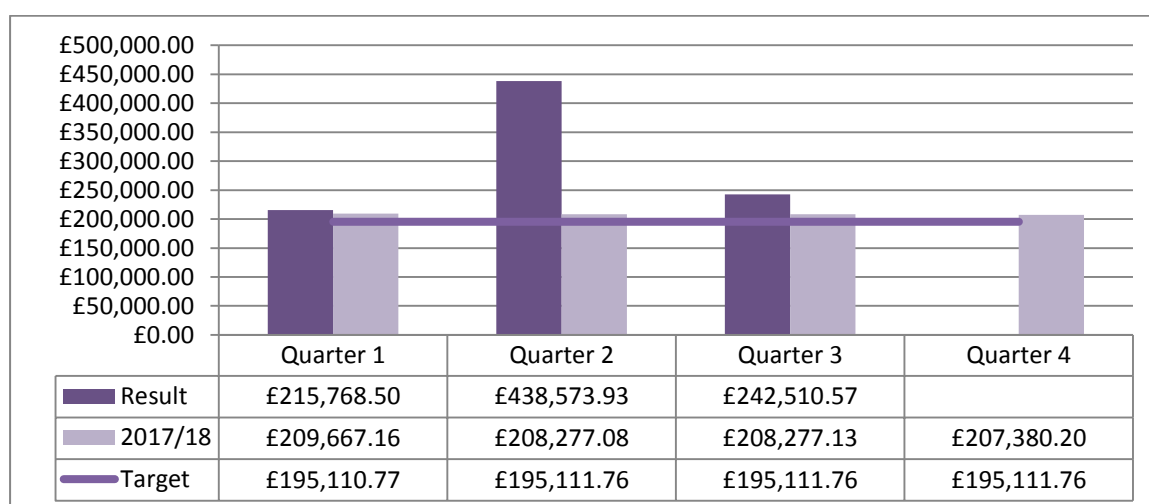|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Result	£215,768.50	£438,573.93	£242,510.57	
2017/18	£209,667.16	£208,277.08	£208,277.13	£207,380.20
Target	£195,110.77	£195,111.76	£195,111.76	£195,111.76

Figure 8: Net £ Income from Investment Assets. Polarity: Higher is better

26.   The Head of Service for Acquisitions, Transformation and Regeneration reports that the indicator is performing above expectation and we are well over the targeted return on investment for the year. Following the acquisition of three further sites in Beeching Road and the leasing of the Colonnade, Q4 will see an increase in the overall income generated

Performance Indicators by Exception: Quarter Three 2018/19

Community Infrastructure Levy (CIL) Receipts ✅

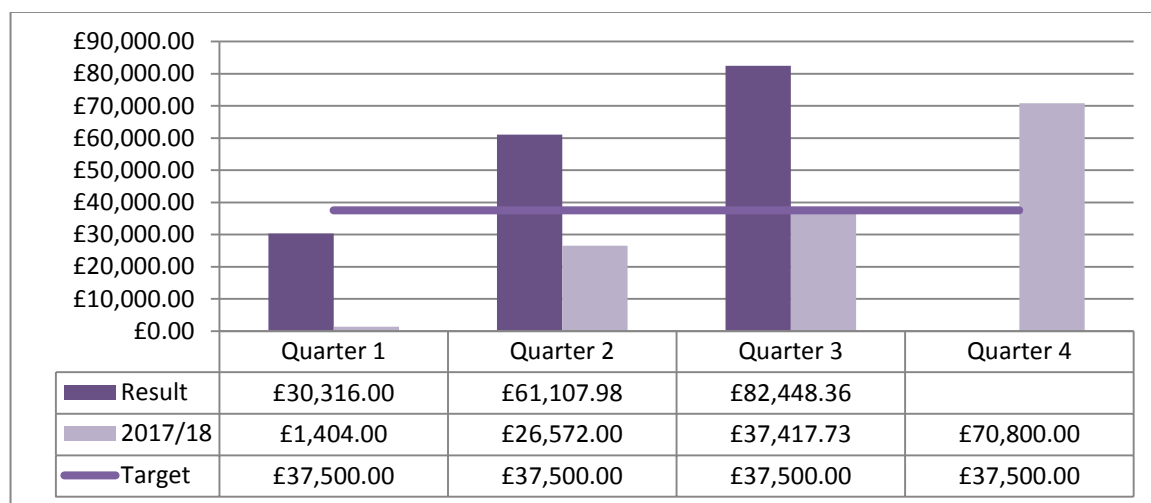|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
■ Result	£30,316.00	£61,107.98	£82,448.36	
■ 2017/18	£1,404.00	£26,572.00	£37,417.73	£70,800.00
▬ Target	£37,500.00	£37,500.00	£37,500.00	£37,500.00

Figure 10: CIL receipts. Polarity: Higher is better.

1. **Head of Service's Comments**
   We are now seeing a steady increase in CIL receipts as developments continue to start on site. Cabinet approved the process to consider bids from infrastructure providers on the spending of CIL receipts. Bidding started in February 2019.