

REPORT TITLE: QUARTER 2 PERFORMANCE MONITORING

22 NOVEMBER 2017

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING

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WARD(S): ALL

PURPOSE

This report is an extract from CAB2798 (Q2 2017/18 FINANCIAL AND PERFORMANCE MONITORING dated 6 December 2017) and provides a summary of the Council's performance during the second quarter of 2017/18 and financial position as at 30 September 2017 in relation to Housing services.

The report includes progress updates against major projects, the Council Strategy outcomes and key performance indicators.

A financial summary is also included for the Housing Revenue Account (HRA).

RECOMMENDATIONS:

1. That the Cabinet (Housing) Committee notes the progress achieved during the second quarter of 2017/18 and endorses the contents of the Report.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 This report forms part of a framework of performance and financial monitoring in place to check the progress being made against the projects and programmes included in the Portfolio Plans and the achievement of the outcomes included in the Council Strategy in relation to Housing services.

2 FINANCIAL IMPLICATIONS

- 2.1 None directly arising from this report: however, almost all of the projects included in the Portfolio Plans have financial implications, some significant, and these are agreed and reported separately before the commencement of the project.
- 2.2 The report includes an update on the Housing Revenue Account (HRA) financial position as at 30 September 2017 and sets out a forecast to the end of the current financial year.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None directly in this report, though individual projects within the Portfolio Plans are subject to review by Legal Services where required.

4 WORKFORCE IMPLICATIONS

- 4.1 None directly, although naturally staff will be required to deliver each project. Where additional staff resources are required to deliver projects these are set out in the relevant project plan and discussed and approved before being undertaken.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Cabinet members, Corporate Management Team and Heads of Team have been consulted on the contents of the report. TACT has also had the opportunity to review the report and will provide verbal comments at the Committee meeting.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None required arising from the content of the report, although some of the projects included in the Portfolio Plans will have required and Equality Impact Assessment to have been undertake.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property – none</i>		
<i>Community Support – Lack of consultation on for example major projects, affects residents and can cause objections or delay.</i>	Regular consultation and engagement with stakeholders and residents regarding major projects or policy changes.	Positive engagement and consultation can bring forward alternative options that might not have otherwise been considered.
<i>Timescales – delays to project delivery can lead to increased cost and lost revenue.</i>	Regular project monitoring undertaken to identify and resolve slippage.	
<i>Project capacity – availability of staff to deliver projects.</i>	Resources to deliver projects are discussed at the project planning stage and agreed by the project board.	Opportunities present themselves for staff to get involved in projects outside their normal role enabling them to expand their knowledge and skills base as well as working with others.
<i>Financial / VfM – budget deficit or unforeseen under or overspends.</i>	Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned over/underspends.	Early notification of unplanned under/overspends through regular monitoring allows time for plans to be put in place to bring the finances back into line with budget forecast.
<i>Legal – none.</i>		
<i>Innovation – none.</i>		
<i>Reputation – ensuring that the Council delivers the outcomes as set out in the Council Strategy.</i>	Regular monitoring and reporting of the progress the Council is achieving against its priorities included in the Council Strategy, including this report.	

10 SUPPORTING INFORMATION:

10.1 This report provides an update on the Council's performance in relation to Housing Services during the second quarter of 2017/18 and financial position as at 30 September 2017 for the HRA.

10.2 The Quarterly Finance and Performance Management Report, attached as Appendix 1, is arranged into four sections which each cover the significant areas of Housing performance that the Council is monitoring. An introduction and summary is also included at the front of the report.

10.3 Section 1 of the report sets out the summary financial position for the HRA as at the 30 September 2017.

10.4 Section 2 of the Report provides an update on the progress achieved during the second quarter of 2017/18 against the Housing related projects and key measures that will identify delivery of the Council Strategy.

10.5 The Council Strategy was approved by Council on 23 February 2017 and sets out the priorities for the Council for the next three years across five strategic outcomes. Specific housing related priorities are included within the following strategic outcomes:

- Delivering an entrepreneurial approach to efficient public services
- Delivering quality housing options
- Improving the quality of the District's environment
- Improve the health and happiness of our community

10.6 Delivery of the outcomes is measured by a number of performance measures that were also included with the Council Strategy and included in 2017/18 Portfolio Plans. At the end of the second quarter of 2017/18, all Housing related outcomes are showing as on-schedule or on-track to be delivered within the target timescale.

10.7 Section 3 of the report includes an update on the progress of the Council's significant Housing projects, including Chesil Lodge and the New Homes programme.

10.8 The final section of the Performance Report presents an update on a number of corporate performance measures which provide an indication of how the Council is performing in a number of key areas. The area that requires improvement is response rates to Freedom of Information requests.

11 OTHER OPTIONS CONSIDERED AND REJECTED

11.1 None

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[CAB2963](#) – Q1 Financial and Performance Monitoring Report, 12 September 2017

Other Background Documents:-

None

APPENDICES:

Appendix 1 Q2 2017/18 Finance and Performance Management Report – Extract
for Housing Services

FINANCE & PERFORMANCE MANAGEMENT REPORT SECOND QUARTER 2017/18 – Extract for Housing Services



Contents

Introduction and Summary

Section 1: Financial Update – Full Year Forecasts

- Housing Revenue Account

Section 2: Council Strategy 2017/20 Progress Update

- Delivering an **entrepreneurial** approach to efficient public services
- Delivering quality **housing** options
- Improving the quality of the District's **environment**

Section 3: Project Management – Projects Update

- Chesil Lodge – Extra Care Home
- New Homes Delivery Programme

Section 4: Managing the business – Corporate Health Indicators

Introduction and Summary

This purpose of this report is to demonstrate the performance of the Council at the end of each quarter throughout the financial year in relation to the aims and objectives in the Council Strategy, progress of the Council's major projects, the financial position and corporate health performance indicators.

The report does not provide detailed information relating to the numerous activities included in individual team service plans but includes the significant projects that that the Council is undertaking.

Similarly there are a large number of other performance measures that are not reported here but support the business of that team and managed by each Head of Team.

Section 1 – Financial Update as at 30 September 2017

This section presents a summary of the Council's financial position as at the 30 September 2017 with regard to Housing Revenue Account budgets.

For the Housing Revenue Account (HRA), the Council is now forecasting a reduction in the deficit at the end of the financial year of £862,000 to £1.418m.

This is primarily due to a reduction in the capital contribution from the HRA and reduced revenues repairs spend offset by lower income from rents.

Housing Revenue Account 2017/18

	Housing Revenue Account					HRA Capital Programme	
	Budget		Forecast			Budget	Forecast
	Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Full Year Forecast Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent Service Charges & Other Income	28,056	-	28,056	27,788	(268)		
Housing Management General	105	(4,562)	(4,457)	(4,368)	89		
Housing Management Special	1,098	(2,605)	(1,507)	(1,578)	(70)		
Repairs (including Administration)	95	(5,169)	(5,074)	(4,752)	322		
Interest and Depreciation	24	(11,157)	(11,133)	(11,147)	(14)		
Capital Expenditure Funded by HRA	-	(8,102)	(8,102)	(7,298)	804		
Other Income & Expenditure	21	(85)	(64)	(64)			
	<u>29,399</u>	<u>(31,680)</u>	<u>(2,281)</u>	<u>(1,418)</u>	<u>862</u>		
Working Balance at 1 April 2017			8,998	8,998			
Add Suplus / (Deficit)			(2,281)	(1,418)	862		
Working Balance at 31 March 2018			<u>6,718</u>	<u>7,580</u>	<u>862</u>		

Housing Revenue Account 2017/18

Housing Revenue Account				
Budget		Forecast		
Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Full Year Forecast Variance
£'000	£'000	£'000	£'000	£'000

HRA Capital Programme	
Budget	Forecast
£'000	£'000
6,568	6,968
1,630	1,450
177	222
16,319	15,273
<u>24,694</u>	<u>23,913</u>

Housing Major Works
Improvements and Conversions
Other Capital Spend
New Build Programme

Note:

- Forecast reduction in deficit due to reduced capital contribution and revenue repairs spend switching to capital works, offset by lower rents caused by later than budgeted income from new build schemes

Section 2: Council Strategy 2017-20 Progress Update

The following chart and tables provide a summary of the progress against the actions included in the Council Strategy and Portfolio Plans 2017/18 relating to Housing services as at the end of quarter 2 (30 September 2017).

The Council Strategy 2017-20 includes sixty-eight performance measures supporting the delivery of the Council's five strategic outcomes.

Each performance measure is assigned to a responsible manager, with previously agreed timescales and targets that are set out in the Council Strategy.

Progress against the agreed timescales and targets is presented using a Red/Amber/Green status. A further category of "On Track" has also been added. These categories are defined as follows:

- **Red** – Unlikely to deliver against agreed timescales and/or budget. Corrective Action Plan required.
- **Amber** – Some slippage or overspend, corrective action required to bring to meet schedule.
- **On Track** – preliminary work underway and expected to be delivered within time
- **Green** – On schedule to be delivered on time.

Measures where actions have been completed are shown as complete.

Further detailed information against each of the outcomes and performance measures is given in the following pages.

Council Strategy – Progress Report (Quarter 2 – 2017/18)Delivering an entrepreneurial approach to efficient public services

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
1	Create a property company in order to gain General Fund returns	Establish a housing company that generates a long term rental stream to the Council	Dec 2017	Green	See Cabinet report CAB2911(HSG)

Delivering quality housing options

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
1	Be proactive in our Tenant engagement, achieving effective representation and insight across all tenant and customer groups	Making a more effective use of the Survey of Tenants and Residents through better use of data and wider engagement	Mar 2020	Green	Survey results currently informing business plan preparation. Draft Tenant Engagement Strategy prepared – see CAB2987(HSG)
2	Become experts in finding innovative solutions to support residents trying to buy their own home	Develop an effective "shared ownership" programme	Mar 2020	Green	Shared ownership flats included at Chesil Lodge and Victoria Ct. All SO flats at Chesil sold STC
		Provide access to custom build initiatives	Mar 2020	Green	Still to identify a suitable site
3	Deliver good Housing stock condition and energy performance for City Council owned dwellings that meet the Decent homes standard	0% "Non Decent Stock. Average Standard Assessment Procedure (SAP) rating > 65	Mar 2020	Green	Programme on track to maintain all properties as "decent" in current year. Average SAP rating currently 68
4	Double the number of Council houses built in the period 2017 – 2020	Additional grant funding/section 106 resource secured	Mar 2020	Green	Council signed up to "Wayfarer" partnership (working with local RSLs to bid for grant. Grant bid being prepared for Valley, Stanmore development
		Provide an additional 300 new homes	Mar	Green	On track. >100 units currently on site

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		by 2020 through Council funded development programme	2020		with a further two sites (90 units) out to tender.
5	Drive down homelessness across the District and support partner agencies in the drive for an improved life for those in need	Avoiding reliance on Bed & Breakfast (B&B) accommodation as a housing option	Mar 2020	Green	No use of B&B in first two quarters of 2017/18
		Increased provision of supported housing units/move on accommodation	Mar 2020	Green	Discussions with HCC/support providers ongoing. Progress will be subject to Govt confirmation of welfare reform implications for supported housing.
6	Establish a Housing Company or other specialist vehicle to support development	50 units for private rent delivered through specialist vehicle	Mar 2020	Green	Proposal being considered at November Cabinet (HSG) Cttee – see report CAB2990(HSG).
7	Provide good access to affordable housing options across a range of tenures, including affordable and sub market rent (within Local Housing Allowance rates) market rent, shared ownership, student housing etc.	Additional affordable homes provided (mixed tenures)	Mar 2020	Green	See 2, 4 and 6 above
8	Provide residents with direct access to, affordable Private Rented Housing (within Local Housing Allowance rates)	Number of houses that Council provide as private rented	Mar 2020	Green	“City Lets” scheme expanding and now has 23 properties let and occupied, a further 4 signed up. Plans to include 5 more properties by December..
9	Restrict permitted development rights in Winchester so that new HMOs require planning permission from the Council.	Make an Article 4 Direction(s) where evidence shows the proliferation of Houses of Multiple Occupation (HMO) is unbalancing housing stock in Winchester, or parts of the city.	Mar 2020	On track	Article 4 Direection in place for Stanmore and new Direction made for Winnall which is due to come into effect in May 2018.

Improving the quality of the District's environment

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
1	By working with our partners and by using powers available to us, make Winchester a safer and more pleasant place to live, work and visit	Area specific satisfaction surveys completed using a baseline of ASB Hot Spot locations from the previous year that have been raised via the CSP	Mar 2020	Green	The survey is due to be launched at the end of November and the results provided within the February report.
		Utilise the Tools and Powers provided within the Anti-Social Behaviour Police & Crime Act 2014	Mar 2020	Green	For the period October 2016 to date the following powers have been used: 8 community protection notice (CPN) warning letters given for begging in the High Street 2 CPN warning notices issued 1 breach of CPN being considered for civil injunction Dispersal orders (S35) have been authorised by the police x 5 in ASB locations.
2.	Enhance and increase the use of open spaces in both the towns and more rural areas of the District	Deliver £250k of Estate Improvements annually	Mar 2020	Green	A number of parking improvement schemes being progressed. Major environmental and improvements to Trussell Crescent underway. Further parking improvements recommended (CAB2979(HSG) refers

Improve the health and happiness of our community



	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
5	Work with partners to improve the Health of residents in the district	Invest annually in disabled facilities grants in line with Government funding to help keep people in their own home	Mar 2020	Green	Spend on track with over £500k committed, assisting over 100 disabled residents.



Section 3: Programme Management – Projects Update

This report provides an update on the progress made against:

- Chesil Lodge – Extra Care Scheme
- New Homes Programme





Management Report – Major Projects

Summary		Status & Progress		Project Milestones
<u>Chesil Lodge – Extra Care Scheme</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none"> • Handover/Completion (February 2018)
Project Phase: Delivery				
Project Start: January 2013	Project End: February 2018			
Project Sponsor: Richard Botham	Project Executive: Andrew Palmer			
Project Budget: £15,431,560	Spend to date: £12,082,312			
Project Update & Next Steps				
<ul style="list-style-type: none"> • Barfield Close scheduled to open by 13th of November 2017 (for Christmas period) • Internal partitions completed in Block A. <p>Next Steps</p> <ul style="list-style-type: none"> • External elevations completed (with cladding) November 2017 • Removal of scaffolding 				

Summary		Status & Progress		Project Milestones
<u>New Homes Programme</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none"> • The Valley – out to tender October 2017 • Mitford Rd – completion expected April 2018 • Bailey Close – completion expected April 2018 • Hillier Way – completion expected November 2017 • Victoria House – completion expected January 2018 • Knowle - Tender process commenced August 2017 • Rowlings Rd – outline business case to Cab (Hsg) in Nov 17
Project Phase: Delivery				
Project Start: December 2012	Project End: December 2022			
Project Sponsor: Richard Botham	Project Executive: Andrew Palmer			
Project Budget: Capital: £43,942,000	Spend to date: Capital: £6,893,714			
Project Update & Next Steps				
<ul style="list-style-type: none"> • The Valley – planning application approved • Mitford Rd – started on site • Bailey Close – started on site, however contractor has entered administration. Alternative contractor identified (subject to contract) • Hillier Way – progressing to completion (November 2017) • Victoria House – 8 weeks of weather delays being claimed completion January 2018 • Knowle - planning application approved, EA appointed, Tender process started 				

Section 4 – Managing the business (performance indicators)

The table below provides an update on the performance the Council is making against the Housing indicators included within the Council's set of 'corporate health' indicators.

Performance Indicator	2016/17 Data			2017/18 Data		Current Status	Annual Target	Expected Outturn	Expected End of Year Status
	Q2	Q3	Q4	Q1	Q2				
Voids – Average re-let time (general needs and Sheltered)	12.18	11.12	11.48	12.51	12.27		19	12.5	
Arrears - Number of tenants owing more than 4 weeks rent	229	221	203	222	327	Not Applicable	No Target Set	Not Applicable	Not Applicable
Repairs – Average number of days to complete responsive repairs	4.39	2.96	3.96	5.4	5.3		8	5	
Homelessness – Numbers presenting to Council as being at risk of homelessness	403	301	357	324	404	Not Applicable	No Target Set	Not Applicable	Not Applicable

Key to symbols:

This performance indicator is on target



This performance indicator is below target but within 5% of the target



This performance indicator is more than 5% of the target