

**Performance Report, (Housing, Angela Horsey)**

**Synopsis of report:**

**This report provides the results of the Key Performance Indicators and available Tenant Satisfaction Measures for quarter two. It also outlines potential rent increases for 2023/24**

**Recommendation(s):**

**None. This report is for information only.**

**1. Context and background of report**

- 1.1 This report informs Members of the results of the Key Performance Indicators and available Tenant Satisfaction Measures for the second quarter of 2022/23.
- 1.2 The Regulator of Social Housing has now finalised the new Tenant Satisfaction Measures (TSMs) that social landlords will be required to collect. The regulator will collect data on the performance of social landlords through 22 TSMs. These mirror the five themes of the Social Housing White Paper and comprise 12 Tenant Perception Measures and 10 Management Information Measures.

**2. Performance**

**2.1 Table 1 Key Performance Indicators: Results for Quarter 2**

	<b>Performance Indicator</b>	<b>Target</b>	<b>Result Q1</b>	<b>Result Q2</b>
<b>H1</b>	Percentage of non-emergency repairs completed within target timescale	90.0%	94.8%	<b>95.8%</b>
<b>H2</b>	Average number of calendar days to re-let a void property (excludes major works voids).	25	68	<b>37</b>
<b>H3</b>	Satisfaction with the overall reactive repairs service received (% of total number of responses returned).	95.0%	95.5%	<b>92.7%</b>
<b>H4</b>	Number of households in B&B for more than 2 weeks	4	10	<b>16</b>
<b>H5</b>	Rent arrears of current tenants as a percentage of rent due	1.75%	2.36%	<b>2.42%</b>
<b>H6</b>	Percentage of homes that do not meet the Decent Homes Standard	30%	29%	<b>25%</b>
<b>H7</b>	Percentage of stock with valid annual landlord gas safety certification	100%	99.9%	<b>99.9%</b>
<b>H8</b>	Percentage of stock with valid Electrical Installation Condition Report certification	100%	99.8%	<b>99.9%</b>

<b>H9</b>	Number of outstanding high risk Fire Risk Assessment actions	70 for Q1 30 for Q2	34	<b>34</b>
<b>H10</b>	Number of reported anti-social behaviour cases opened per 1,000 properties		5.3	<b>8.7</b>

- 2.2 1,283 of 1,339 non-emergency repairs were completed within target time.
- 2.3 Performance on 'void turnaround' continues to improve. The mean average results for September (36 days) reflect this positive trend.
- 2.4 Staff shortages meant fewer repairs satisfaction surveys were issued, with 38 out of 41 survey respondents satisfied in quarter two.
- 2.5 The Bed and Breakfast result partly reflects the 'No Second Night Out policy' and the need to provide emergency accommodation for people with complex needs. Limited move on options from B&B have been available for these individuals.
- 2.6 The team is navigating an increasingly difficult environment in terms of rent collection. The total number of tenants claiming Universal Credit has steadily increased. Some tenants in arrears are subject to Debt Relief Orders which limits the action a creditor can take. The newly appointed Tenancy Support Officer is now working with tenants to maximise their income and address their debts. This may also lead to an increase in cases referred through to the Discretionary Hardship Fund, to support longer term tenancy sustainment. The average rent arrears for benchmarked social housing landlords in August was 3.16%.
- 2.7 The Council's contractor has appointed a dedicated engineer who specifically carries out gas servicing. This has resulted in an improvement in gas safety compliance results. In quarter two there were 2,641 certificates out of 2,643 properties. The two properties outstanding have since been certified.
- 2.8 In quarter two there were 2,855 certificates out of 2,858 properties. The three properties outstanding have since been certified. Benchmarked local authorities averaged 91.4% for 2021/22.

### **3. Tenant Satisfaction Measures**

- 3.1 Arrangements are being made to record all the Management Information data required for submission to the regulator and to be published for tenants by April 2024. Tenant perceptions surveys, using the prescribed methodology, will also be put in place, with fieldwork to be completed by March 2024. Social landlords are required to ensure their Boards or Committees are provided with a full view of the results of the TSMs, in order to have sufficient assurance that any emerging issues are being addressed.
- 3.2 The results of the Tenant Satisfaction Measures (Management Information) for quarter two are at appendix A.

### **4 Analysis of potential rent increases for 2023/24**

- 4.1 Members requested analysis of the potential rent increases for the next financial year. At the meeting of this Committee in September 2022 information was

provided on the ability of tenants to pay their rent. This demonstrated that the proportion of tenants with benefit paid directly to the Council and self-payers in significant credit resulted in a low percentage of tenants in financial difficulty who should be the focus of additional support rather than a generic approach to limiting rents.

- 4.2 The current rent settlement allows social landlords to increase their rent annually, by CPI plus 1% for 5 years. However the Government has consulted on a change to this to limit increases. The consultation closed on 12<sup>th</sup> October and covered rent increases of 3, 5 or 7 % but with an indication that it is likely to be 5%. The Council still has a deficit of £50,000,000 in its Business Plan due to the 4-year rent decrease imposed after the HRA borrowed £104,000,000 to buy itself out of the subsidy system in operation at the time, most of which is still to be repaid.
- 4.3 Figure 1 shows the additional income next year depending on the increase applied is likely to be over £1m less than a raise in line with inflation.

Figure 1

	Govt Consultation%			Inflation %
Potential additional income 2023/4 (- arrears and void costs) with no increase	3	5	7	11
18,519,175	555,575	925,959	1,296,342	2,037,109
Potential increases	19,074,750	19,445,133	19,815,517	20,556,284

- 4.4 Shown in figure 2 is the forecast of *additional* income for the next 25 years depending on the rent increase applied this year. This applies a 3 or 7% increase from year 2. The figures look at the annual cumulative loss by not applying a rise in line with inflation. If the increase is applied in line with the Bank of England's forecast for inflation it will be 11% resulting in an additional £78m over 25 years (if 3% is applied thereafter) compared to the income for the HRA if the rent remained static at 2023/4 levels. If a 5% increase is imposed this will only result in an additional £35m reflecting a loss to the HRA of £43m at a time when costs are increasing dramatically in the sector and the regulatory requirements for social landlords are being extended.

Figure 2 – HRA Income Projections based on 3%, 5%, 7%, 11% rent increases in 2023/24

% Increase	Projected total income over 25 years assuming 3% inflation	Projected total income over 25 years assuming 7% inflation
11	78,536,749	139,901,456
7	49,977,928	89,028,193
5	35,698,498	65,591,527
3	21,419,106	38,154,930

- 4.5 As the costs to the HRA will increase in line with inflation the immediate and long term impact of an imposed 5% increase will be significant to the HRA. Data presented to this Committee in September showed that due to the very low social rents charged in Runnymede and the level of low-income households in receipt of

benefit affordability of their rent is not a significant issue for the majority of current tenants. The procedures in place and use of discretionary funds will ensure that those tenants struggling to meet their rent or other essential costs can be supported through other means. Limiting the rent increase will significantly impact on the funds available to support those households who are struggling in future years and the capital available for development of new housing, the decent homes programmes and energy efficiency measures.

**5. Policy framework implications**

- 5.1 The key performance indicators presented above are those also presented to the Corporate Management Committee. They form part of the suite of indicators agreed in the Housing Business Centre Plan.

**6. Resource implications/Value for Money**

- 6.1 Funding for on-going satisfaction surveys will be included in next year's Business Centre Plan for approval.

**7. Legal implications**

- 7.1 It is the responsibility of governing bodies of local authority registered providers to ensure that reported TSMs have been calculated accurately and in accordance with regulatory requirements. The TSMs are a part of the wider direction of travel towards proactive consumer regulation.

**8. Equality implications**

- 8.1 One of the aims of the TSMs is to provide tenants with greater transparency about their landlord's performance. The recent satisfaction survey was designed to be as accessible as possible to ensure the results are representative of all tenants. The Tenant Perception Measures need to be collected in a prescribed way for the same reason.

**9. Environmental/Sustainability/Biodiversity implications**

- 9.1 There are no environmental, sustainability or biodiversity implications.

**10. Conclusions**

- 10.1 This report sets out the results of the Key Performance Indicators and available Tenant Satisfaction Measures for quarter two. It also informs Members of the potential rent increases for 2023/24, subject to direction from government.

(For information)

**Background papers**

None