

*make it happen*

# 2017-22 Strategic Business Plan Quarter 1 2020-21 Progress Report



## Key Performance Indicator Outturn – Quarter 1 2020/21

KPI	Annual Target	Q4 2019/20 Outturn	Q1 2020/21 Target	Q1 2020/21 Outturn	Current Quartile	Short Term Trend	On Target?	Comment
Operating Margin (forecast YE)	8%	8%	8%	3%	4 <sup>th</sup>			Impact of Covid-19 resulting in higher costs and large provision for bad debts. In addition higher level of expensed major repairs and £1m internal manufacturing costs during wind down of operations.
EBITDA-MRI Interest Cover (forecast YE)	143%	189%	143%	136%	4 <sup>th</sup>			Impact of Covid-19 – as per operating margin - higher costs and large provision for bad debts, £1m internal manufacturing costs during wind down of operations and higher estimate of impact of non cash pension costs than budgeted.
Gearing (forecast YE)	25%	20%	25%	23%	1 <sup>st</sup>			Lower level of debt than budgeted – as assumed £10m development opportunities fund not utilised.
Rent collected from current & former tenants as a % of rent due (excl. arrears b/f)	100%	99.61%	100%	100.23%	2 <sup>nd</sup>			Good performance at the quarter end.

<p>Headline social housing cost per unit (forecast YE)</p>	<p>£3,947</p>	<p>£3,931</p>	<p>£3,947</p>	<p>£3,902</p>	<p>4<sup>th</sup></p>	<p></p>	<p></p>	<p>Impact of Covid-19 – as per operating margin - higher costs and large provision for bad debts, £1m internal manufacturing costs during wind down of operations and higher estimate of impact of non cash pension costs than budgeted. Note: 2019/20 Outturn for all finance indicators have been updated in line with Statutory Accounts.</p>
<p>Current tenant arrears as a percentage of annual debit</p>	<p>2%</p>	<p>1.43%</p>	<p>2%</p>	<p>1.56%</p>	<p>1<sup>st</sup></p>	<p></p>	<p></p>	<p>Arrears at the end of June are within target, but have increased since the end of quarter 4.</p> <p>At the end of the quarter, we had 3,297 people on Universal Credit, an increase of 585 over the quarter. This included a spike of 407 cases just in April 2020 over the first month of lockdown.</p> <p>We have been contacting all tenants applying for Universal Credit (UC) to support them with their claims and to encourage them to pay their rent when they receive their UC payment. We have also been applying for Managed Payments to Landlords where we can (generally speaking for cases where there are rent arrears) so that we receive the payments direct.</p> <p>The closure of the courts is also having an adverse effect on our ability to collect rents. Whilst there is a commitment not to evict anybody</p>

								<p>financially affected by Covid-19, we have also not been able to take people to court who owed us arrears before the current situation, or whose arrears are unrelated to it.</p> <p>For example, we had 26 cases where we had applied to court prior to lockdown and are still awaiting a court date. We have a total of 366 cases at the court stage, and a further 183 in breach of an existing court order.</p> <p>The inability to go to court to apply for a suspended possession order, with an agreement to pay, rather than outright orders is significantly affecting our ability to reduce the arrears. The courts are due to start working again on 23 August 2020, but will have a very large backlog.</p> <p>We are also starting to visit tenants again, but only on an exceptional basis, such as where a tenant has no electronic means to be in touch with us for us to help them claim benefits or pay their rent.</p>
Rent lost during the year due to voids as a percentage of rent due (cumulative)	0.8%	0.46%	0.8%	0.76%	2 <sup>nd</sup>			<p>Performance is within target. Increased rent loss during quarter 1 compared with quarter 4 as a result of higher voids caused by pausing voids works and lettings because of Coronavirus.</p>

<p>Total income / surplus from non-social housing activity (cumulative)</p>	<p>£1.465m</p>	<p>£1.176m</p>	<p>£491k</p>	<p>£554k</p>	<p>--</p>	<p></p>	<p></p>	<p>We will be closely monitoring commercial income levels, as nationally retail and office rental income is under pressure after Covid-19 lockdown. Cash receipts will be slower, which will require a higher level of bad debt provision within the statutory accounts. Whilst there is no evidence of difficulty in letting retail and office space to date, this may change as the economic impact of Covid-19 becomes clearer.</p> <p>The shops income is on budget so far, running costs are £10k under budget due to Covid-19 lockdown. The Beacon community levy has been charged for the full year so income artificially too high, underlying rents are £3k less due to Plymouth Council let not yet billed / accrued. Room hire £5k less due to Covid-19, service charges are also less than budget as based on prudent accrual. Harwell Centre is on budget.</p> <p>We have a higher number of commercial properties void than usual (nine currently) as we have been unable to carry out lettings over the last three months. However, we have now resumed commercial lettings, and have a good level of interest in our commercial premises. Three of these properties are under offer and others have viewings booked.</p> <p>One of our lets at Plumer House, FireSec Solutions gave notice and left</p>
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								<p>in March 2020 after the budget was set. There has been no room hire income from Plumer due to Covid-19.</p> <p>For manufacturing the factory, fitters and Sign Shop £22k better than budget offset by £7k loss in joinery. This is mainly due to an agreed reduction in level of overhead and indirect costs allocated to the external company from the main association. The small surplus generated to the end of June will help to repay an element of the intercompany creditor being the monies owed to PCH.</p>
Percentage of homes with a valid landlord's gas safety check at the end of the quarter	100%	99.98%	100%	99.16%	4 <sup>th</sup>			<p>Whilst the percentage of homes with a valid gas safety check was 99.16% with 112 properties at the end of the quarter, the most up to date figure at the time of writing this report was 99.15% with 114 properties with an expired certificate.</p> <p>The majority of these expired certificates are due to continued self-isolation / shielding and no access to the property.</p>
Number of new affordable homes completed and handed over to PCH (cumulative)	155	104	23	23	--			<p>The number of homes handed over in quarter 1 met the target by 100%. This was a great achievement considering the recent Covid-19 lockdown and period of staff furlough off site.</p> <p>19 of the 23 homes handed over were a mix of shared ownership and affordable rent units on Section 106 sites for Trevethan Meadows,</p>

								<p>Liskeard, and Aberdeen Avenue, Manadon.</p> <p>The first 4 shared ownership homes were handed over for Phase 5, North Prospect.</p>
<p>Average number of days to re-let routine void properties (cumulative)</p>	<p>20 days</p>	<p>23.77 days</p>	<p>20 days</p>	<p>56.38 days</p>	<p>-</p>			<p>The void turnaround time has been severely impacted upon by the Coronavirus crisis and as a result we have seen average turnaround time increase to 56 days.</p> <p>During lockdown, which commenced at the end of quarter 4, we were unable to let any properties through the normal route. We let a small number of homes to vulnerable and homeless households through our partnership with Plymouth City Council who had a duty to get people off the streets and out of temporary accommodation to improve their chances of not catching the virus.</p> <p>Whilst the number of properties awaiting repair and letting is twice the usual amount (149 currently instead of 60-70 under usual circumstances), we have seen a significant slowing of tenancy terminations which has minimised the impact of the lockdown.</p> <p>We have now recommenced the void and letting service and we are starting to advertise homes on Devon Home Choice for let in the usual manner from the first week in July.</p> <p>We expect the turnaround time to be much higher than usual for the coming</p>

								<p>months as we work through the backlog.</p> <p>Note that the benchmark for this PI has been removed temporarily until HouseMark are able to provide a benchmark based on the current operating environment. This should resume for Q2's report.</p>
Percentage of repairs completed within the published timeframe	99%	99.05%	99%	98.87%	-			<p>During the duration lockdown, we have continued to provide an essential repairs service. Providing this service for such a prolonged period from home has been very challenging and certain parts of the business has had staff shortages due to requirements to shield.</p> <p>In total there were 29 jobs were outside of timescale 19 of these were emergencies, which were completed within 25 hours rather than 24.</p> <p>We are in the process of working on rebooking and completing the jobs that were cancelled. We aim to start returning to normal service provision on 22<sup>nd</sup> July and continuing to clear the backlog of works.</p>
Percentage of complaints and enquiries dealt within timeframe	100%	99.07%	100%	94.78%	2 <sup>nd</sup>			<p>The main reasons for the six complaints responded outside the timeframe has been the impact of staff working remotely, due to Covid-19. This has meant that response information has not necessarily been easily available, and usual working practices have not been possible.</p>

Average number of days sickness per FTE (rolling year)	8 days	8.24 days	8 days	7.61 days	-			<p>For the majority of this year our absence rate has remained below the 8 day target, rising a little as we entered the post - Christmas quarter which is typically the worst part of the year.</p> <p>We have continued to provide supportive but robust absence management, working with managers and have experienced some serious illness issues with a small number of our staff. We have noted that we have experienced much lower reported sickness absence during lockdown. This is almost certainly due to staff on Furlough, and possibly where they are working from home, not needing to declare a sickness and take time off from work. We will continue to monitor this closely as we return to work.</p>
Percentage of residents satisfied with the repairs service (transactional)	95%	96.10%	95%	97.96%	--			<p>We have seen a significant increase in resident satisfaction with the repair service during this quarter. Until recently, we have only been completing emergency call outs and some routine repairs which are of a more urgent nature. It is pleasing to receive feedback that residents who have received this service have been satisfied with our response.</p>
Percentage of residents very or fairly satisfied with major works (transactional)	95%	81.42%	95%	--	--	--	--	<p>During the majority of quarter 1, all of the Regeneration sites were closed due to the lockdown, and works only recommenced towards the end of the quarter. As a result, we have not conducted our customer satisfaction survey during this time, but we will re-start surveying residents for their</p>

								views about the work once projects are completed.
Percentage of residents satisfied with the outcome of their anti-social behaviour complaint	90%	93.75%	90%	96.91%	1 <sup>st</sup>			<p>The increased level of anti-social behaviour (ASB) reporting has continued and we have been working closely with our partners in Plymouth City Council and the Police to address some of these issues.</p> <p>Plymouth Courts have not been holding in-person hearings but instead adapted their systems to allow cases to be heard by telephone conferencing. During quarter 1 our in-house Legal Team took 15 such cases by telephone hearings and obtained 6 ASB Injunctions and 2 ASB suspended possession orders. In addition our partner law firm, Tozers, have obtained a further 2 injunctions due to ASB.</p>

Key of Symbols			
 On Target	 Warning	 Alert	Long Term Trend = Performance compared to past 12 months
 Improving	 No Change	 Getting Worse	Short Term Trend = Performance compared to last quarter