



2.3 Registered Provider Q3 Monitoring Report

Date: 21st February 2023

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Finance Monitoring

Income and Expenditure

Nottingham City Homes Registered Provider (NCHRP) management accounts show a surplus of £483k at the end of Quarter 3, (Qr3), which shows a positive variance of £290k against the profiled budget to the end of Qr3 £193k. The initial full year budget was set at a surplus of £257k, so the full year forecast has been increased to an anticipated improved surplus position of £549k. A summary of the financial position at the end of Qr3 together with the updated budget and latest forecast outturn for the financial year is shown in Appendix 1.

Budgets for rental income include assumptions in relation to lost rent through voids. The improved position has arisen as follows;

1. Corporate leasing costs being adjusted to correct an overcharge of expenses VAT (£80k).
2. The bad debt provision – has been adjusted so that the total provision in place is representative of the debts at high risk of write off. The provision in place covers 100% of former tenancy arrears and a case-by-case assessment of current tenant arrears.
3. Reduced void instances leading to less void rent loss and spend on turnaround costs
4. Another £30k adjustment has been released after reviewing prior year rent debit and other accruals

The forecast surplus is expected to continue during the rest of the financial year, albeit at a reduced level.

Appendix 2 shows income and expenditure for the financial year by the activities undertaken by NCHRP. Central costs include the estimated corporation tax charge and any other costs not directly attributable to an activity e.g. Board training, NCH Executive Management.

Loan Period (Yrs)	PWLB Rate	NCC Rate	Martins Reach	Church Square
30	5.02%	5.42%		
40	5.09%	5.49%		
50	5.06%	5.46%	3.35%	3.21%

It's unlikely there will be significant change in the full year outturn position but the surplus could be reduced slightly due to bad debt, void periods and number of additional leases or licences secured and in place across the remainder of the financial year.

There are several risks to the Company's MTFP which have changed within the current year, most notably NCC's decision to bring housing services back in house. These risks have been added to the NCH RP Risk Register.

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Appendix 1

NCH RP

Quarter 3

31st December 2022

	BUDGET Year To Date	ACTUAL Year To Date	VARIANCE Year To Date	BUDGET Full Year	FORECAST Full year	VARIANCE Full Year
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Income</u>						
Rental Income	5,502	5,764	(262)	7,336	7,743	(407)
Other	33	33	0	44	44	0
Total	5,535	5,797	(262)	7,380	7,787	(407)
Less :						
<u>Expenditure</u>						
Management (SLA)	1,664	1,700	36	2,218	2,284	66
Lease, Repairs & Property	3,239	3,219	(19)	4,318	4,442	124
Loan Interest	96	97	1	128	128	0
Admin & Other Costs	344	298	(46)	459	384	(75)
Total	5,342	5,314	(28)	7,123	7,238	115
(Surplus)	(193)	(483)	(290)	(257)	(549)	(292)

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Appendix 2

NCH RP - Forecast

	SOCIAL HOUSING	MOVE ON	HOMELESS FAMILIES	PSLS & SERVICE LEASES	HIGHWOOD HOUSE	TOTAL
	31	8	206	166	29	
<u>Income</u>						
Rental Income	(210)	(100)	(3,360)	(3,493)	(580)	(7,743)
Other	(6)	(8)			(30)	(44)
Total	(216)	(108)	(3,360)	(3,493)	(610)	(7,787)
Less :						
<u>Expenditure</u>						
Management (SLA)	9	6	1,370	599	293	2,276
Lease, Repairs & Property	83	31	1,543	2,488	298	4,443
Loan Interest	106	22	-	-	-	128
Admin & Other Costs	6	34	47	106	20	212
Total	204	93	2,960	3,192	611	7,060
Central Charges						178
(Surplus)	(12)	(15)	(400)	(301)	1	(549)

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Appendix 3

Capital and Leases

NCHRP Owned	Quarter 3		Forecast Homes	Financing: *	
	Homes	£'000		Loan £'000	Grant & Reserves
Church Square	17	2,673	17	2,163	510
Martin's Reach	14	1,140	14	1,092	48
Move On Accommodation	8	1,158	8	731	427
Total Owned	39	4,971	39	3,986	985
Managed under leases					
NCH & NCHL	206		206		
Private Sector Landlords & Serviced leases	151		166		
NCC - Highwood House	29		29		
Total Leased	386		401		
TOTAL HOMES	425		440		

* - loans are repaid annually, supported by cash from the RP's reserves.

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Performance Monitoring

THE NCH Registered Provider Board oversees performance of the activities of the NCH RP. The attached report shows the current performance for the properties for which the RP has overall management responsibility.

This report shows performance for the year up to December 2022.

The report has been broken down to show performance by the three groups, permanent housing, temporary housing and NCH social rent properties.

We have included information showing how the performance compares with other organisations who benchmark through Housemark, where this is available.

We continue to perform well within target for complaints and rent collection has improved across all areas in quarter 3. Voids performance remains good.

Data in the report includes:

Stock

Complaints

Rent Collection

Re-let and empty property data

Performance will continue to be managed robustly at a local level and managers shall implement actions to address underperformance.

Q3 Monitoring Report



Registered Provider Board (permanent homes) Performance Dashboard Q3 2022-23



Benchmarking: No benchmarking figure



Meeting target, performance is worse than 2021/22



Complaint volumes continue to reduce due to greater focus on ensuring early intervention and proactive approach in handling customers dissatisfaction and issues before the need for a formal complaint to be logged.



Benchmarking: Bottom quartile performance

The % of rent collected stands at 99.12% which is an improvement on the last quarters result of 93.2%.

A large number of our customers are struggling financially with the cost-of-living crisis, we are seeing an increase in the number of people who are advising us they cannot pay or their employment situation has changed (i.e. reduced hours)

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Not meeting target,
performance is better than
2021/22



These properties have a higher rent charge and are charged on a calendar monthly basis.

The average monthly charge for these properties is over £640 per calendar month with the highest charge at over a £1000 Per Month. Because of the timings of the Housing Benefit cycles which pay every 4 weeks, we will receive 13 payments through a 12 month period.

Arrears will remain on the account until the thirteenth payment of Housing Benefit is received at the end of the financial year.

The rent would be charged at the beginning of the month and for those residents who do not receive Housing Benefit records suggest that they would be paying towards the end of the month, not in advance.

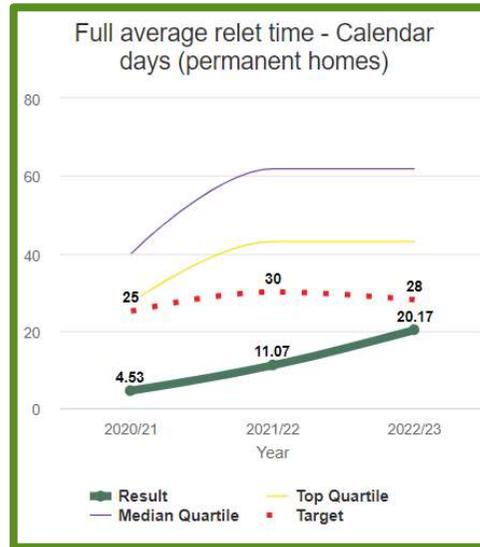
Q3 Monitoring Report



Benchmarking: Top quartile performance



Meeting target, performance is worse than 2021/22



Our year two Corporate Plan target is to achieve an average relet time (ART) of 28 days.

Robust performance management is in place with daily dialogue between all team members to ensure homes are let as swiftly as possible.

The current relet time for 2022/23 is 20.2 days which is below target.

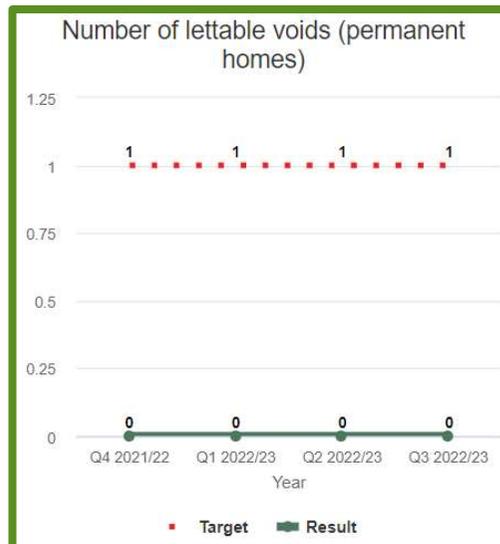
There were no RP permanent voids at the end of quarter 3.



Benchmarking: No benchmarking figure



No target set, no change in performance than 2021/22



Q3 Monitoring Report



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 <p>Meeting target, performance is better than 2021/22</p>  <p>Benchmarking: Top quartile performance</p>	 <p>Meeting target, performance is worse than 2021/22</p>  <p>Benchmarking: Upper median performance</p>	 <p>Not meeting target, performance is worse than 2021/22</p>  <p>Benchmarking: Lower median performance</p>	 <p>Not meeting target, performance is better than 2021/22</p>  <p>Benchmarking: Bottom quartile performance</p>	 <p>No target set, no change in performance than 2021/22</p>  <p>Benchmarking: No benchmarking figure</p>
<p>Performance has met target</p>				<p>Performance is below target</p>

Q3 Monitoring Report



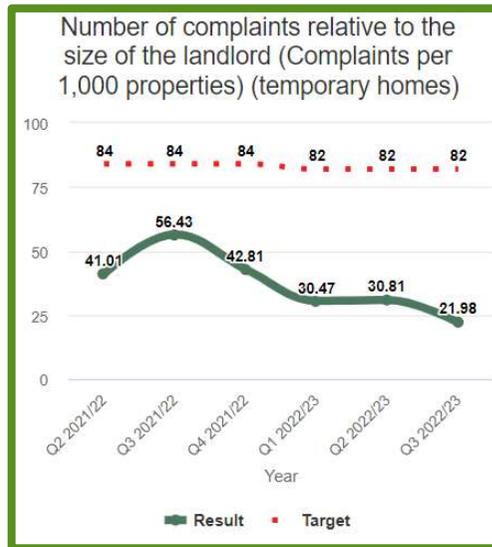
Registered Provider Board (temporary homes) Performance Dashboard Q2 2022-23



Benchmarking: No benchmarking figure



Meeting target, performance is better than 2021/22



Performance for quarter 3 is now at 21.98 complaints per 1000 properties and continues to be strong with reduction in volume of complaints being logged. This is due to greater emphasis on early intervention and being proactive to early resolution in customers dissatisfaction.

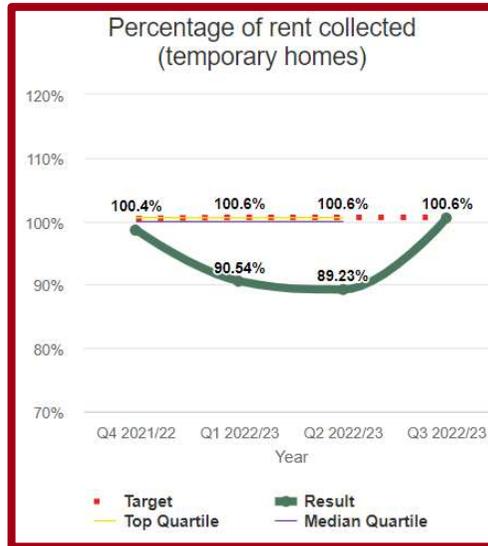
Q3 Monitoring Report



Benchmarking: Upper median performance



Not meeting target, performance is better than 2021/22



The percentage of rent collected in Q3 is 100.52%, which is a great achievement.

Rent collection is impacted by the 4 weekly cycle of Housing Benefit payments and this does impact on performance figures. Performance will correct itself over the year with Housing Benefit payments matching rent charges. Compared to the same period last year, rent collection is higher.

Due to the nature of temporary accommodation, we have a high turnover and so have many new applicants for Housing Benefit who are waiting for payments to begin, and this does impact on rent collection. The team work hard to ensure that Housing Benefit is in payment and new claims are submitted promptly.

We have developed a good working relationship with the Senior Housing Benefit Officer so we can resolve any issues promptly.

Q3 Monitoring Report



Benchmarking: Top quartile performance



Meeting target, performance is better than 2021/22



This calculation is for temporary accommodation across the city, including serviced leased accommodation.

Average relet time at the end of quarter 3 is 11.26 days, well within the target of 28 days.

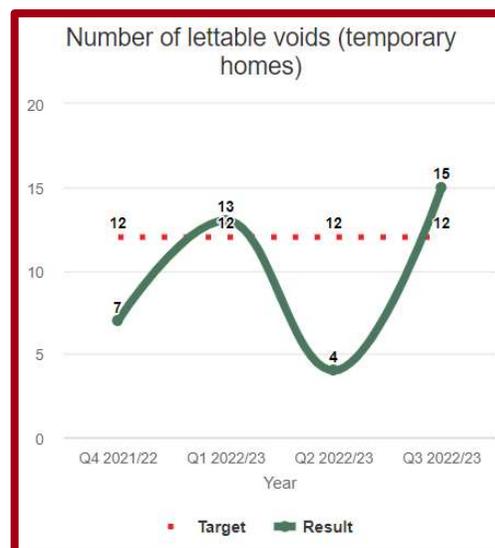
Robust performance management is in place with daily dialogue between the Temporary Accommodation Team, Housing Aid and Voids to ensure homes are let as swiftly as possible.



Benchmarking: No benchmarking figure



Not meeting target, performance is worse than 2021/22



Performance at the end of quarter 3 shows that we have 15 voids empty properties, slightly above the target of 12.

We continue to ensure that voids for Temporary Accommodation are prioritised and turned around as quickly as possible to minimise rent loss and make these available for other homeless families

Q3 Monitoring Report



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Meeting target, performance is better than 2021/22



Benchmarking: Top quartile performance



Meeting target, performance is worse than 2021/22



Benchmarking: Upper median performance



Not meeting target, performance is worse than 2021/22



Benchmarking: Lower median performance



Not meeting target, performance is better than 2021/22



Benchmarking: Bottom quartile performance



No target set, no change in performance than 2021/22



Benchmarking: No benchmarking figure

Performance has met target

Performance is below target

Q3 Monitoring Report



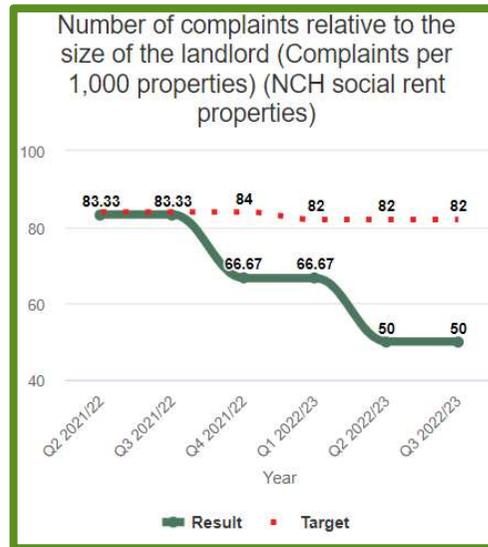
Registered Provider Board (NCH social rent properties) Performance Dashboard Q2 2022-23



Benchmarking: No benchmarking figure



Meeting target, performance is better than 2021/22



At the end of quarter 3 we have had 50 complaints per 1,000 properties which is well below target and remains the same as the previous quarter.

Performance remains strong due to continued emphasis and approach in seeking early resolution and intervention when presented with customer dissatisfaction/ issues, resulting in fewer complaints being logged.

Q3 Monitoring Report



Benchmarking: Upper median performance



Benchmarking: Top quartile performance



The team have achieved over 100% collection for this quarter and is showing an improvement when compared to the same period last year.

The operating environment continues to be challenging with a number of our residents facing financial difficulties. The well-publicised increase in the cost of living and energy costs is having a detrimental impact on our residents' finances and their ability to pay any shortfalls in rent payments.

We continue to see an increase in the number of residents claiming UC, as part of the DWP plans to progress migrating residents with legacy benefits onto UC the number of claimant's will increase as will their financial challenges

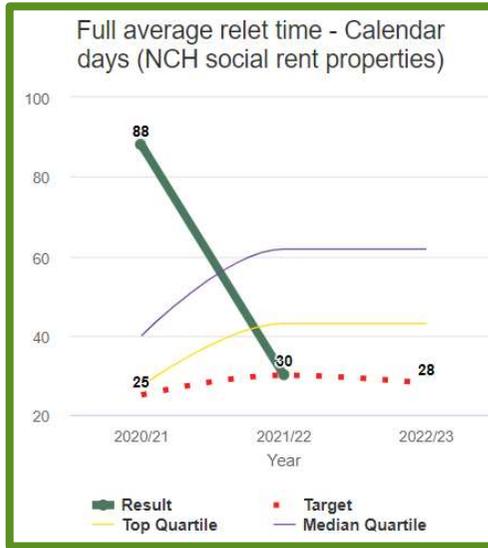
Q3 Monitoring Report



Benchmarking: No benchmarking figure



Not meeting target, performance is better than 2021/22



There are currently 1 lettable voids for NCH RP social rent which is below the target of 3.



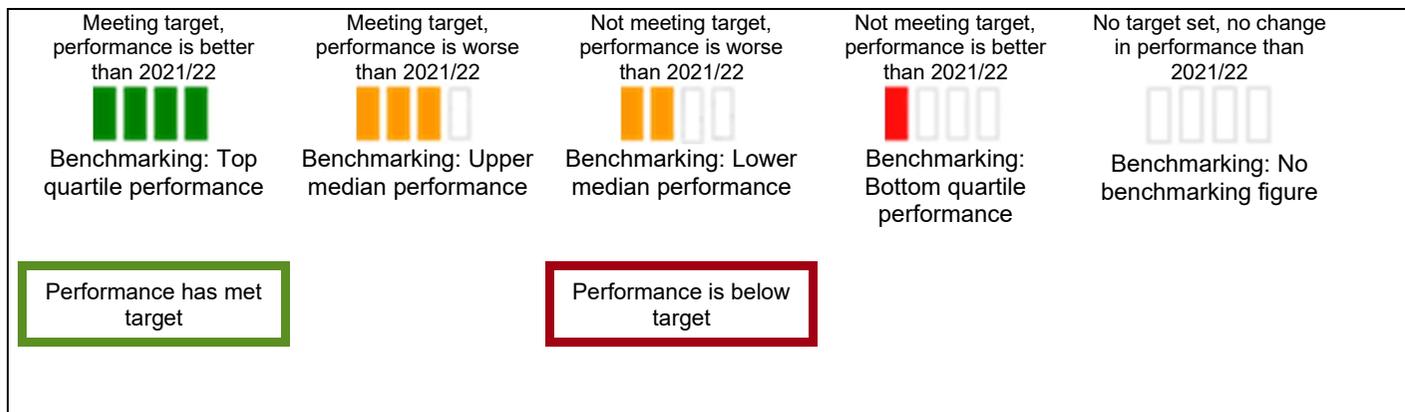
Benchmarking: Upper median performance



Meeting target, performance is worse than 2021/22



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Q3 NCH Stock Compliance Dashboard Monitoring

NCHRP has responsibility for ensuring that all of the homes and properties it owns and manages, meet current regulations. The Group Board has approved the Building Safety Compliance Policy and each constituent Board is responsible for monitoring compliance of the properties it owns or manages.

NCH is committed to establishing, implementing and maintaining a policy of continuous improvement and performance of its Compliance related duties concerning Gas Safety, Fire Safety, Control of Legionella and Water Hygiene, Asbestos, Electrical Safety and Lifting Equipment.

It is important that Boards have the appropriate controls and reporting in place to ensure effective oversight and compliance to give them assurance of compliance across the stock that NCH manages.

In light of this, a fit for purpose, robust, balanced dashboard with commentary has been developed to give the board assurance that compliance is being managed across the stock and therefore allow the appropriate challenge, at Board level.

The dashboard reports on the 'Big 6' compliance areas in line with NCH recently agreed Building Safety Compliance Policy. The dashboard includes the following:

- Total number of properties affected by each compliance checking programme
- Total number of properties complying

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- Percentage of properties with a valid inspection record (level of compliance & non - compliance)
- Percentage compliance last reported
- Trend since previous report
- Servicing frequency (in line with Building Safety Compliance Policy)
- Responsible area
- Comments/narrative explaining any non-compliance, action to be taken and agreed timescales/outcomes
- Red & Green (compliant/non-compliant) indicators

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Q3 NCHRP Stock Compliance Dashboard



Compliance Area	No. of Properties Affected	No. Complying	Percentage Compliance	Percentage Compliance last reported	Trend since previous report	Servicing Frequency	Responsible	Comments
GAS								
Gas Safety Domestic	395	395	100.00%	100.00%	↔	Annually	Mechanical and Electrical Team	
ELECTRICAL								
Electrical Installation Condition Report (EICR)	555	554	99.82%	100.00%	↓	5 Yearly	Technical Services Team	We are currently running at 98.82% compliance, with one EICRs remaining with an inspection date greater than five years
FIRE SAFETY								
Fire Risk Assessments	3	3	100.00%	100.00%	↔	Annually	Building Safety Team	
High Risk Actions (Overdue)	0	0	100.00%	100.00%	↔	N/A	Building Safety Team	
ASBESTOS								
Inspections of Communal Areas with Asbestos	2	2	100.00%	100.00%	↔	Annually	Building Safety Team	
WATER HYGIENE								
L8 Risk Assessments	2	2	100.00%	100.00%	↔	Annually	Technical Services Team	
LIFTS								
Passenger Lifts	2	2	100.00%	100.00%	↔	Monthly	Technical Services Team	
LOLER Inspections	2	2	100.00%	100.00%	↔	6 months	Technical Services Team	
Smoke and CO Detectors								
Smoke Alarms fitted	555	512	92.25%	100.00%	↔	N/A	Mechanical and Electrical Team	We have fitted 512 out of 555 Smoke Alarms which leaves 43 still to be completed, these are made up of no-access tenanted properties and voids, which will be picked up during the voids process. Although 43 are outstanding under the new regulations these can be classed as being compliant, due to them being either no access and them being void.
CO Detectors fitted	395	395	100.00%	100.00%	↔	N/A	Mechanical and Electrical Team	