Annual Report to HBC Executive Board

November 2017

1. Introduction

Operating Environment

1.3 The operating environment in which Halton Housing (HH) works in, is becoming increasingly challenging. In July 2015, the Budget included a reduction in rents for four years to March 2020, a benefits freeze and change to the benefits caps. Together with the roll out of Universal Credit, these are having a significant impact.

1.4 In response to the 14% reduction in our income (£10 million) over the four years from 2016/17 to 2019/20, we have undertaken a significant amount of work and analysis to understand the detailed impact and potential savings. As a result we have changed how we think and work.

1.5 We need to accept that our world has changed and there is no going back. The reduction in our rental income provides an opportunity to ask much harder questions on what value is being added by some of the work we are doing and whether we are actually best placed to continue to do this.

1.6 As part of our stress testing and scenario planning, we have identified a range of options to deal with unforeseen economic factors. These are invaluable in enabling us to respond to any further threats to our future financial viability.

Key achievements

1.7 Over the last 12 months we have delivered a number of significant achievements and outcomes. We are increasingly becoming a leading player in several areas as a result of our innovative approach and solutions to the challenges we face.

1.8 Some of our key achievements since our last update to the Executive Board include:

- Continued investment in our homes and neighbourhoods: In 2016/17, we invested a further £7.6m in improving our customer's homes and neighbourhoods. This represents over £150m investment in the 11 years since transfer and has significantly improved the quality of our homes and neighbourhoods.
- In the last year, we have completed the construction of 152 new homes. This has taken the number of new homes built and acquired since transfer to 970.
- Increased the number of properties for market rent through our subsidiary company, Open Solutions (OSUK) Ltd, from 154 to 197.
- Developed our growth strategy to build up to an additional 1,500 new homes for rent, shared ownership and for sale over the next four years through an additional investment of £80m.
- Secured additional grant funding of £1.9m to deliver 62 homes under the 2016-21 Shared Ownership and Affordable Homes Programme.
- Performed well against our arrears targets, despite the significant challenges directly linked to the roll out of Full Service Universal Credit.
- Continued the implementation of our Digital First Programme to transform the way our customers access our services. This is to enable resources to be released to provide more intensive support to those customers who really need it. In July 2017, 84.6% of all our customer generated transactions were completed digitally.
- Secured value for money savings totalling £2.6m in 2016/17.
- Merged the Property and Housing Services Directorates to bring together the management of our property assets with the management of all our customer related services. This has enabled us to move towards an increasingly seamless, unified operational approach.
- Established a Business Assurance Team to manage the increasing challenge of maintaining compliance with various regulatory and legal requirements, reflecting our increasingly complex business model.
- Retained the HQN Accreditation for our repairs service
- Completed first off-site homes and agreed the next stage of pilot for how we build homes in a radically different way.

- Re-housed Syrian families as part of a joint project with HBC and Refugee Action
- Achieved our challenging financial performance targets for 2016/17
- Retained the highest possible regulatory rating (V1 G1)
- Secured “Disability Confident Employer” status

Key Partnerships

1.9 We have continued to actively support and contribute to a wide range of local strategic partnerships and groups across Halton and the wider Liverpool City Region (LCR). We value the opportunity this involvement offers to influence and contribute to key local and regional strategic decision and policy making.

1.11 We enjoy a strong strategic relationship with Halton Borough Council and we continue to be represented and play an active role in contributing towards the Council’s five strategic priorities.

2. Our Direction (OD2.0)

Our vision

2.1 Since 2012, Our Direction has provided the framework for how we run Halton Housing. We have achieved a lot and we will continue to Improve People’s Lives in the future.

2.2 External changes and better knowledge of our customers has led us to review our approach. Our Direction (OD2.0) is our framework for the next three years.

2.3 Our Direction (OD2.0) enables us to have the flexibility to improve more people’s lives in the future and is the basis for all our decision-making processes. Further information can be found here.

2.4 We expect the following trends will continue and have an impact on us: demand for good quality housing, cuts in government spending on welfare and housing, government support for home ownership, the ageing population, rising energy costs and advances in digital technology.

3. Cross cutting themes

Governance

3.1 We have a strong, challenging Board who drive the business forward and have been fundamental in setting the strategic direction of the organisation. We operate under the NHF Excellence in Governance Code and expectations and performance are monitored.

3.2 We have adopted the NHF Merger Code and we have developed our own Merger, Acquisition and Partnership Policy. Within this context Halton Housing continues to explore opportunities for enhanced collaboration and where appropriate, acquisitions.

3.3 We utilise a breadth of highly reputable consultants to advise us of good practice to ensure continuous improvement.

Value for Money (VFM)

3.4 The Scenarios, Priorities and Principles within Our Direction (OD2.0) underpin our strategic approach to delivering VFM. By using Our Direction (OD2.0) our Board has a basis for making decisions using a framework that is cascaded, understood and utilised throughout all levels of our strategic, operational and decision making processes.

3.5 Achieving and demonstrating VFM is integrated into the way we work at the Trust.

3.6 We aim to provide good services that are both affordable for ourselves and our customers. We asked our customers if they feel that the Trust offers value for money for the rent that they pay; 85% say that we do, and 88% would recommend us as a landlord to a friend or family member.

3.7 We have developed our VFM self-assessment report, which has been included within our Financial Statements and published in summary form on our website.

3.8 Our operating performance compares favourably to the Global Accounts of our peer group:

- Our management costs remain lower than our peer group.
- Our routine and planned maintenance costs are significantly lower than average.
- We recognise that our major repairs costs are still higher than average. This is as a result of our continued policy of investing in our existing homes.
- When combined, our routine, planned and major repairs are in line with the norm.
- Our rent arrears and bad debt charges are significantly lower than the average. Our financial forecast anticipates that they will increase as a result of Welfare Reform.
- Void losses are exceptionally low and expected to continue to be so as we continue to actively manage our stock.
- Our headline Social Housing Cost per Unit has reduced and is lower than average.
- Our operating surplus has increased following a review of our approach to capitalising major repairs costs and our strong operational performance in relation to voids and bed debts.

3.9 We continue to track this information on an annual basis to see how our actual and forecasts compare and change.

3.10 Our rents remain amongst the lowest when compared to the other housing associations in Halton.

Health & Safety

3.11 As a landlord and employer we have a duty of care to ensure all employees and customers are safe in the environments we provide, whether that is their place of work or their home.

3.12 We take action to undertake necessary investment work. Examples of this are the substantial works we have undertaken to a number of our flatted blocks to ensure a safe and agreeable living environment and the programme of cyclical electrical inspections undertaken to ensure all our properties are compliant with current regulatory standards.

Fire Safety

3.13 Following the tragic events at Grenfell Tower, the focus has quite understandably been on fire safety.

3.14 Following several positive meetings with Cheshire Fire & Rescue Service (CFRS), monthly internal meetings are now taking place to continue to manage and progress fire related matters across the business.

3.15 Halton Housing has agreed with CFRS for a sprinkler system to be installed in Churchill Mansions. CFRS is to provide advice and support on selecting the most appropriate system type. They have also offered financial support to cover the installation costs. This is being underpinned by practical support on engaging with and persuading customers of the need for a sprinkler system in the block.

3.16 A surveying programme has been agreed across all flatted blocks and buildings with communal parts. This includes Extra Care Schemes, Sheltered and Homeless Accommodation and Churchill Mansions. The aim of the survey programme is to identify if there are any breaches and any works required to compartmentalise. The programme has been set out prioritising highest risk buildings first.

3.17 The surveys commenced in August 2017 and will be completed by November 2017. Reports are being shared with Halton Housing as and when each site is completed. This ensures any critical remedial work can be immediately identified and completed. The overall cost of all required compartmentation work will be assessed and a prioritised programme of work will be drawn up within the investment programme.

Diversity

3.18 We are committed to achieving a working environment, which provides equality of opportunity and freedom from unlawful discrimination on the grounds of race, sex, pregnancy and maternity, marital or civil partnership status, gender reassignment, disability, religion or beliefs, age or sexual orientation. We also aim to provide a service that does not discriminate against its customers in the means by which they can access the services supplied by the Trust.

3.19 The Single Equality Scheme takes account of the requirements within the Equality Act 2010 and the Public Sector Equality Duty (PSED).

Environmental

3.20 We aim to reduce the environmental impact of our activities. To achieve this, we operate an Environmental Sustainability Policy. This shapes how we consider our environmental impact across all of its business activities.

Health & Wellbeing

3.21 Halton Housing welcomes the opportunity to contribute to improving the health outcomes for all those living in the borough through its role on the Health & Wellbeing Board.

3.22 In conjunction with the CCG, we have developed a jointly funded role to practically deliver health related initiatives across the neighbourhoods in which we operate. This builds upon the foundations laid in 2016/17 when the focus on developing a strategic approach was developed through a joint Director of Housing & wellbeing role.

3.23 Some of the key outcomes achieved to date include:

- Attendance at networking and board meetings – HWBB, Healthy Lifestyles and Local Generally Well
- Food outlet project – mapping local affordable food provision. Halton Housing customers took part in two focus groups and are currently being encouraged to complete the local residents survey
- Keep warm keep well campaign 2016 & 2017 – partnership of HBC, Halton Housing, Plus Dane, Riverside and LHT. Halton Housing has financially supported the delivery of this campaign
- Acting as the social housing representative on the Affordable Strategy Group
- Active and healthy aging week 2016 & 2017 – advice on exercise, healthy eating, falls prevention, health screening, tackling social isolation, etc.
- Piloting the Social Accelerator Project (Howz) – developing an understanding of the impact of home activity tracking and analytics and assessing the potential for early intervention and crisis prevention
- Health check / screening in partnership with Health Improvement Team – Halton Housing staff and customers
- Lifekite – our online tool, which provides advice on housing and non-related issues e.g. managing finances, seeking employment, etc. This has been developed further and now includes a dedicated health and wellbeing section.
- Grow your own project – community allotment scheme on the Grange estate, Runcorn. Second site identified at Alice Court, Widnes
- Promotion of Widnes Vikings projects – employment skills workshops, volunteering and social groups

- Heart and Minds Project – Halton Housing staff social media discussion page with specific monthly health and wellbeing topics
- Health and Wellbeing Officer – post jointly funded by Halton Housing, HBC and Halton CCG (September 17 – Sept 18). Responsible for coordinating integrated community wellbeing to Halton Housing customers

Corporate Social Responsibility (CSR)

3.24 As part of our ongoing commitment to Halton, we have enhanced our approach to CSR activity. The addition of a dedicated CSR post now oversees and coordinates the delivery and monitoring of all our activities. Current projects include:

- Grow and share project
- Veterans recycling and retraining project

4. Key performance indicators

Actual performance for 2016/17 (Appendix 1)

4.1 We have seven key performance indicators that are reported to each Board meeting. These are our lifeblood measures, as they are critical to the financial health and wellbeing of the business.

4.2 During the year we outperformed four of the seven challenging targets that we set. We achieved our amber targets for three measures. Only one measure (sickness absence) was red.

4.3 At 6.44 days our sickness absence performance is just short of the national average (all sectors) of 6.3 days and better than the average housing sector result at 7.8 days. We have had a number of serious long-term cases, which have impacted our performance during the year.

4.4 We understand our performance and why some of the targets were not achieved. We have robust actions plans in place to improve our performance.

Most notably we achieved the challenging targets in income collection and void rent loss, despite the impact the roll out of Universal Credit has had on our customers.

NROSH data submission (Appendix 2)

4.5 Each year the Trust has to submit data to its Regulator, the Homes and Communities Agency. The submission for 2016/17 reflects our strong performance across a range of key measures.

4.6 Some of the key points from the data submission include:

- The number of homes owned and managed has increased from 6,767 to 6,889.
- The average social rent for a general needs property is £83.77 (52 weeks). This reflects a decrease of 1.2% compared to the previous year following the rent reduction.
- The Trust had just 33 empty homes at the end of the year. This represents 0.4% of the total number of homes.
- The Trust relet 830 homes during the year. This represents a turnover rate of 12%.
- The Trust evicted 60 customers during the year. 57 of these evictions were for rent arrears and three for ASB. This is a decrease of 13 from the previous year.
- The Trust sold 38 homes during the year through the RTB and RTA initiatives.

Targets for 2017/18 (Appendix 3)

4.7 There are seven key Board measures, which are similar to those measured in 2016/17. We have robustly reviewed the targets that we have set for the year:

- We aim to reduce our sickness absence to less than the national average, despite a number of ongoing long term cases and our ageing workforce
- Maintaining sustainable tenancies is key in reducing our arrears and void costs. We are prepared to take a little longer to relet some properties but we still aim to achieve top quartile performance. We are feeling the impact

of the roll out of Universal Credit and we expect the challenges to grow as more complex cases move over to UC, coupled with the impact of LHA rules for under 35's.

4.8 Our key priorities for 2017/18 include:

- Secure the funding required to fulfil our long term growth plans
- Progress our Priority to "Grow and Diversify" and develop our commercial activities
- Establish a sales team and the capacity to deliver a variety of housing products for rent, sale and low-cost homeownership
- Review our branding developing it to promote our commercial products
- Explore the opportunities to use off site construction to develop homes at a lower cost
- Implement alternative solutions for our poorer performing stock
- Recruit a new Board Chair as the existing term of office comes to an end
- Review our governance arrangements in response to the deregulatory measures introduced by government (see section 6)
- Continue to develop strategic partnerships alongside merger and acquisition opportunities
- Review how we allocate our properties to customers to further improve the sustainability of tenancies
- Continued delivery of our Digital First Programme
- Relocate to our new office accommodation and fully realise the cultural benefits
- Invest in our people, develop their skills and ensure that they have the knowledge and technology to work in a mobile way, efficiently, and securely
- Develop an enhanced focus on our CSR activity
- Move towards a three-year budget setting process in conjunction with a review of our Business Assurance framework
- Review our pensions strategy
- Develop an approach to innovation to enable us to try new ways of working and investigate technologies quickly, in a cost-effective manner

- Undertake a fundamental review of our Performance Management Framework to ensure that it remains relevant.

5. Welfare Reform

5.1 One of our most significant risks is Welfare Reform. We anticipate that our bad debts will increase. Consequently, we continue to review the provision within our financial forecasts. We have included a bad debt provision of 3% for 2017/18 and 4% in our financial forecasts from 2018/19.

5.2 The review of our Housing Services Team has fundamentally changed the way we deliver our front line services to ensure we are able to focus on those customers who need our help and support the most. It is based around the three key areas of debt recovery, tenancy support and tenancy enforcement.

5.3 Through increased levels of automation and our renewed focus, we are able to mitigate some of the increased costs from Universal Credit. Our Digital First Programme has freed up significant internal resources, which have been moved to focus on debt recovery and support those customers who are most vulnerable. We have prudently provided additional costs in our financial plans to cover additional staffing, mobile technology and collection costs.

5.4 We have reviewed our policies and procedures to ensure that they are all fit for the future and where applicable have placed a greater emphasis on customers taking responsibility for the choices they make. Underpinning the review is the adoption of the two Principles in OD2.0: choice and responsibility.

5.5 Since July 2016 we have experienced the impact of the roll out of Universal Credit. This has been at an average rate of 20 cases per week. The roll out has been difficult to manage and resulted in significant increases in arrears. Nonetheless, as a result of the investments that we have made in our systems and structures, we are achieving our targets.

5.6 We recognise and appreciate the significant investment made by the Council in providing £103k in Discretionary Housing Payments (DHP) this financial year. This has undoubtedly enabled some customers to maintain their tenancies when these may have otherwise been at risk.

5.7 We are working hard with our customers to keep them informed and to help them to make changes and plan for the future. Our four Welfare Benefits Money Advisors have generated £2.5m potential annual gains for customers including £761k in back pay and lump sum payments in benefits.

5.8 We continue to develop partnerships and we have a place on the Board of our local Credit Union, into which we have invested £100k.

6. Governance Arrangements

6.1 Halton Housing’s governance arrangements have included:

- Halton BC being admitted as a member of Halton Housing. This enables the Council to attend and vote on resolutions requiring the vote of Halton Housing's members. One example is any changes to our Articles of Association;
- Class voting arrangements which entitle Halton BC to one third of the votes cast at general meetings; and
- Halton BC being able to nominate one third of Halton Housing's Board in accordance with a policy approved between Halton BC and Halton Housing. Those council appointed Board Members have the same duties as other Board Members of Halton Housing; however, unlike other Board Members they are not also members of Halton Housing (as Halton BC is a corporate member of Halton Housing).

6.2 In October 2015 the Office for National Statistics (ONS) announced that private registered providers (such as Halton Housing) should be reclassified as Public Non-Financial Corporations rather than Private Non-Financial Corporations. The immediate consequence was that PRP borrowings formed part of the national borrowings and, thereby, increased public sector borrowings.

6.3 As a direct consequence, measures were introduced into the Housing and Planning Act 2016 (HPA 2016). The aim was that following the introduction of those changes, the ONS would reclassify PRPs as Private Non-Financial Corporations. This would result in PRP borrowings being removed from public sector borrowings. These changes intended to reduce the level of day to day involvement the Regulation Committee of the Homes and Communities Agency (the Regulator) is able to exercise over private registered providers. All but one element of those changes has now become law.

6.4 The statutory basis for the final element of those changes is contained within section 93 of HPA 2016. Section 93 provides that the Secretary of State (in this case DCLG) may by regulations make provision for the purpose of limiting or removing the ability of local authorities to exert influence over private registered providers through:

- appointing or removing officers of private registered providers;
- exercising or controlling voting rights.

6.5 "The Regulation of Social Housing (Influence of Local Authorities) (England) Regulations 2017" was laid before Parliament on 15th September 2017. These regulations became law on 16th November 2017.

6.6 In summary, the Regulations:

- Remove Halton BC's voting rights and any rights of veto (whether in Halton Housing's constitution or elsewhere). The definition of 'constitution' for the purposes of the draft Regulations is much wider than a usual reference to rules or articles and would extend, for example, to relevant covenants included in Schedule 4 of the Transfer Agreement
- Reduce the proportion of places on Halton Housing's Board that Halton BC can nominate to a cap of 24%. HHT's current Articles allow Halton BC to appoint up to one third of the Board (currently three Board Members)

via a nomination process approved by both Halton BC and Halton Housing

- Remove the provision requiring a local authority nominated board member to be present in order for a Board meeting to be quorate. Neither Halton Housing's current Articles nor its proposed rules require a local authority Board Member to be present in order for a Board meeting to be quorate.
- Introduce a six month implementation period during which Halton Housing must amend its Constitution so as to comply with these provisions. At the end of that period, if unchanged, Halton BC rights are apportioned pro rata to the other shareholders/members and the non-Halton BC nominated Board Members can select which of Halton BC nominated Board Members are to stand down to achieve the 24% compliance. Halton Housing is proposing to implement these changes with effect from the end of March 2018 to coincide with the conversion to a Community Benefit Society.

7. Company Structure

7.1 The deregulatory measures introduced by the Housing and Planning Act 2016 have removed the HCA consent regime. As a consequence, Halton Housing is no longer exempt from the provisions of the Charities Act 2011 relating to the disposal of charitable property.

7.2 Converting to a CBS will mitigate the risk Halton Housing is exposed to by remaining as a company and registered charity of being subject to ever more restrictive, inconsistent and arbitrary regulation which acts as an obstacle to achieving its objectives.

7.3 Halton Housing will need to adopt a new set of rules on conversion. The draft rules are based on the National Housing Federation's 2015 model (version 2), which is the most recent model for housing associations. Rules based on the National Housing Federation's Model Rules (NHF Model Rules) are used by the majority of registered providers in England. The NHF Model Rules are familiar to the HCA, the FCA, HMRC and by other stakeholders in the sector.

7.4 The Halton Housing Board approved the conversion from a company limited by guarantee and registered charity to a CBS on 24th November 2017.

7.5 It is anticipated the conversation will be completed by March 2018. A summary of the key business reasons, which has also been used as the basis of our consultation with customers is included as Appendix 4.

Appendix 1: KPI's 2016/17

Measure	Target	Performance	Comments
Income collected from current customers	97.1%	97.0%	The Trust has collected £31.6m from a target of £31.7m, which include the opening arrears due and the rent charge for the year.
Average number of working days lost due to sickness	4.8 days	6.4 days	This was due to an exceptional year for long term serious illnesses. Performance for short term absence is actually better than last year.
Void rent loss	£147,206	£154,013	Average relet time has increased to 18.29 days compared to target of 17 days.
OSUK (before tax & fair value adjustments)	£195,334	£59,883	Overall operational performance is better than budgeted. Target profit not achieved due to delay with selling properties. Six of the properties bought with the intention of being sold have been converted to rent.
Net new homes (HHT only)	+113	+114	152 new homes have been developed during the year, which have been offset by 38 sold through the RTB and RTA schemes.
Interest cover	132%	195.4%	The Trust has comfortably achieved its interest cover target agreed with its funders.
Digital Contact	70%	77.4%	Live chat and the App continue to be the preferred digital contact methods for customers in March 2017. Our performance in this area is sector leading

Appendix 2: Headline NROSH+ Statistical Data Return Information with Annual Comparison

	RSR		NROSH+					
Year as at 31st March	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Number of General Needs Properties Excludes Affordable Rent Properties	6048	6046	6046	6158	6115	6224	6113	5759
Number of General Needs Properties Managed by HHT for other organisations	3	3	3	3	3	3	3	3
Number of Supported Housing Properties	97	97	97	128	128	128	128	128
Number of Shared Ownership Properties	Not in RSR		0	13	13	12	12	21[1]
Number of Intermediate Rent Properties Not included in the General Needs Number	Not in RSR		0	12	17	20	19	18
Number of Affordable Rent Properties Not included in the General Needs Number	Not in RSR		28	82	170	269	479	949[2]
Number of Properties Developed for sale but not yet sold as at year end.	0	0	3	0	0	0	17	3[3]
Average rent for General Needs properties	£66.97	£67.80	£71.65	£76.60	£79.49	£82.87	£84.80	£83.77[4]
Average rent for Supported	£58.03	£58.51	£55.05	£67.26	£69.81	£73.67	£75.65	£76.54[5]

[1] The additional units are the Barkla Fields Shared Ownerships which were unsold last year.
[2] 408 general needs and 71 supported housing (Brennan Lodge and Barkla Field).
[3] 3 Shared Ownership properties unsold at year end. 2 at Naughton Fields. 1 at Barkla Fields.
[4] The decrease from the previous year is 1.21%. Properties were relet at 105% of the target rent after the 8/7/15 until the 15/16 year end (as was permissible) before the reduction to 99% of the 8th July rent in April 16.

	RSR		NROSH+					
Year as at 31st March	2010	2011	2012	2013	2014	2015	2016	2017
Housing Properties								
Average rent for General Needs Affordable Rent Properties	Not in RSR		£105.16	£101.20	£103.02	£104.81	£105.58	£102.29[6]
Average rent for Supported Housing Affordable Rent Properties						£96.77	£102.60	£112.22[7]
Number of general needs properties with service charges eligible for housing benefit	94	94	6046[8]	6157	6115	6146	6037	5685
Average service charge of general needs properties with service charges eligible for housing benefit	£0.70	£0.70	£0.70	£2.17	£2.20	£2.31	£2.52	£3.05
Number of general needs properties with service charges not eligible for housing benefit	222	152	137	128	153	153	270[9]	277
Total number of units/bed spaces that have an absolute (full) exception as defined in WRWA 2016 Regulations								63
Average general needs social rent rate calculated as per the WRWA 2016 Regulations								£84.26
Average supported housing social								£77.75

[5] Supported Housing was exempt from the rent reduction for one year.
[6] The decrease in our average affordable rent is due to the increased number of conversions to Affordable Rent during the year which are likely to be at a lower Affordable Rent than new builds.
[7] The increase is due to the new build bungalows at Barkla Fields which attract a higher rent
[8] During the year the Trust completed disaggregation of all service charges over all its homes.
[9] The increase in number relates to service charges for the Amethyst Living services and this has led to the decrease in average service charge.

	RSR		NROSH+					
Year as at 31st March	2010	2011	2012	2013	2014	2015	2016	2017
rent rate calculated as per the WRWA 2016 Regulations								
Average service charge of general needs properties with service charges not eligible for housing benefit	£7.92	£7.92	£4.54	£7.00	£6.95	£7.41	£5.14	£5.01
Number of supported housing properties with service charges eligible for housing benefit	97	97	97	97	128	128	128	126
Average service charge of supported housing properties with service charges eligible for housing benefit	£16.04	£16.03	£1.92	£9.46	£18.97[10]	£19.30	£19.48	£23.83
Number of general needs affordable rent properties with service charges eligible for housing benefit	Not in RSR		22	0[11]	0	0	2	0
Average service charge of general needs affordable rent properties with service charges eligible for housing benefit							£0.57	0
Number of supported housing affordable rent properties with service charges eligible for housing benefit	Not in RSR		0	0	0	39	71[12]	78

[10] The increase is due to the service charges at the Extra Care scheme at Naughton Fields
[11] Service charges for affordable rent properties are now included within the rent.
[12] The increase relates to Barkla Fields.

	RSR		NROSH+					
Year as at 31st March	2010	2011	2012	2013	2014	2015	2016	2017
Average service charge of supported housing affordable rent properties with service charges eligible for housing benefit	Not in RSR		0	0	0	£13.82	£30.25	£37.03
Number of Leaseholders	110	110	110	113	117	123	125	132[13]
Number of homes vacant as 31st March of specific year	51	54	60	55	47	26	59	33
Number of homes vacant but available to let	39	52	51	33	22	24	54	28
Number of homes vacant but unavailable to let	12	2	9	22	25	2	5	5[14]
Number of lettings	514	503	526	581	689	712	713	830
Number of lettings to general needs housing	494	483	509	537	665	694	694	772
Number of lettings to supported housing	20	20	17	44	24	18	19	58
Number of lettings made through mutual exchanges	Not in RSR		86	82	101	52	57	51
Number of evictions	36	33	34	38	52	75	73	60[15]
Number of Sales	9	10	11	28	25	24	32	38[16]

[13] The additional properties are 5 Barkla Fields outright sales and 2 leaseholder Right To Buy’s.
[14] 2 warden flats and 3 properties not available to let
[15] 57 evictions for rent arrears and 3 for ASB
[16] These are 33 Right to Buy and 5 Right to Acquire sales.

Appendix 3: KPI’s 2017/18

Measure	Target	Comments
Income collected from current customers	Cash Collection: 94.6% Arrears: £1.2m	The target includes the opening arrears due and the rent charge for the year. It has been set based on projections of how many new Universal Credit cases we will have during the year.
Average number of working days lost due to sickness absence	6.2 days	The target was set based on improving the 2016/17 performance and the target has been benchmarked on the CIPD national average which is 6.3 days.
Void rent loss	£155,348	The target for the year is based on achieving an average relet time of 18 days.
OSUK (profit before tax & fair value adjustments)	£142,592 profit	This target is set based on the budget agreed by the OSUK Board.
Net new homes (HHT only)	+204	The number of new properties that will be completed in the year less those that are forecast to be sold under RTB
Interest cover	128.9%	This target is based on the budget approved by Board in March 2017.
Digital Contact/Activity	85%	We aim to have 85% of customer led transactions being digital by March 2018.

Appendix 4: Community Benefit Society Summary Business Case