



Registered Provider Q2 Monitoring Report

Date: 11 November 2021

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Finance Monitoring

Income and Expenditure

Nottingham City Homes Registered Provider (NCH RP) management accounts show a surplus of £103k at the end of Quarter 2, a position which is above that budgeted of £75k. The full year budget is a surplus of £150k and given the surplus to date, the full year forecast has been increased to £221k.

The current financial position has improved since Quarter 1 as additional homes have been leased during the year as assumed within the original budget. The current void rate for homes leased from NCH is now lower than that budgeted. The level of tenancy turnover so far during the year, void rates and void periods have been reviewed against the budget. Given the current position, further properties shall be leased over the 2nd half of the financial year and bad debt remains lower than budget, the forecast has now been increased to reflect this. If the current performance continues then it is possible that the forecast outturn will be increased again in Quarter 3.

A summary of the financial position at the end of Quarter 2 together with the budget and forecast outturn for the financial year is shown in Appendix 1.

Appendix 2 shows income and expenditure for the financial year by the activities undertaken by NCH RP. Central costs includes the estimated corporation tax charge and any other costs not directly attributable to an activity e.g. Board training, NCH senior management and support services. The budget and forecast figures assume that lease and NCH Service Level Agreement (SLA) charges, agreed and approved by the Board, commence on the day the property is leased by NCH RP.

Capital & Leases

NCH RP currently owns land and 39 homes at a cost of just under £5 million. At the end of the Quarter 2, 325 homes were leased by NCH RP and this is forecast to rise to 368 by the year-end. Approval is in place for leased properties to increase further next year where demand supports this. These figures are shown in the Capital and Leases summary in Appendix 3, with colour coding used to show how these assets relate to the activities included in Appendix 2.

Nottingham City Council (NCC) loans are in place for Church Square and Martin's Reach and NCC approval is in place to provide a loan to support the cost of the 8 Move-on homes. Drawn down of this loan has been requested and is being discussed with NCC who are initially proposing a commercial loan interest rate.

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Current PWLB rates on which (with the addition of a 0.4% Council uplift) NCC loan rates are based are currently as follows. For comparison, the table includes the loan rates on the two existing loans held by NCHRP.

Loan Period (Yrs)	PWLB Rate	NCC Rate	Martins Reach	Church Square
30	2.06%	2.46%		
40	2.09%	2.49%		
50	2.15%	2.55%	3.35%	3.21%

Financial, Legal & Risk Implications

The cumulative surplus position since NCH RP commenced trading provided reserves of £42k at the end of the 2020/21 financial year. The delivery of a surplus in line with the forecast in 2021/22 will mean that NCH RP will hold reserves of £263k by the financial year-end. This exceeds the current cost of servicing debt and annual capital asset expenditure to date.

The current risks in relation to the Company's financial position are:

- Turnover of tenancies and void periods;
- Level of bad debt;
- Additional leases established during the year; and
- Timing of homes leased and let.

Any significant change in the full year outturn position will be affected by tenancies, void periods and number of additional leases secured and in place across the remainder of the financial year.

The format of the loan agreements referred to in the report have been agreed with NCC Legal and it is anticipated the loan agreement for the 8 Move-on homes will be in the same format.

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Appendix 1

NCH RP - Income & Expenditure

Quarter 2

30th September 2021

	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
Income						
Rental Income	2,878	2,896	(18)	5,656	5,764	(109)
Other	34	31	3	68	68	0
Total	2,912	2,927	(15)	5,724	5,832	(109)
Less :						
Expenditure						
Management (SLA)	935	919	(16)	1,837	1,820	(18)
Lease, Repairs & Property	1,673	1,681	8	3,283	3,337	54
Loan Interest	61	61	0	123	123	0
Admin & Other Costs	168	163	(4)	331	332	1
Total	2,837	2,824	(13)	5,574	5,611	38
(Surplus)	(75)	(103)	(28)	(150)	(221)	(71)

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Appendix 2

NCH RP - Forecast

2021/22

	SOCIAL HOUSING	MOVE-ON	HOMELESS FAMILIES	PSLs & SERVICE LEASES	HIGHWOOD HOUSE	TOTAL
HOMES	31	8	185	154	29	407
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rental Income	201	94	2,700	2,235	534	5,764
Other	6	32	-	-	30	68
Total	207	126	2,700	2,235	564	5,832
Less :						
Expenditure						
Management (SLA)	10	33	1,054	420	281	1,797
Lease, Repairs & Property	74	23	1,430	1,572	242	3,340
Loan Interest	107	16	-	-	-	123
Other Costs	4	43	108	77	20	253
Total	195	114	2,592	2,069	543	5,513
Central Costs						98
(Surplus)	(13)	(12)	(108)	(165)	(21)	(221)

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Appendix 3

Capital and Leases

NCHRP Owned	Quarter 2		Forecast Homes	Financing:	
	Homes	£'000		Loan * £'000	Grant & Reserves
Church Square	17	2,673	17	2,193	480
Martin's Reach	14	1,140	14	1,106	34
Move On Accommodation	8	1,158	8	734	424
Total Owned	39	4,971	39	4,033	938
Managed under leases			Approved Homes		
NCH & NCHEL	184		185	244	
Private Sector Landlords - general	22		28	48	
Private Sector Landlords - serviced leases	90		126	126	
NCC - Highwood House	29		29	29	
Total Leased	325		368	447	
TOTAL HOMES	364		407		

* - the Move-on loan is yet to be drawdown from NCC. This will be done once agreement on loan rate is made with NCC.

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Q2 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 September 2021.

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

NCHRP has 364 properties that are used for the provision of housing and has management oversight for a further 120 NCH Ltd Social Rent properties. This total can be broken down into three very different types of property – 50 permanent homes, 314 temporary homes and 120 NCH social rent properties.

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

Most of the measures are above target. Whilst rent collection continues to be below target, the rationale for this is primarily a housing benefit issue which is further explained in the commentary below. Due to the small number of properties in the portfolio there is always the potential for fluctuations in the results. This is evident for example where the Average Relet Time (ART) for Social rent properties stands at 60 days which relates to 1 property being let in the first quarter.

Data in the report includes:

- Stock
- Complaints
- Rent Collection
- Re-let and empty property data

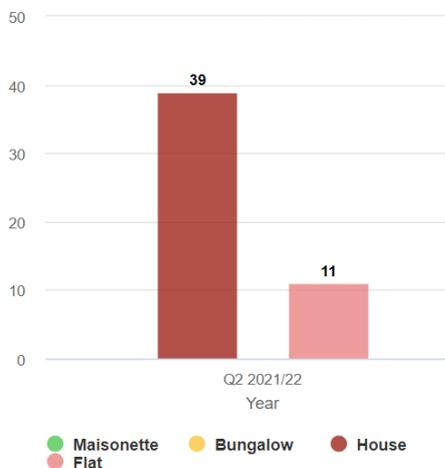
An annual survey is currently underway of NCHRP tenants providing customer satisfaction information. Once this information is available, this will be reported to the Board.

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

Q2 Monitoring Report

Registered Provider Board (permanent homes) Performance Dashboard Q2 2021-22

Housing Stock (permanent homes)

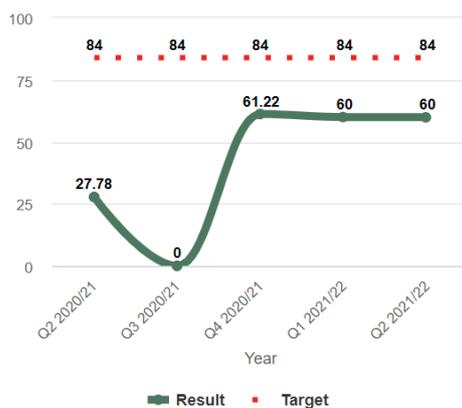


Benchmarking: No benchmarking figure



Meeting target, performance is better than 2020/21

Number of complaints relative to the size of the landlord (Complaints per 1,000 properties) (permanent homes)



The level of complaints is below the target we have set and is remaining steady at 60 complaints per 1,000 properties (3 complaints in the rolling year).



Benchmarking: Bottom quartile performance



Not meeting target, performance is worse than 2020/21

Percentage of rent collected (permanent homes)



The average monthly charge for these properties is £641 per calendar month with the highest rent 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. Quarter 2 is showing an improvement on quarter 1 as we would expect for the reasons above.

Q2 Monitoring Report

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.

The largest debt a resident owes within the specified RP range of properties is £1300.00. Because of the high rent charge and taking into consideration the rent is charged monthly, one missed payment can lead to larger arrears.

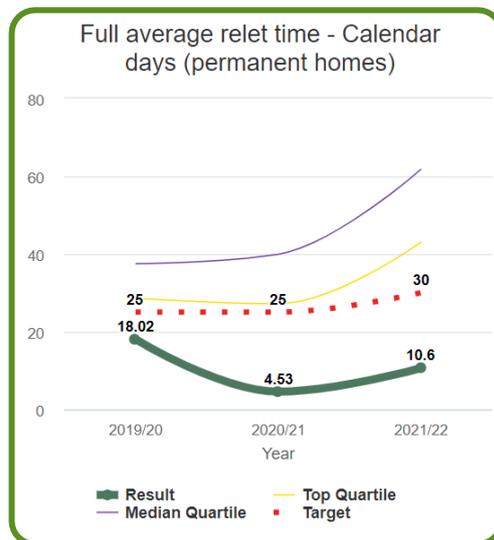
The team is proactively managing those cases in arrears to improve our rent collection.



Benchmarking: Top quartile performance



Meeting target, performance is worse than 2020/21



Our year one Corporate Plan target is to achieve an average relet time (ART) of 30 days. Robust performance management is in place with daily dialogue between all team members to ensure homes are let as swiftly as possible.

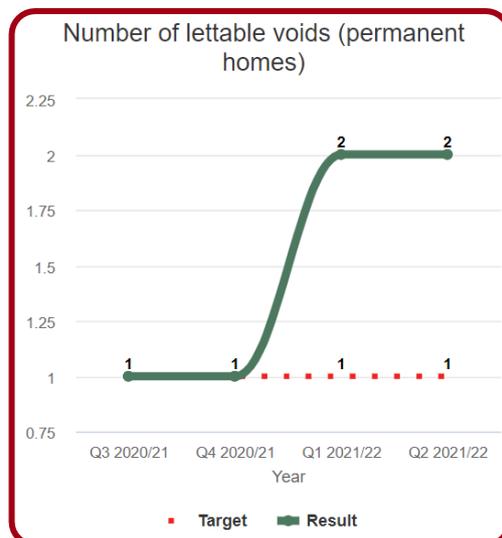
5 RP permanent homes were let during the first two quarters of 2021/22 with an average turnaround of 10.6 days.



Benchmarking: No benchmarking figure



Not meeting target, performance is worse than 2020/21



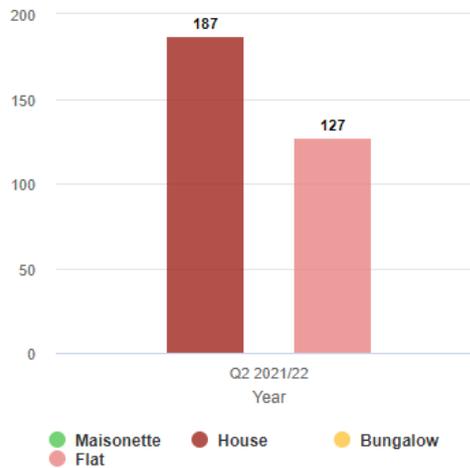
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 <p>Meeting target, performance is better than 2020/21</p>  <p>Benchmarking: Top quartile performance</p>	 <p>Meeting target, performance is worse than 2020/21</p>  <p>Benchmarking: Upper median performance</p>	 <p>Not meeting target, performance is worse than 2020/21</p>  <p>Benchmarking: Lower median performance</p>	 <p>Not meeting target, performance is better than 2020/21</p>  <p>Benchmarking: Bottom quartile performance</p>	 <p>No target set, no change in performance than 2020/21</p>  <p>Benchmarking: No benchmarking figure</p>
<div style="border: 2px solid green; padding: 5px; display: inline-block;">Performance has met target</div>		<div style="border: 2px solid red; padding: 5px; display: inline-block;">Performance is below target</div>		

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Registered Provider Board (temporary homes) Performance Dashboard Q2 2021-22

Housing Stock (temporary homes)



Benchmarking: No benchmarking figure



Meeting target, performance is worse than 2020/21

Number of complaints relative to the size of the landlord (Complaints per 1,000 properties) (temporary homes)



The level of complaints is below the target we have set and has slightly increased to 41 complaints per 1,000 properties (13 complaints in the rolling year).

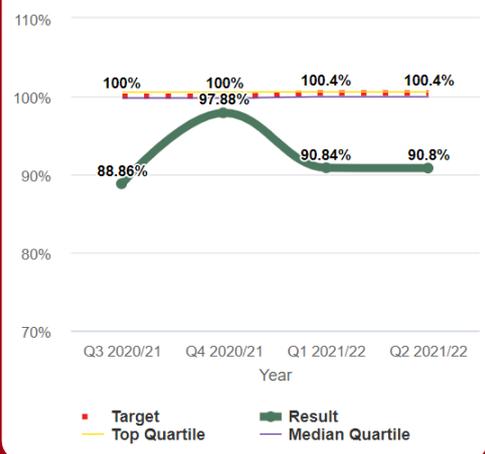


Benchmarking: Bottom quartile performance



Not meeting target, performance is worse than 2020/21

Percentage of rent collected (temporary homes)



Rent collection within Temporary Accommodation is affected by the 4 weekly cycle of Housing Benefit payments and this does impact on performance figures, with Housing Benefit owed for the last three weeks of Quarter 2.

Compared to the same period last year there is an increase in rent collection from 88.41% to 90.8%.

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.

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The solution has been to tighten our procedures to ensure any time lags between applying for Housing Benefit and receiving it are minimised.

The team work hard to ensure that Housing Benefit is in payment and new claims are submitted promptly.

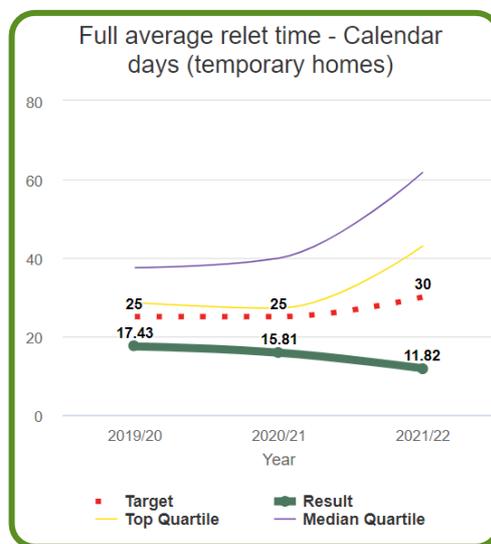
We have developed a good working relationship with the Senior Housing Benefit Officer so we can resolve any issues promptly



Benchmarking: Top quartile performance



Meeting target, performance is better than 2020/21



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

249 temporary accommodation homes have been let in the first two quarters of 2021/22, in an average of 11.82 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.

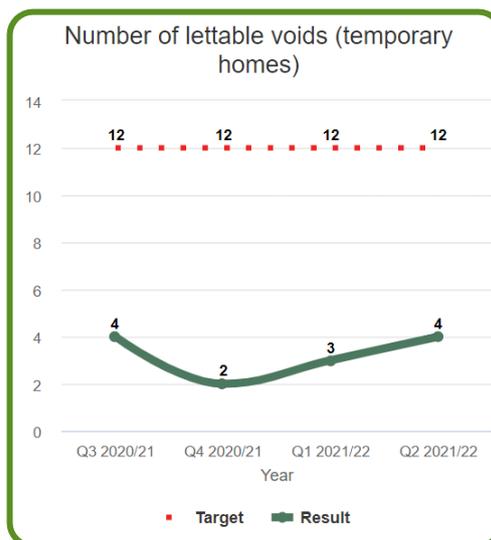
There were 4 lettable voids in RP temporary stock at the end of Quarter 2.



Benchmarking: No benchmarking figure



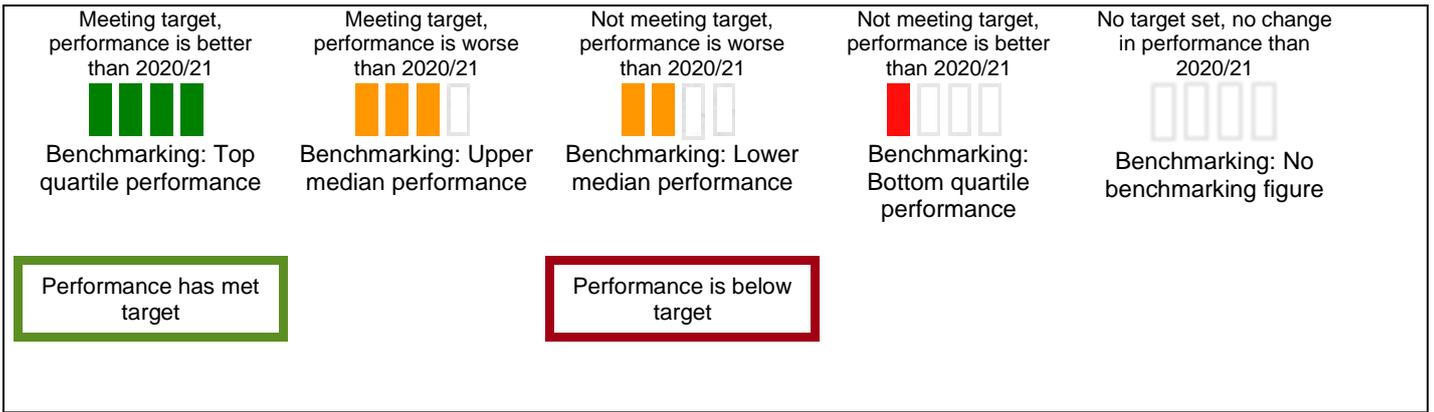
Meeting target, performance is worse than 2020/21



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.



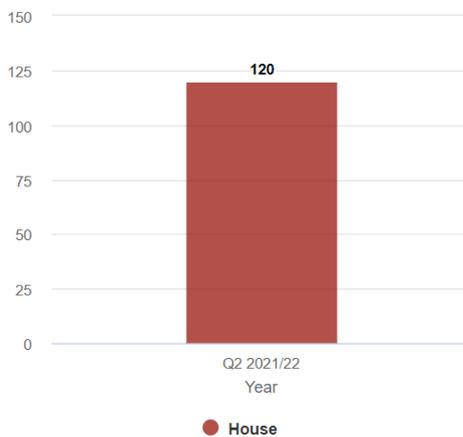
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Registered Provider Board (NCH social rent properties) Performance Dashboard Q2 2021-22

Housing Stock (NCH social rent properties)

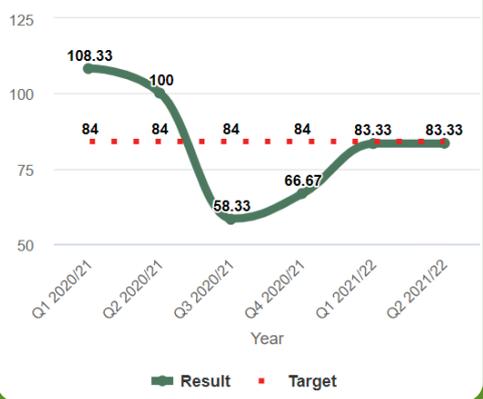


Benchmarking: No benchmarking figure



Meeting target, performance is worse than 2020/21

Number of complaints relative to the size of the landlord (Complaints per 1,000 properties) (NCH social rent properties)



The level of complaints is below the target we have set and remained steady at 83 complaints per 1,000 properties (10 complaints in the rolling year).

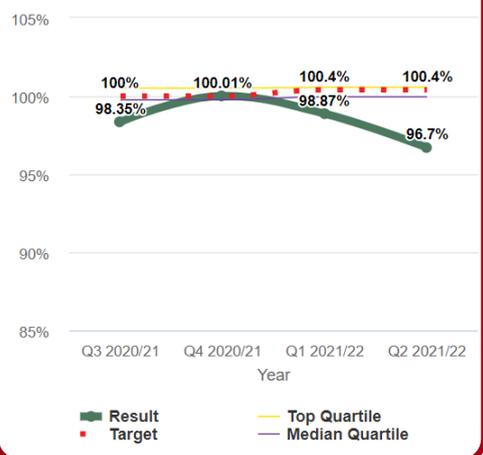


Benchmarking: Bottom quartile performance



Not meeting target, performance is worse than 2020/21

Percentage of rent collected (NCH social rent properties)



Arrears have increased by £10K compared to the same quarter for the previous year. The team are proactively trying to manage these cases.

The context of the increase in arrears should not be ignored, the continued rollout of UC and the increase in number of our residents claiming UC will have an impact on the level of arrears. The average wait time for a UC claim to be processed is 5 weeks.

This will then have an impact on the level of arrears as payments will then be made monthly in arrears as opposed

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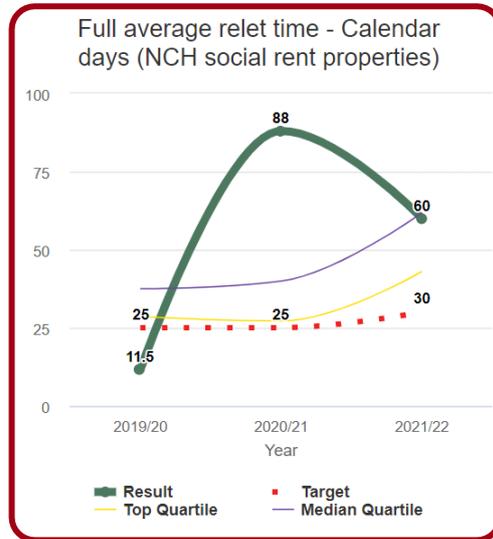
to weekly when the resident would have been on a legacy benefit such as HB.



Benchmarking: Upper median performance



Not meeting target, performance is better than 2020/21



Only one property has been let for NCH Social Rent so far this year in Quarter One. The property incurred problems with the electric meter which required external intervention and held up the process for 60 days.

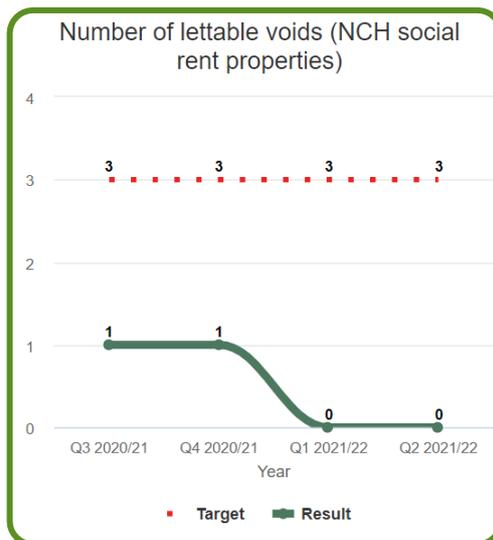
There are currently no lettable voids for NCH RP social rent.



Benchmarking: No benchmarking figure



Meeting target, performance is better than 2020/21



Meeting target, performance is better than 2020/21



Benchmarking: Top quartile performance



Meeting target, performance is worse than 2020/21



Benchmarking: Upper median performance



Not meeting target, performance is worse than 2020/21



Benchmarking: Lower median performance



Not meeting target, performance is better than 2020/21



Benchmarking: Bottom quartile performance



No target set, no change in performance than 2020/21



Benchmarking: No benchmarking figure

Performance has met target

Performance is below target

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Q2 NCHRP 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
- 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

Q2 Monitoring Report



Q2 NCHRP Stock Compliance Dashboard: 30 September 2021



Compliance Area	Number of Properties Affected	Number Complying	Percentage Compliance	Percentage Compliance last reported	Trend since previous report	Servicing Frequency	Responsible	Comments
GAS								
Gas Safety Domestic	406	406	100.00%	100.00%	↔	Annually	Mechanical and Electrical Team	
ELECTRICAL								
Electrical Installation Condition Report (EICR)	484	484	100.00%	100.00%	↔	5 Yearly	Technical Services Team	
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	1	1	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	1	1	100.00%	100.00%	↔	Monthly	Technical Services Team	