



Registered Provider Q4 Monitoring Report

Date: 24 May 2022

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Finance Monitoring

Income and Expenditure

Nottingham City Homes Registered Provider (NCH RP) management accounts show a surplus of £266k at the end of Quarter 4, a position which is above that budgeted of £150k. This is an improved position to that forecast at the end of Quarter 3 of £221k as the surplus continued to grow in the final 3 months of the financial year. The surplus is the draft 2021/22 Outturn position and will form the basis of the 2021/22 Financial Statements.

A summary of the financial position at the end of Quarter 4 together with the budget and forecast for the financial year is shown in [Appendix 1](#).

The financial position has improved steadily during the year as additional homes have been leased and rent loss through voids has been less than prudently assumed in the budget. This is shown in [Appendix 1](#) where rental income is in excess of both budget and the forecast. Anticipated bad debt levels have also been less than those assumed in the budget which is shown by the reduced spend compared to budget.

[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, Lead RP Officer and Board Reporting. The charges for NCH Service Level Agreement (SLA) charges for each activity, agreed and approved by the Board, commence on the day each 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 4, 338 homes were leased by NCH RP. 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](#). NCH RP current leases 24 homes at Fairham House from NCH EL and this leased has been extended into 2022/23 following Board approval.

Nottingham City Council (NCC) loans are in place for Church Square and Martin's Reach and now for the 8 Move-on homes with £734k drawdown at the end of March. Drawdown was delayed by NCC, but the terms of the loan reflect interest rates in line with the basis for all previous loans provided by NCC (PWLB+0.4%) and not at a commercial rate.

In the absence of an NCC loan for the Move-on homes during the year NCH supported the RP's cash position. As previously reported, an interest contribution has been accrued at a PWLB 1 year maturity loan rate (2.21%) up to the value of the loan (£0.734m).

Current PWLB rates, with the addition of NCC's 0.4% uplift, are as follows. For comparison, the table includes the fixed loan rates on the two existing NCC loans held by NCHRP.

Loan Period (Yrs)	PWLB Rate	NCC Rate	Move On	Martins Reach	Church Square
50	3.08%	3.48%	3.17%	3.35%	3.21%

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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 excess of the budget and forecast in 2021/22 means that NCH RP is anticipated to hold reserves of £308k, subject to the finalisation of the Financial Statements, Audit and Tax Computation. This well exceeds the cost to date of servicing debt and capital asset expenditure (£138k).

Going forward NCH RP reserves would be reduced by any pre-start costs incurred on new build / refurbishment schemes that do not go ahead and hence cannot be capitalised.

The format of the loan agreements referred to in the report have been agreed with NCC Legal.

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Appendix 1

NCH RP - Income & Expenditure		Q4 - OUTTURN			2021/22
	BUDGET Full Year	OUTTURN Full Year	VARIANCE Full Year		FORECAST Full year
	£'000	£'000	£'000		£'000
<u>Income</u>					
Rental Income	5,656	6,051	(395)		6,007
Other	68	64	4		68
Total	5,724	6,115	(140)		6,075
Less :					
<u>Expenditure</u>					
Management (SLA)	1,837	1,867	30		1,880
Lease, Repairs & Property	3,283	3,525	243		3,541
Loan Interest	123	130	8		123
Central & Other Costs	331	326	(5)		310
Total	5,574	5,849	276		5,854
(Surplus)	(150)	(266)	136		(221)

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Appendix 2

NCH RP - Full Year Outturn

2021/22

	SOCIAL HOUSING	MOVE-ON	HOMELESS FAMILIES	PSLs & SERVICE LEASES	HIGHWOOD HOUSE	TOTAL
HOMES	31	8	185	124	29	377
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rental Income	214	97	2,836	2,364	540	6,051
Other	5	29	-	-	30	64
Total	220	125	2,836	2,364	570	6,115
Less :						
Expenditure						
Management (SLA)	10	32	1,109	434	281	1,867
Lease, Repairs & Property	76	27	1,497	1,686	239	3,525
Loan Interest	107	23	-	-	-	130
Other Costs	5	39	82	62	13	201
Total	198	122	2,689	2,182	533	5,724
Central Costs						125
(Surplus)	(21)	(4)	(146)	(182)	(37)	(266)

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Appendix 3

Capital and Leases

NCHRP Owned	Quarter 4		Forecast Homes	Financing:	
	Homes	£'000		Loans £'000	Grant & Reserves
Church Square	17	2,673	17	2,173	500
Martin's Reach	14	1,140	14	1,097	43
Move On Accommodation	8	1,158	8	734	424
Total Owned	39	4,971	39	4,004	967
Managed under leases			Approved Homes		
NCH & NCHEL	185		185		244
Private Sector Landlords - general	26		27		48
Private Sector Landlords - serviced leases	98		105		126
NCC - Highwood House	29		29		29
Total Leased	338		346		447
TOTAL HOMES	377		385		

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Q4 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 March 2022.

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

NCHRP has 377 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, 327 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 30 days which relates to 2 properties being let in the first and final quarters of 2021/22.

Data in the report includes:

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

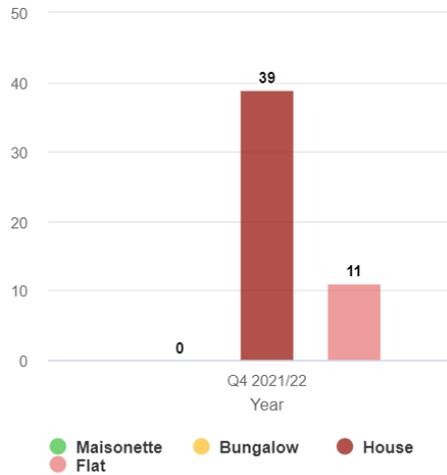
An annual survey is currently underway of NCHRP tenants providing customer satisfaction information. Once this information is available, this will be reported to the Board.

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

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Registered Provider Board (permanent homes) Performance Dashboard Q4 2021-22

Housing Stock (permanent homes)

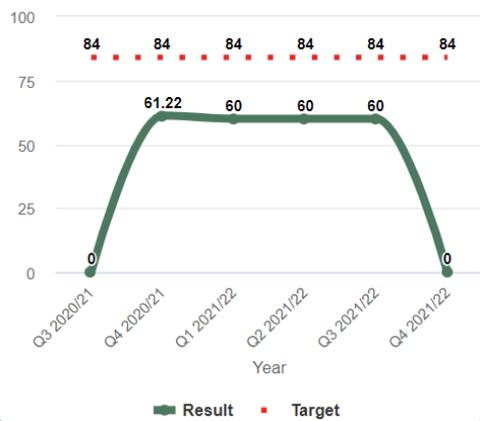


Benchmarking: No benchmarking figure



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 0 complaints per 1,000 properties (0 complaints in the rolling year, 3 from 2020/21 have expired from the cumulative result).



Benchmarking: Top quartile performance



Meeting target, performance is better than 2020/21

Percentage of rent collected (permanent homes)



The team have achieved over 100% of rent collected for year-end performance. 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, and have seen a 28% increase in UC claims this year. Alongside the DWP plans to progress migrating residents with

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legacy benefits onto UC this number of claimant's will increase as will their financial challenges.

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. Q4 is showing an improvement on Q3 as we would expect for the reasons above.

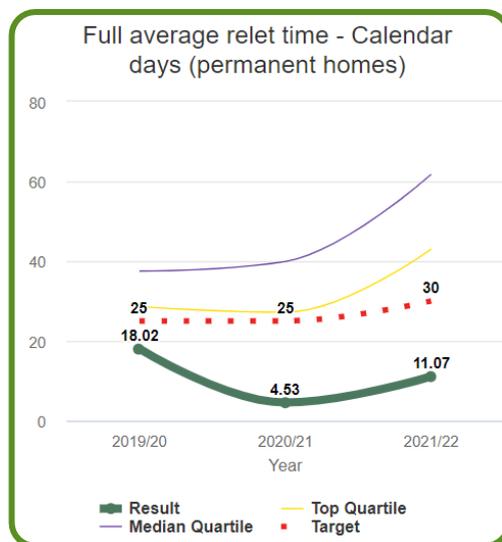
The rent would be charged at the beginning of the month and for those residents who do not receive Housing Benefit records suggest that they would be paying towards the end of the month, not in advance.



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.

14 RP permanent homes were let during 2021/22 with an average turnaround of 11.07 days.

There were no RP permanent voids at the end of 2021/22.

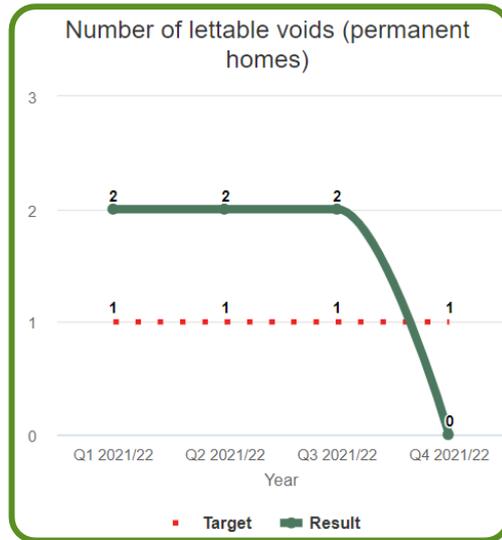
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Benchmarking: No benchmarking figure



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

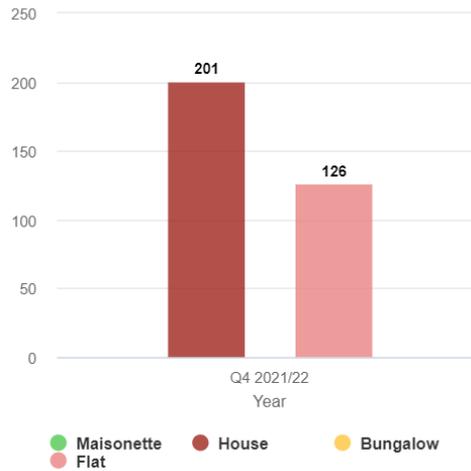
Performance has met target

Performance is below target

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Registered Provider Board (temporary homes) Performance Dashboard Q4 2021-22

Housing Stock (temporary homes)

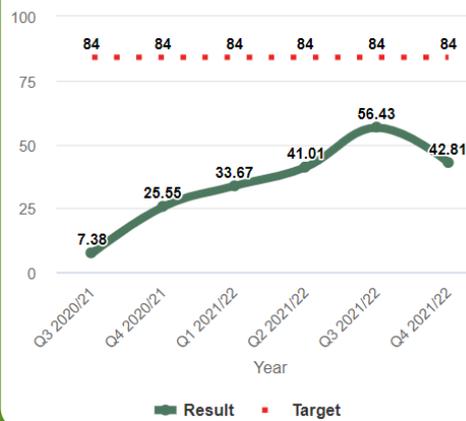


Benchmarking: No benchmarking figure



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 42 complaints per 1,000 properties (14 complaints in the rolling year).



Benchmarking: Top quartile performance



Meeting target, performance is better than 2020/21

Percentage of rent collected (temporary homes)



We have achieved over 100% rent collection within temporary accommodation and met our target. The year-end performance was an accurate reflection of rent collection as this fell on the four weekly Housing Benefit payment cycle.

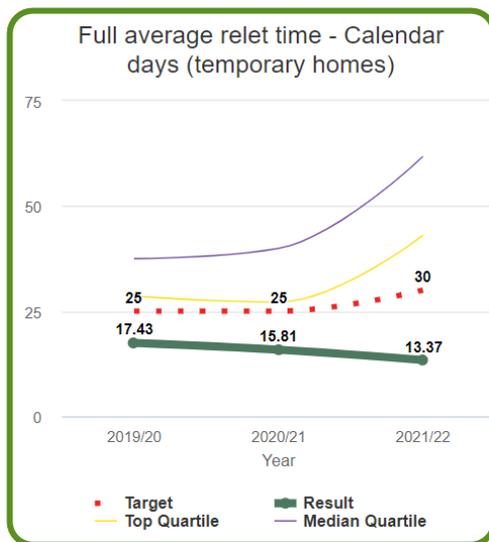
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Benchmarking: Top quartile performance



Meeting target, performance is better than 2020/21



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

410 temporary accommodation homes have been let during 2021/22, in an average of 13.37 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 7 lettable voids in RP temporary stock at the end of Quarter 4.

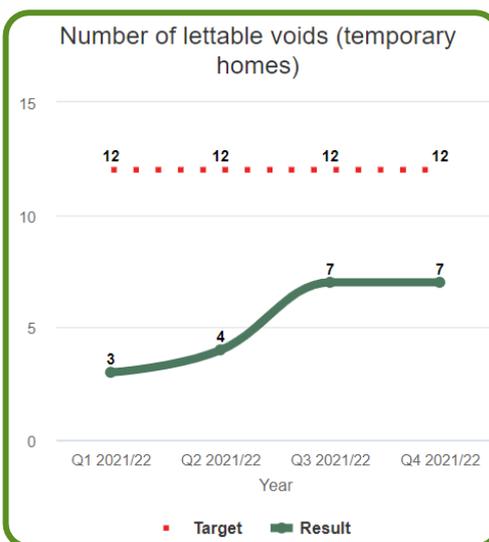
We continue to ensure that voids for Temporary Accommodation are prioritised and turned around as quickly as possible to minimise rent loss and make these available for other homeless families.



Benchmarking: No benchmarking figure



Meeting target, performance is worse 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

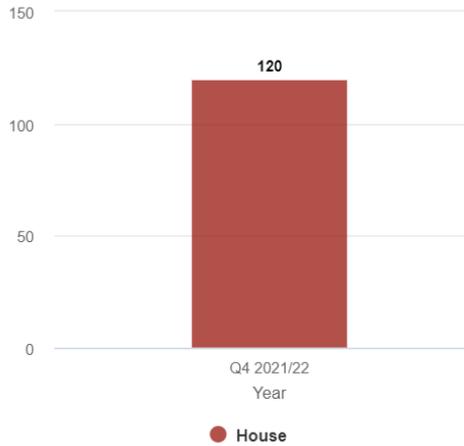
Performance has met target

Performance is below target

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Registered Provider Board (NCH social rent properties) Performance Dashboard Q4 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 66 complaints per 1,000 properties (8 complaints in the rolling year).

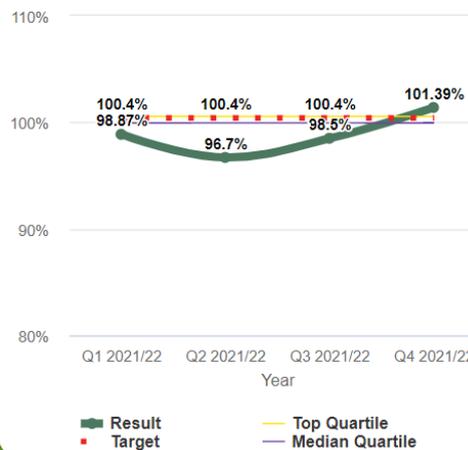


Benchmarking: Top quartile performance



Meeting target, performance is better than 2020/21

Percentage of rent collected (NCH social rent properties)



The team have achieved over 100% collection for this year 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, and

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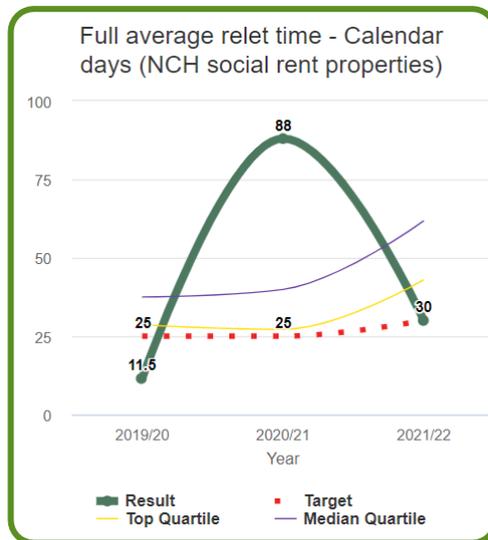
have seen a 28% increase in UC claims this year. Alongside the DWP plans to progress migrating residents with legacy benefits onto UC this number of claimant's will increase as will their financial challenges.



Benchmarking: Top quartile performance



Meeting target, performance is better than 2020/21



Only two properties were let for NCH Social Rent during 2021/22, within an average of 30 days and on target.

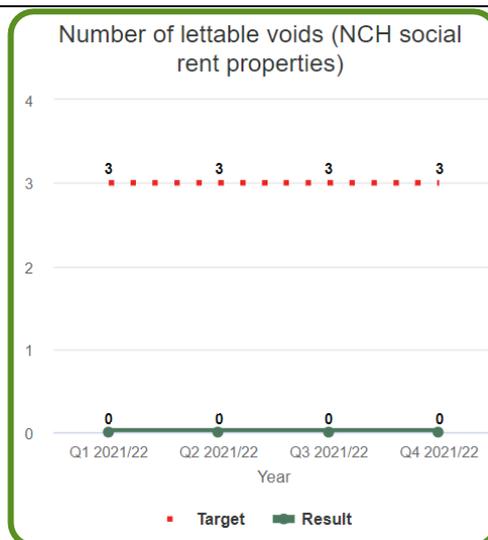
There are currently no lettable voids for NCH RP social rent.



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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Q4 NCH Stock Compliance Dashboard Monitoring

NCHPR 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

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Q4 NCHRP Stock Compliance Dashboard: 31 March 2022



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	369	369	100.00%	100.00%	↔	Annually	Mechanical and Electrical Team	
ELECTRICAL								
Electrical Installation Condition Report (EICR)	497	497	100.00%	99.40%	↑	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	1	1	100.00%	100.00%	↔	Annually	Technical Services Team	
LIFTS								
Passenger Lifts	1	1	100.00%	100.00%	↔	Monthly	Technical Services Team	