
REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	26th APRIL 2018	CATEGORY: DELEGATED
REPORT FROM:	ALLISON THOMAS – STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	MARTIN GUEST – BUSINESS SUPPORT MANAGER	DOC:
SUBJECT:	HOUSEMARK CORE BENCHMARKING REPORT 2016/17	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCSO1

1. Recommendations

- 1.1 That the findings of the recent Housemark report into performance across Housing Services for 2016/17 are noted.

2. Purpose of Report

- 2.1 To report on the Housing Services cost and performance information as detailed in the HouseMark 'Summary of Benchmarking Results 2016/17' presentation shown in Appendix 1.

3. Detail

Background

- 3.1 HouseMark was established in 1999 by the Chartered Institute of Housing (CIH) and National Housing Federation (NHF), both not-for-profit organisations. As a membership organisation, HouseMark aim to support housing providers across the country to achieve improved performance and Value for Money (VFM) by comparison of their performance information against other organisations.
- 3.2 Benchmarking information can be used as a self-assessment tool to understand, assess and challenge performance and costs, in order to improve the quality and Value for Money in service review and delivery. It can provide essential business insight to help provide assurance and drive improvement.
- 3.3 Housing providers are able to choose which peer group to benchmark against, South Derbyshire uses the Local Authority (LA) club for our benchmarking.

Summary

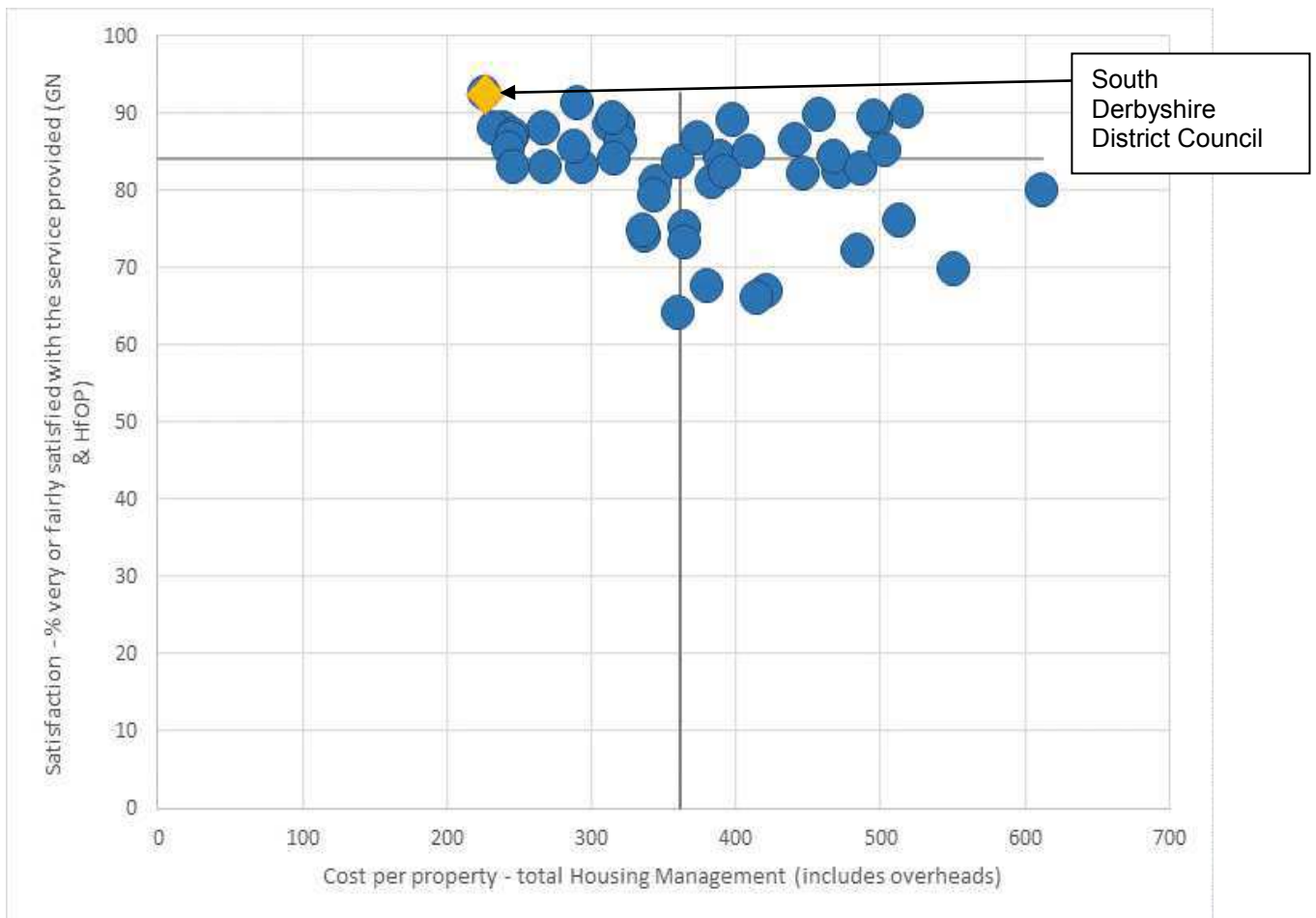
- 3.4 A Value for Money and Performance Summary is shown in the presentation in Appendix 1 for the main business activities of Housing Services. They include Overheads, Housing Management, Responsive Repairs and Voids, Major Works and Cyclical Maintenance, Estate Services, Development, Staff Turnover and Tenant Satisfaction.
- 3.5 Cost and performance data is categorised into group 1, 2, 3 or 4. These groups relate to Upper (1), Middle Upper (2), Middle Lower (3), Lower (4) with Not Applicable and No Data if appropriate. A description of these are shown in slide 3 of the presentation in Appendix 1
- 3.6 The main points to note from the summary are outlined below:

Overheads

- 3.7 Benchmarking overheads are measured as a percentage of direct revenue costs and separated into four categories: office premises, IT, finance and central overhead costs. Overheads are usually a mix of employee costs and non-pay costs. Whilst it is generally preferable to have low overheads, the right level of investment in this area is key to effectively supporting front line activities. Even so, 'overheads as a percentage of direct revenue costs' are not a perfect measure and will vary with the types of activities undertaken.
- 3.8 Overall overhead costs as a % of direct revenue costs are high in South Derbyshire and in group 4 and have increased from 35.65% in 2015/16 to 37.98% in 2016/17.

Housing Management

- 3.9 The Housing Management function includes rent arrears and collection, resident involvement and consultation, tenancy management and lettings.
- 3.10 Housing Management cost per property (CPP) at £226.08 is the lowest cost in our peer group. This has increased from £221.08 in 2015/16 to £226.63 in 2016/17. Our housing management total cost per property is especially lean and we are placed in group 1 when compared with our peer group with the lowest costs. Our tenant satisfaction levels are also the highest in our peer group. This is shown in the graph overleaf:



3.11 Our total tenant arrears (including former tenant arrears as % rent due (excluding voids) has increased from 2.21% in 2015/16 to 2.36% in 2016/17 and has put us in group 2 for our peer group..

3.12 Our average re-let time in days (standard re-lets) has remained at 19 in 2016/17 as compared to 2015/16 and is under our annual target of 21 days. This performance keeps us in group 1 for our peer group.

3.13 Our rent loss due to voids has increased from 0.66% in 2015/16 to 0.78% in 2016/17. Despite this increase we remain in group 2 for our peer group.

3.14 Despite a reduction in the turnover of tenancies from 8.46% in 2015/16 to 8.04% in 2016/17, this remains an issue for Housing Services. We still remain in group 3 for our peer group.

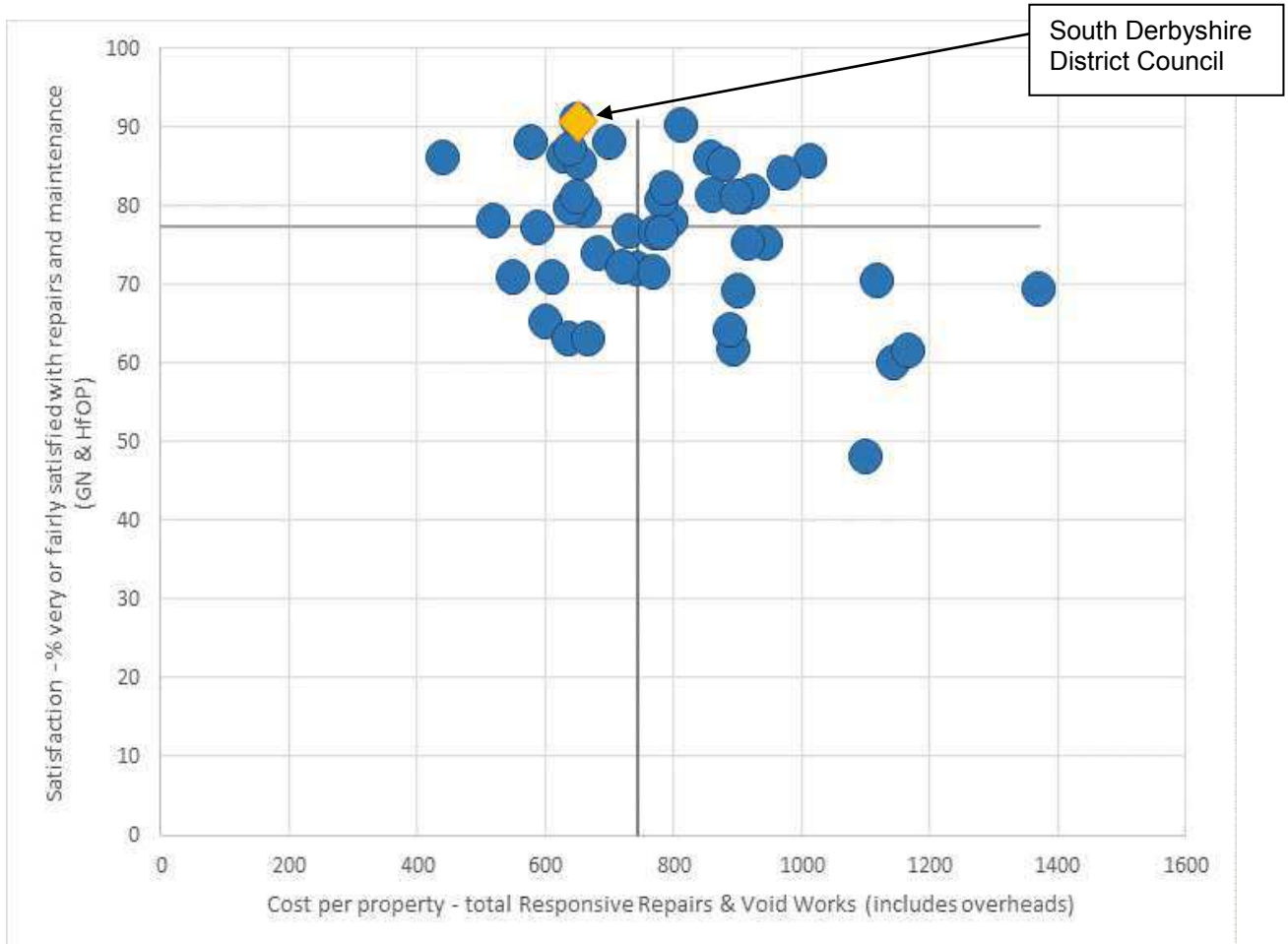
3.15 During 2017/18 we have been carrying out the following actions in an attempt to maintain this good performance in arrears collection and housing management:

- Working with tenants and our stakeholders to prepare the service for Universal Credit and other Welfare Reform changes.
- Conducted a 'week of action' designed to support those in financial hardship and target persistent 'non-payers'.
- Using small claims recovery for current and former tenant debt as appropriate as opposed to possession action which is more expensive.
- Through the new structure employed an Income Officer to manage former tenant debt.

- Delivered regular 'pre-tenancy workshops' designed to ensure that new tenants are 'rent ready' through group based meetings to discuss the importance of paying rent and other costs associated with managing a home.

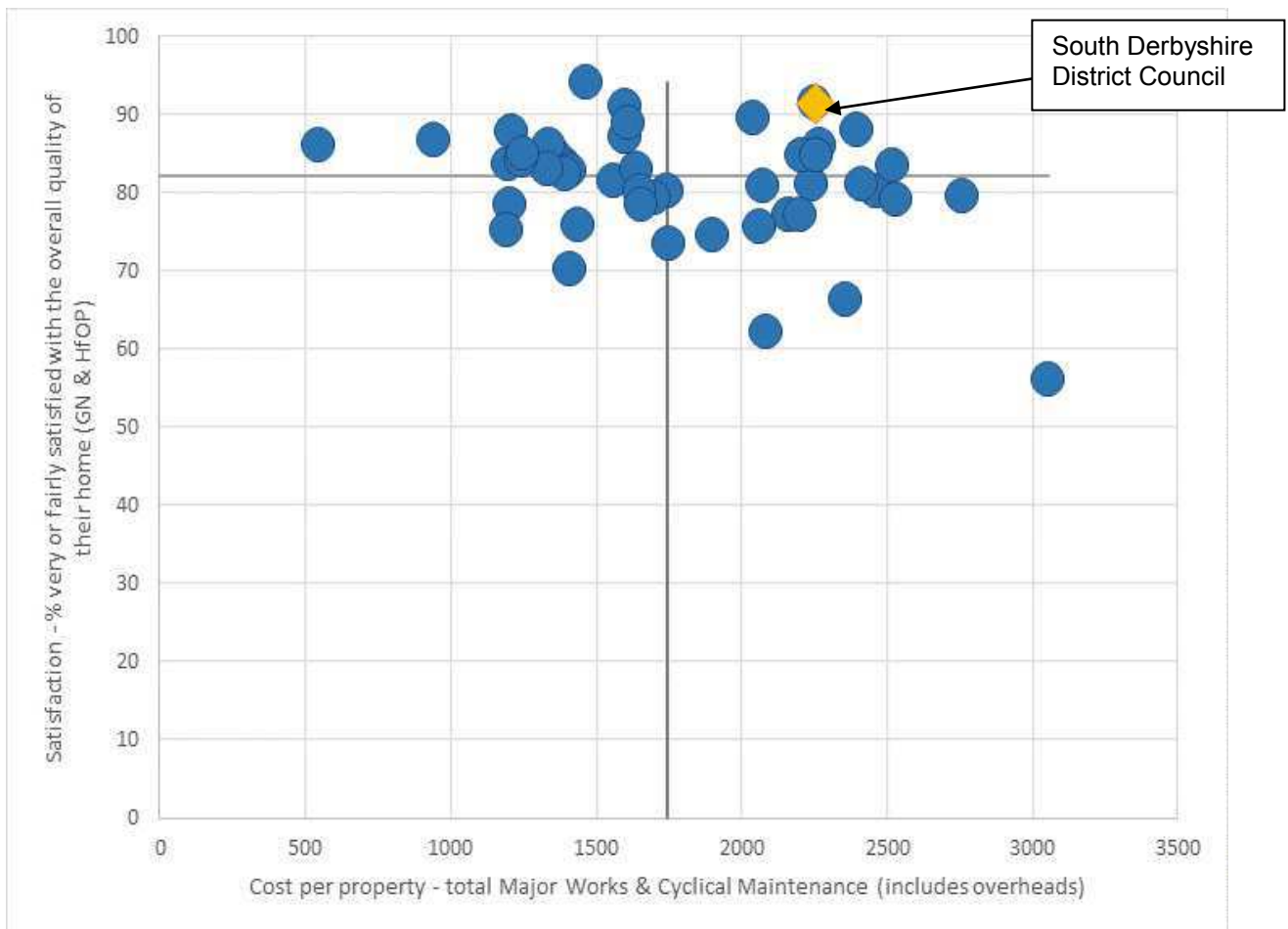
Responsive Repairs & void works

- 3.16 Total CPP of responsive repairs and void works has decreased from £733.38 in 2015/16 to £649.82 in 2016/17. We are now in group 1 against our peer group
- 3.17 Our tenants overall satisfaction with the repairs and maintenance service is the highest in our peer group. This is shown against the total CPP of responsive repairs and void works in the graph below.



Major Works & Cyclical Maintenance

- 3.18 Total CPP on major works and cyclical maintenance has decreased from £3,107.35 in 2015/16 to £2,255.97 in 2016/17. Despite a reduction in spend this places us in group 4 for our peer group.
- 3.19 Our major works and cyclical maintenance cost versus satisfaction shows high levels of satisfaction with this service, but also high spend as we came to the end part of the 5 year improvement programme; this is illustrated in the graph overleaf.



Estate Services

3.20 The Estate Services function includes grounds maintenance, estate and communal cleaning. CPP has decreased from £51.67 in 2015/16 to £42.04 in 2016/17. This places us in group 1 for our peer group.

Development

3.21 The development performance includes standard units as a percentage of our current stock. This decreased from 2.66% in 2015/16 to 1.48% in 2016/17 and this reflected the changes to our new build and acquisition programme. Despite this reduction we were still placed in group 1 in our peer group.

Staff Turnover

3.22 Staff turnover in Housing Services as a percentage of staff employed decreased from 13.84% in 2015/16 to 12.50% in 2016/17. Despite this improvement we were placed in group 4 in our peer group.

Tenant Satisfaction (STAR)

3.23 All satisfaction measures reported are in the top quartile compared to our peer group in 2016/17 based on the survey undertaken in 2015; this represents a tremendous achievement for South Derbyshire and is a very positive reflection on the views of our tenants to the services they receive. Satisfaction. The Council will be undertaking this survey again in 2018:

- with the overall service is 92.5%

- that views are listened to is 79.1%
- with the repairs service is 90.8%
- that rent provides VFM is 90.3%
- with the quality of home is 91.3%
- with the neighbourhood is 91.5%

4. Financial Implications

4.1 None

5. Corporate Implications

5.1 Providing high performing low cost services that meet the needs and aspirations of customers is a key aim of the Housing Service and contributes to helping the Council delivers on several Corporate Plan priorities such as:

- Connect with our communities, helping them feel safe and secure
- Maintain customer focus
- Enable people to live independently
- Protect and help support the most vulnerable, including those affected by financial challenges

6. Community implications

6.1 Identifying which services are high cost and low performance, and taking the appropriate action to address any issues, will lead to improvements in service delivery. The report highlights how we are performing in meeting the needs of our tenants who live in many of the diverse distinct communities across the district.