REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	2nd FEBRUARY 2017	CATEGORY: DELEGATED
REPORT FROM:	MIKE HAYNES – DIRECTOR OF HOUSING AND ENVIRONMENTAL SERVICES	OPEN
MEMBERS' CONTACT POINT:	MARTIN GUEST – PERFORMANCE AND POLICY MANAGER	DOC:
SUBJECT:	HOUSEMARK CORE BENCHMARKING REPORT 2015/16	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 2015/16 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 2015/16' report 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.

3.4 For 2015/16, HouseMark offered to develop bespoke benchmarking reports. To maintain consistency, we decided to benchmark initial 2015/16 data against the

same LA club. Further benchmarking reports are available and can be measured against alternative peer groups if required.

Summary

3.5 A Value for Money and Performance Summary is shown 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 and Tenant Satisfaction.

3.6 Cost and performance data is categorised into quartiles. They include Upper, Middle Upper, Median, Middle Lower, Lower, Not Applicable and No Data.

3.7 Traffic lights were replaced in 2013/14 with new refreshed icons to demonstrate performance, however, it should still be acknowledged that average or higher than average costs may be acceptable or desirable where this is consistent with furthering business objectives, performance or user satisfaction.

3.8 For 2015/16 reporting HouseMark has also offered a range of formats for the annual core benchmarking report. South Derbyshire opted to benchmark against the LA club to ensure consistency. Moving forward we will consider alternative benchmarking groups to secure robust and challenging comparison.

3.9 The main points to note from the summary are outlined below:

Overheads

3.10 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' is not a perfect measure and will vary with the types of activities undertaken.

3.11 Overall overhead costs as a % of direct revenue costs are high in South Derbyshire and in the lower quartile but have decreased from 38.40% in 2014/15 to 35.65% in 2015/16. This decrease of 2.75% compares to no average change for our peer group between 2014/15 and 2015/16.

Housing Management

3.12 The Housing Management function includes rent arrears and collection, resident involvement and consultation, tenancy management and lettings.

3.13 Housing Management cost per property (CPP) at £216.66 is the lowest cost in our peer group. This has increased from £189.75 in 2014/15 to £216.66 in 2015/16. This increase of £26.91 compares to an average increase of £2.67 for our peer group between 2014/15 and 2015/16. Our housing management total cost per property is especially lean and we are placed upper quartile 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.

Housing management costs and satisfaction

South Derbyshire District Council

3.14 Our current tenant arrears have decreased from 1.58% in 2014/15 to 1.55% in 2015/16. This decrease of 0.03% compares to an average increase of 0.02% for our peer group between 2014/15 and 2015/16.

3.15 Our total tenant arrears (including former tenant arrears as % rent due (excluding voids) has decreased from 2.83% in 2014/15 to 2.21% in 2015/16 and has put us in the upper quartile. This decrease of 0.62% compares to an average increase of 0.04% for our peer group between 2014/15 and 2015/16.

3.16 Our average re-let time in days (standard re-lets) has increased from 17 in 2014/15 to 19 in 2015/16 but is still under our annual target of 21 days. This increase of 2 days compares to an average decrease of 1.84 days for our peer group between 2014/15 and 2015/16. However our void times are still in the upper quartile when compared to our peer group

3.17 Our rent loss due to voids has increased from 0.47% in 2014/15 to 0.66% in 2015/16. This increase of 0.19% compares to an average increase of 0.02% for our peer group between 2014/15 and 2015/16.

3.18 The increasing turnover of tenancies and higher number of vacant properties continues to be a challenge for Housing Services. Tenancy turnover rate has increased from 7.76% in 2014/15 to 8.44% in 2015/16. This increase of 0.68% compares to an average decrease of 0.26% for our peer group between 2014/15 and 2015/16.

3.19 During 2016/17 we have been carrying out the following actions to maintain this good performance in arrears collection and housing management:

- Completing a full review of all income related policies and procedures to ensure they remain 'fit for purpose' in the era of Welfare Reform.
- Employed 'behavioural economics' (nudge theory) to increase the number of tenants paying by direct debit or standing order.
- Conducted a 'week of action' designed to support those in financial hardship and target persistent 'non-payers'.
- Trialled the use of small claims recovery for current tenant debt as opposed to possession action which is more expensive.
- Employed a specialist agency worker to manage former tenant debt.
- Created a 'needs based' programme of tenancy audits which ensure that resources are directed at those most at risk of financial hardship and tenancy failure.
- Created 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**

3.20 Total CPP of responsive repairs and void works has decreased from £755.08 in 2014/15 to £718.72 in 2015/16 and has decreased by £36.36 per property from the previous year. By driving down costs we are approximately £79,000 leaner than our peer group.

3.21 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.

South Derbyshire District Council
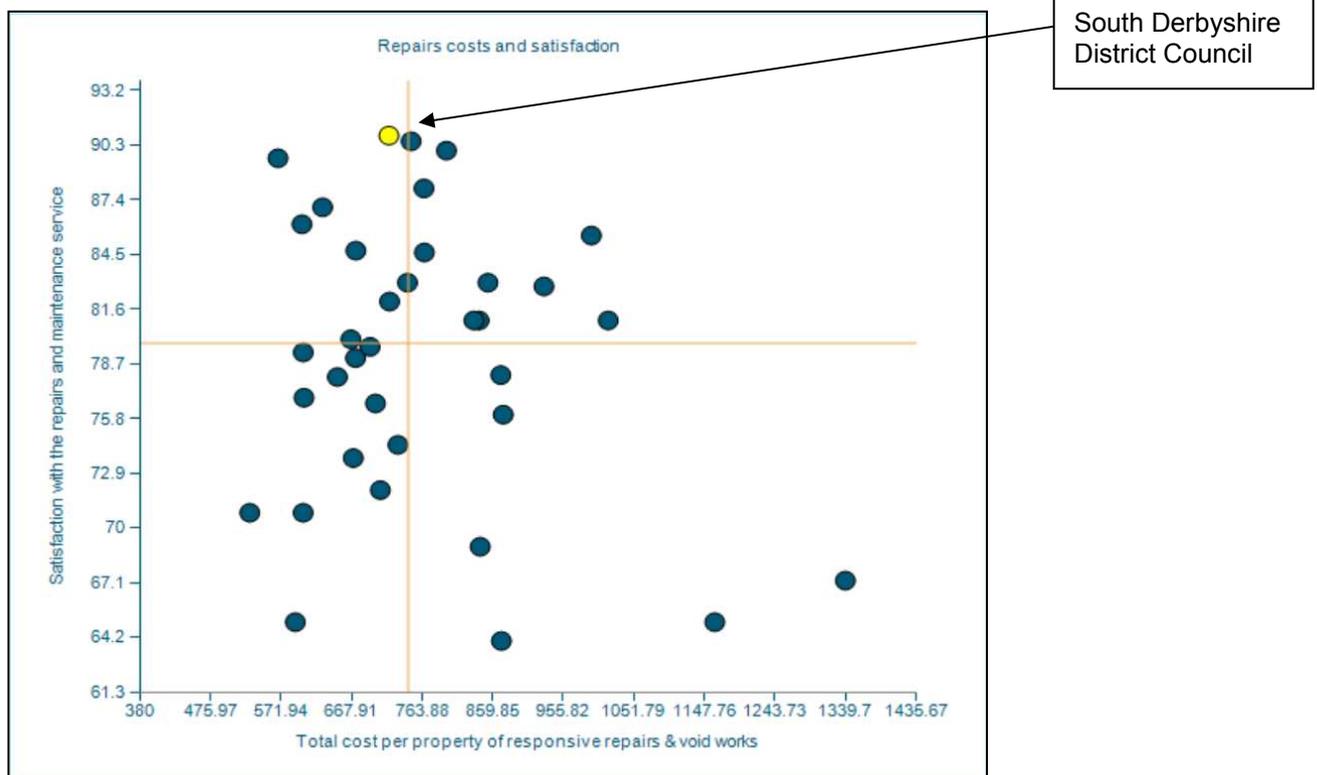
Major Works & Cyclical Maintenance

3.22 Total CPP on major works and cyclical maintenance has increased from £2,305.57 in 2014/15 to £3,045.25 in 2015/16. This clearly shows that we have invested heavily in our stock as part of our improvement programme

3.23 Our major works and cyclical maintenance cost versus satisfaction shows high levels of satisfaction with this service, but also high spend as part of the 5 year improvement programme; this is illustrated in the graph below.
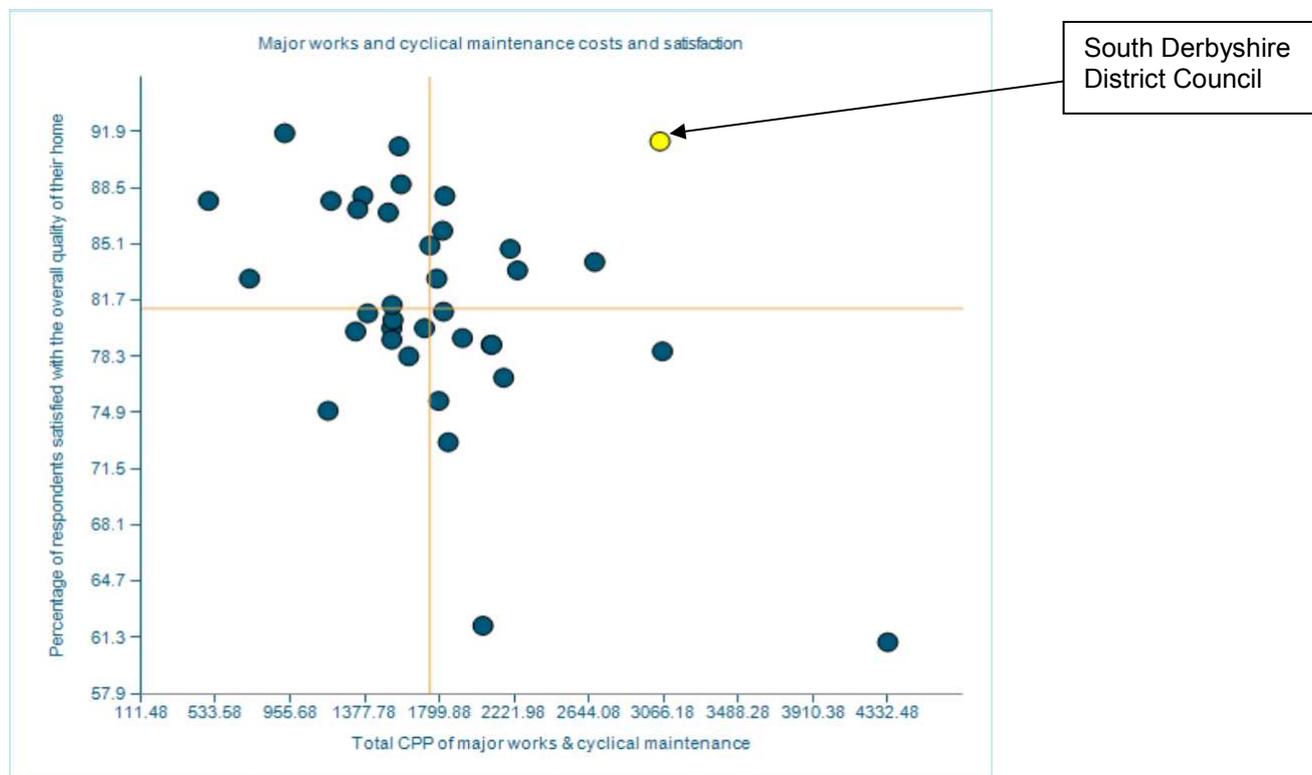
Estate Services

3.24 The Estate Services function includes grounds maintenance, estate and communal cleaning. CPP has decreased from £61.75 in 2014/15 to £50.64 in 2015/16. This decrease of £11.11 compares to an average increase of £0.77 for our peer group between 2014/15 and 2015/16.

Tenant Satisfaction (STAR)

3.25 All satisfaction measures reported are in the top quartile compared to our peer group in 2015/16; 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:

- 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.