

Report to: Housing Review Board
Date of Meeting: 11 January 2018
Public Document: Yes
Exemption: None

Review date for release: None

Agenda item: 19

Subject: 2016/17 HouseMark Benchmarking Report of housing costs and performance.

Purpose of report: This report presents the results of HouseMark's 2016/17 cost and performance benchmarking exercise. The report compares our costs and performance across our service areas with our peers and 2015/16 data.

Recommendation: The Housing Review Board is invited to consider and comment on HouseMark's 2016/17 Benchmarking Report.

Reason for recommendation: To provide essential insight into our service costs and performance and how they compare with our peers.

Officer: Natalie Brown, Information and Analysis Officer
nbrown@eastdevon.gov.uk

Financial implications: Financial implications are contained within the body of the report

Legal implications: There are no legal implications.

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: .

Link to Council Plan: Living in this outstanding place.

1 Background

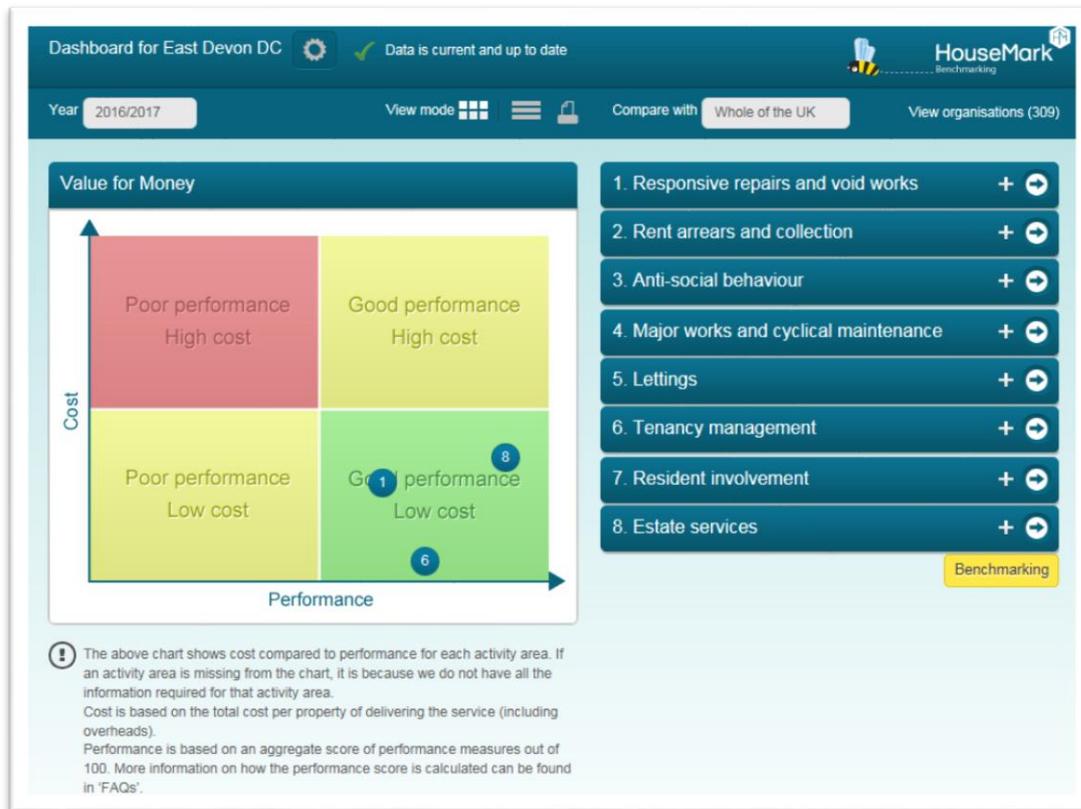
- 1.1 Performance information from across the service is collected and input into HouseMark's online reporting tool. The focus of the analysis is to benchmark our performance against our peers. Benchmarking has been used as an improvement tool for some considerable time and we have been members of the HouseMark Benchmarking family for several years.
- 1.2 Against a backdrop of political uncertainty and a tough operating environment (e.g. introduction of bedroom tax and roll out of Universal Credit) HouseMark has been able to provide us with insightful information about our performance and our value for money validating what we are doing well and, not quite so well.



1.3 A few months ago we submitted our data to HouseMark who produced the report reproduced in **annex 1**.

2 Value for Money Scorecard 2016/17

The chart below shows cost compared to performance of seven activity areas. Cost is based on the total cost per property of delivering the service (including overheads). Performance is based on an aggregate score of performance measures out of 100.



The high level value for money scorecard (see above) is a useful summary of some of our performance and costs. For these three areas, where there was sufficient data available, good performance and low cost was scored.

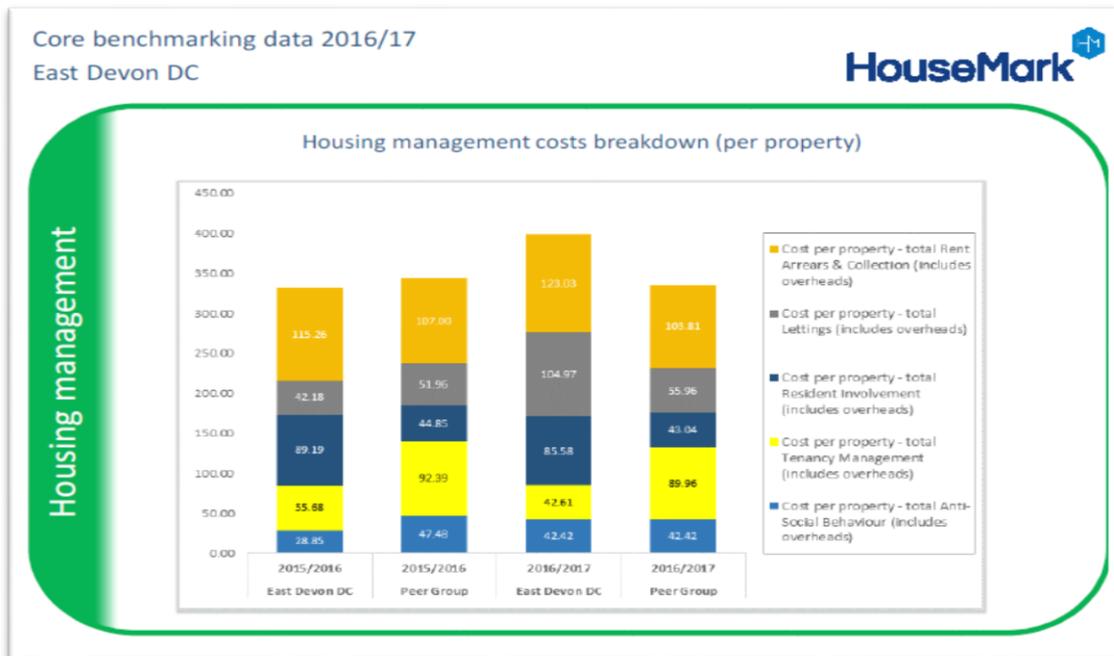
2.1 Rent arrears and collection

Despite the current operating environment rent collected from current and former tenants of % rent due is 98.79%. We remain in the first quartile compared to our peers for the total tenant arrears as a % of rent due increasing from 1.19% to 1.34% since 2015/16.

2.2 Housing Management

Total cost per property: housing management is £331.16 and is an increase of £67.45 since 2015/16. The median is £360.99. Housing management costs (see chart 2 below) are broken down into total rent arrears and collection (including overheads), total lettings (including overheads), total resident involvement (including overheads), total tenancy management (including overheads) and total anti-social behaviour (including overheads). Compared to our peers we have significantly higher resident involvement (£85.58 to £43.04) and letting costs (£104.97 to £55.96).

Chart 2: Housing management cost breakdown (per property)

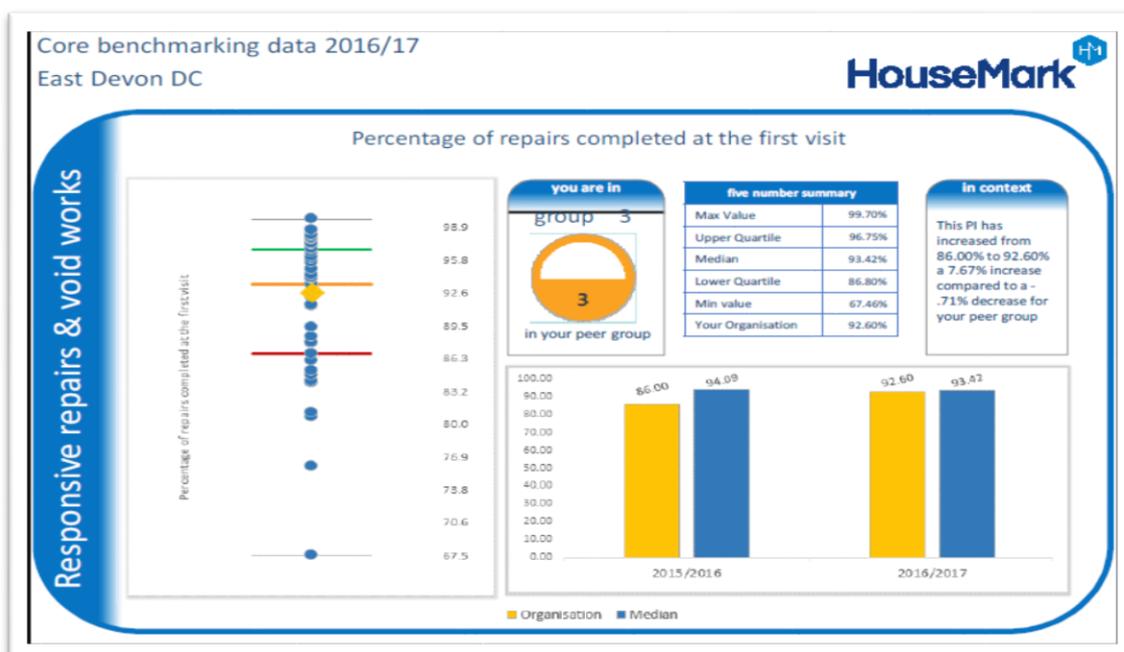


2.3 Responsive repairs and Void Costs

Total costs per property for repairs and voids have decreased from £781.91 to £702.45 since 2015/16. The median is £739.79 putting us in quartile 2. Despite the average cost per responsive repair increasing only by 0.58p since 2015/16 the cost is still significantly more than our peer group, placing us in quartile 4. The cost is over £100 more than the median.

Despite the average number of repairs per property decreasing from 2.17 to 2.09 since 2015/16 the average number of calendar days to complete a job has increased from 7.40 to 9.20. This is still better than the 10.08 median scored by our peer group. Our performance places us in quartile 1. An area of performance to work on is the % repairs completed in first visit. This has seen an improvement since 2015/16 but still falls by 0.8% short of the median of 93.40% (see chart 3).

Chart 3: Percentage of repairs completed at the first visit



2.4 Major works and cyclical maintenance

Total cost per property: major works and cyclical maintenance has increased from 3.99% from £1541.69 to £1603.26 putting us in quartile 2. This area of the service has seen some significant increases in management costs for both major and cyclical works since 2015/16, 1.38% and 30.56% respectively.

2.5 Lettings

Average relet times for standard relets increased from 30.38 to 33.00 days. The median is 31.87 days. Tenancy turnover rate is 5.77% putting us in quartile 2. 0.21% of properties are vacant but unavailable to let compared with 0.46% for our peer group.

2.6 Estate Services

Total cost per property for estate services has increased from £119.40 to £132.65 since 2015/16.

2.7 People

Staff turnover has decreased from 124.29% to 9.01% since 2015/16 placing us in the second quartile with a median of 9.09% for the peer group.

3.0 Actions required in response to the report findings

3.1 The following are some areas taken from the report which will be explored further helping us to improve our performance in 2017/18 and beyond:

1. Understand further the increase in major work and cyclical management costs.
2. % repairs completed first visit has improved but still below the median. This is something to work with our contractors on and to support the content of the new contractor contract.
3. Average cost of repairs per property is significantly high. This high cost needs discussion with the contractors but should also support the content of the new contractor contract.
4. Might have a low average number or repairs which is good news but these are still of a high cost.
5. Average number of calendar days to do a repair has increased and although performance is good compared to the median and peer group it is still surprising it has increased considering they are doing less repair jobs. This is to be reported back to contractors.
6. Using the calculation from the gap saving analysis, a saving of £158,062.54 could be made to our overall housing management costs if we are able to bring our costs down to match the median costs. Similarly, total responsive repairs and void costs could achieve a £156,853.95 saving if we could reduce our costs of that of the median (see chart 4 below).
7. Investigate the slight decline in % rent collected performance since 2015/16.
8. The average relet times for standard relets has increased. There are many factors associated with this rise, including doing more work within standard relets e.g. asbestos surveys etc. It might be timely to look again at what the priorities are for work undertaken during a standard void.

Chart 4: Gap Savings Infographic



4.0 Comparison with 2015/16

4.1 A performance insight action plan was developed in 2016 following the 2015/16 HouseMark benchmarking report. Below is a summary of the actions taken as a result of that report.

5.0 Conclusion

5.1 This exercise provided us with a real insight into our performance. It has shown we are performing well relative to our peers.

Organisations in our peer group

The organisations in our peer group are all local authorities and have a stock of no more than 7,000.

- Adur DC
- Charnwood BC
- Mid Suffolk DC
- St Albans DC
- West Lancashire BC
- Barrow-in-Furness
- Corby BC
- North Kesteven
- Taunton Deane BC
- Winchester City Council
- Broxtowe BC
- Exeter City Council
- North Warwickshire BC
- Waverley BC
- Cambridge City Council
- Mid Devon DC
- South Kesteven DC
- Wealden DC