

# Agenda Item 14

**Housing Review Board**

**4<sup>th</sup> March 2010**

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## Housemark Benchmarking Report

### Summary

Housemark's new benchmarking system is a web based analysis tool. As well as helping with internal performance management, it will enable us meet the expectations of the Tenant Services Authority (TSA) who propose that landlords prepare an Annual Standards Report demonstrating their performance against the TSA standards. The benchmarking data has many applications including:

- Scrutiny of Value for Money and service delivery;
- Strategic overview of the business;
- Annual Standards reports for tenants;
- Service Reviews;
- Assessing the impact of overheads.

This report is simply to give an overview of Housemarks potential as a benchmarking tool. We do have a full report available on the recent benchmarking exercise.

### Recommendation

**That the report be used as a self-assessment and performance management tool to help managers understand current performance levels and costs.**

#### a) Reasons for Recommendation

To help meet TSA proposals that from April 2010, landlords produce an Annual Standards report.

#### b) Alternative Options

Find alternative self-assessment process.

#### c) Risk Considerations

Not meeting the new regulatory framework.

#### d) Policy and Budgetary Considerations

This project displays good practice in line with our Benchmarking policy.

#### e) Date for Review of Decision

This will be an annual exercise.

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## 1 Background

1.1 The source data for this benchmarking exercise comes primarily from the Housing Revenue Account (HRA), along with Standardised Tenant Satisfaction Survey (STATUS) data and other

performance indicators. HRA data is apportioned at cost code level to create a mosaic of financial information which can then be assessed internally and also compared with our peers. This report only provides a very brief overview. The full summary of our Benchmarking results can be viewed on our website, in the Council Services > Homes and Housing > About us > News section.

[http://www.eastdevon.gov.uk/housing\\_\\_\\_client\\_services-housing-news](http://www.eastdevon.gov.uk/housing___client_services-housing-news)

1.2 The information allows us the opportunity to investigate a range of data such as:

- Housing Management:
- Major works and cyclical maintenance:
- Responsive repairs and void works; and
- Estate Services.

## 2 Overview of the business of the housing landlord service

2.1 The traffic light indicators show low cost and high performance as green (upper quartile). The table below gives a visual indicator on how efficient we are. The table below benchmarks us with 44 other local authorities in England.

TSA Standard Summary for East Devon DC					
TSA standard	Business Activity	Cost KPI	Cost KPI Quartile	Quality KPI	Quality KPI Quartile
			East Devon DC (2008/2009)		East Devon DC (2008/2009)
Tenant Involvement and Empowerment	Overheads	Overhead costs as % adjusted turnover		Overhead costs as % direct revenue costs	
	Major Works & Cyclical Maintenance	Direct cost per property of Major Works & Cyclical Maintenance		Percentage of tenants satisfied with general condition of property	
Homes	Responsive Repairs & Void Works	Direct cost per property of Responsive Repairs & Void Works		Percentage of dwellings failing to meet the Decent Homes Standard	
				Percentage of tenants satisfied with the repairs service	
				Percentage of all repairs completed on time	
Tenancy (including Rents and Tenure)	Housing Management	Direct cost per property of Housing Management		Average time in days to re-let empty properties	
				Percentage of tenants satisfied with overall services provided	
				Percentage of tenants satisfied with opportunities to participate	
Neighbourhood and Community	Estate Services	Direct cost per property of Estate Services		Current tenant rent arrears as % of rent due	
				Percentage of tenants satisfied with their neighbourhood as a place to live	

Quartile Key							
	Upper Quartile	Middle Upper	Median	Middle Lower	Lower Quartile	N/A	No Data
Valid dataset							

2.2 It is worth noting that our overhead costs are low compared to our peers. 'Back office' costs are generally the most controllable of an organisation's costs, and there is usually less risk in reducing overhead costs than in cutting front line services.

### 3 Examples of data being used (Estates Services)

- 3.1 Housemark benchmarking gives us the ability to run hundreds of comparative data sets, but as an example this report will look at two, Estate Services and secondly Responsive Repairs and Voids. Both are linked to the TSA standards.
- 3.2 Our Direct cost per property (CPP) of Estate Services was compared to our peers. Direct costs are employee costs and non pay costs combined. We are able to interrogate this information further by looking at the estate services in greater detail. At first glance the chart (Figure 1) shows that our costs in these areas are average, however, closer inspection reveals that the high CPP are London based organisations that may not enjoy the same level of safety, security, and cleanliness on estates. A more accurate comparison would be with a similar sized organisation.

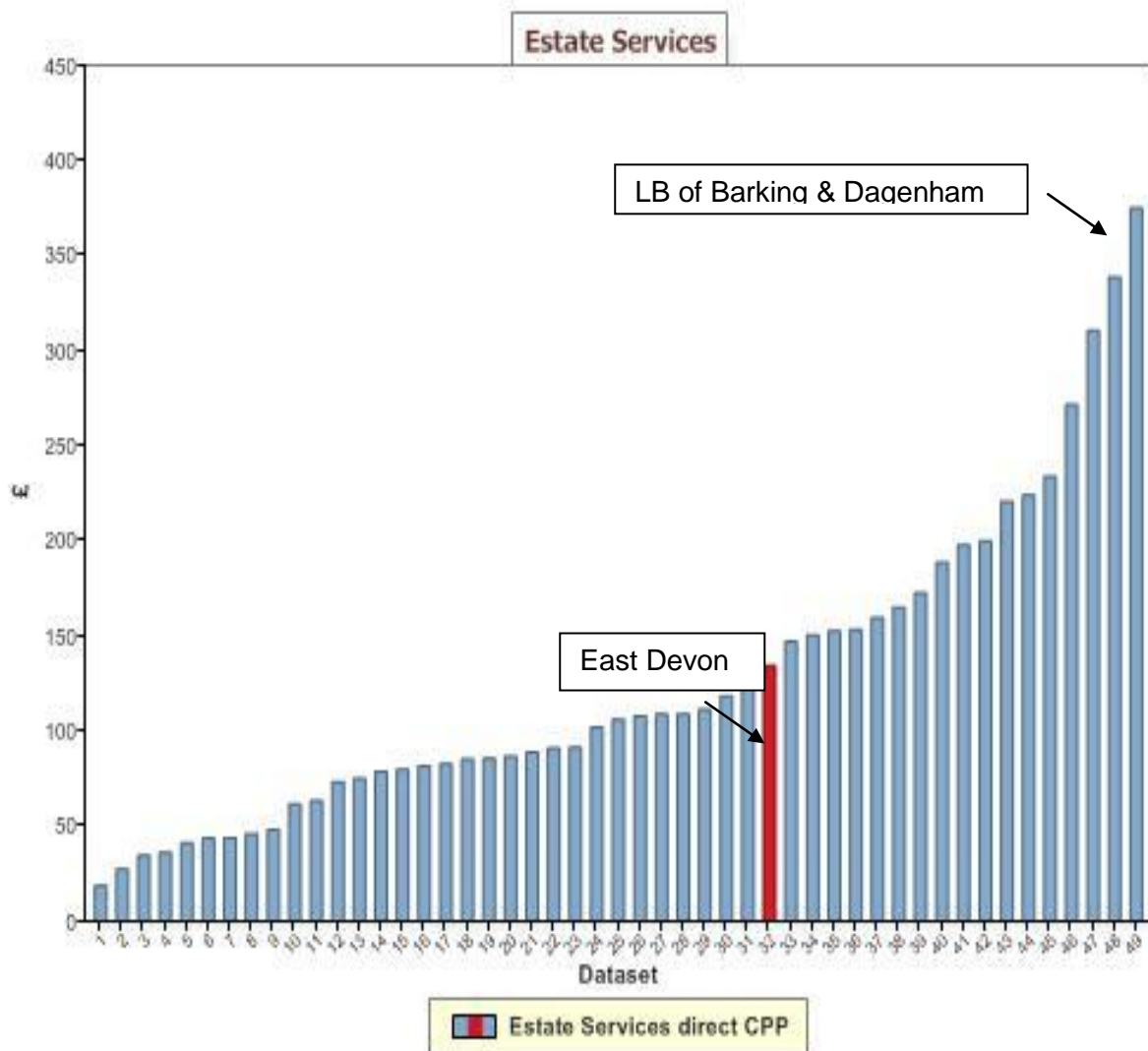


Figure 1

- 3.3 We are able to introduce a filter into the benchmarking which helps us provide a more realistic comparison. In this instance (Figure 2) the same comparison was made but for

District Councils with between 2,500 and 5,000 stock. We can see a different situation emerges, with our Estate Services costs relatively high compared to our peers. This does not necessarily mean that we are overspending, as different types of property require different levels of estate service, but does highlight how we can drill down into our data.

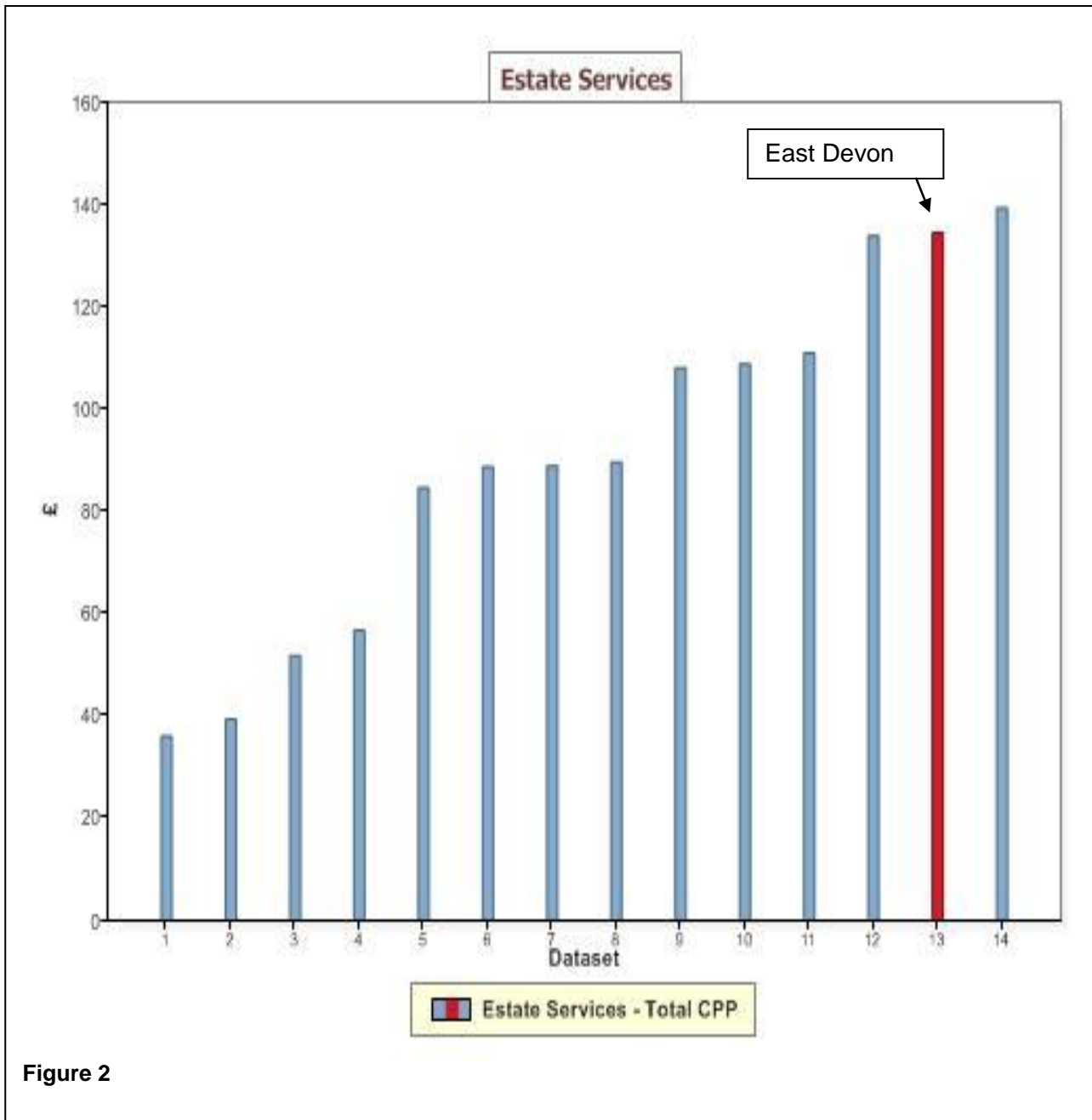


Figure 2

#### 4 Examples of data being used – Delivery against TSA standards.

- 4.1 Consultation with the TSA found that repairs and maintenance was a significant area of concern nationally – both in terms of cost and delivery. The chart below (Figure 3) looks at one area of this – responsive repairs and void work to show the direct cost per property. We are able to introduce different strands of information to build up a better understanding.
- 4.2 The STATUS survey reported that 89% of South Derbyshire District Council tenants were satisfied with their repairs and maintenance, compared to 85% for East Devon. When this data is introduced into the CPP for responsive repairs and void works we can see that this high rating came on the back of significant costs. The case here could be argued that we are able to control costs yet still maintain high levels of tenant satisfaction.

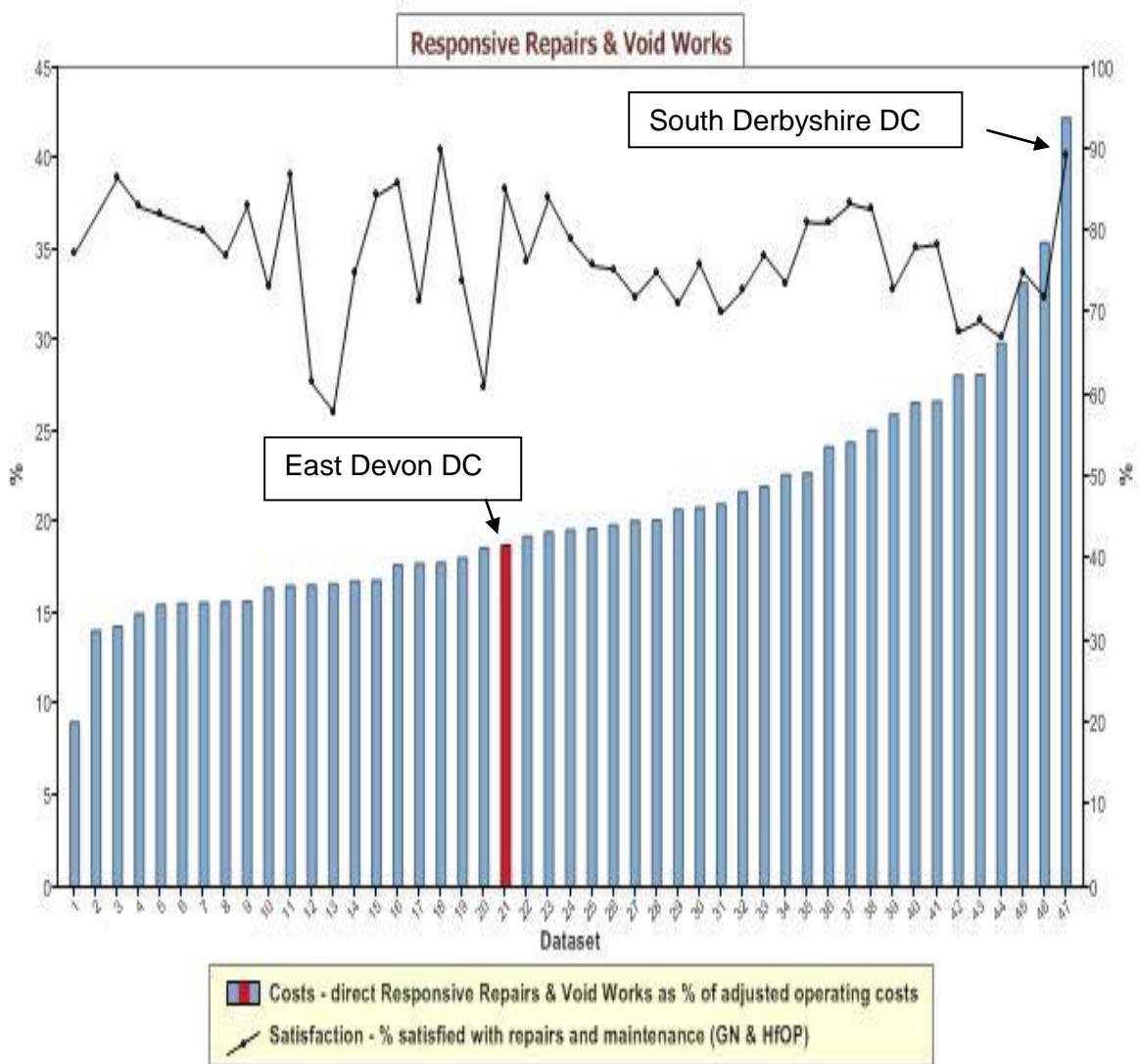


Figure 3

## 5 Summary

5.1 This report provides only a fraction of the information available, but the data format allows us to demonstrate our delivery against the proposed TSA national standards 1 to 4. The system has also been evaluated and endorsed by TAROE – the national representative body for tenants in England – as covering the issues that matter to tenants in a manner that tenant representative can understand.

<b>TSA Proposed Standard</b>	<b>Benchmarking data</b>
1 Tenant Involvement and empowerment	Resident Involvement
2 Home	Repairs, maintenance, major works
3 Tenancy	Tenancy management inc voids
4 Neighbourhood and Community	Estate Management, ASB
5 Value for Money	Value for money overview

Standard 6 – Governance and Financial viability is not applicable to local authorities.

5.2 As well as meeting TSA expectations and identifying areas where costs may be reduced, benchmarking of costs and quality of service is also an expectation of the Audit Commission. It will help us to demonstrate we have taken TSA standards into account with service planning, evidence that the service provides value for money, and will be useful for demonstrating excellence in the context of the new short notice inspection regime.

### **Legal Implications**

There are no legal implications requiring a comment.

### **Financial Implications**

There are no financial implications.

### **Consultation on Reports to the Executive**

None.

### **Background Papers**

- 2008 STATUS survey.
- Housemark Core Benchmarking.
- 2008/9 Housing Revenue Account.

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Housing Review Board  
4 March 2010