

Report to Resources Committee

5 November 2013



Title: HouseMark Benchmarking Results 2012/13

Report of: Head of Corporate Services

Purpose of Report

1. To inform the committee of the cost and performance information as detailed in the '2012/13 HouseMark Summary of Benchmarking Results' report.

Background

2. HouseMark was established in 2009 by the Chartered Institute of Housing (CIH) and the National Housing Federation (NHF), both not-for-profit organisations. As a membership organisation, HouseMark aims to support housing providers across the country to achieve improved performance and Value for Money by comparison of their performance information against other organisations.
3. 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.
4. Housing providers are able to choose which peer group to benchmark against such as National or Northern Arms Length Management Organisations (ALMO's), National or Northern Councils or all housing providers. To maintain consistency the Company decided to benchmark initial 2012/13 data against the same Metropolitan peer group used in previous reports.
5. HouseMark have also offered to develop further bespoke benchmarking reports for 2012/13. These reports will be available in November 2013 and we have chosen to benchmark against all ALMO organisations.

Summary

6. A Value for Money and Performance Summary is shown in Appendix 1 for the main business activities of the organisation. They include Overheads, Major Works and Cyclical Maintenance, Responsive Repairs and Voids, Housing Management and Estate Services.
7. Cost and performance data is categorised into quartiles. They include Upper, Middle Upper, Median, Median Lower, Lower, Not Applicable and No Data.

8. Traffic Light indicators are used as per convention to signify high performance and low cost as green (upper quartile), however, it should be acknowledged that average or higher than average costs may be acceptable or even desirable where this is consistent with furthering business objectives, performance or user satisfaction.
9. The main points to note from the summary are outlined below.

Overheads

10. Benchmarking overhead costs are measured as a percentage of direct revenue costs and are separated into four categories: office premises, information technology (IT) and communications and finance and central overheads. Overall overhead costs in 2012/13 remained consistent achieving middle upper quartile as in 2011/12.

Major Works and Cyclical Maintenance

11. Total costs per property (CPP) for Major Works and Cyclical Maintenance have reduced from £1,722 in 2011/12 to £990 in 2012/13. As a result, quartile performance has improved from middle lower to upper quartile.
12. Performance benchmarking has also improved from middle upper to upper quartile as the number of customers satisfied with the quality of their home increased from 87.1% in 2011/12 to 87.6% in 2012/13.
13. Total costs per property (CPP) for Major Works and Cyclical Maintenance have reduced from £1,722 in 2011/12 to £990 in 2012/13 and as a result quartile performance has improved from middle lower to upper quartile.

Responsive Repairs and Voids

14. Total costs per property (CPP) for Responsive Repairs and Voids have reduced from £781 in 2011/12 to £722 in 2012/13 and as a result quartile performance has improved from lower to middle lower quartile. This can be directly linked with the change in repairs contract in April 2012/13.
15. Performance benchmarking has also improved as the number of calendar days taken to complete repairs reduced from 8.47 days in 2011/12 to 6.21 in 2012/13. This is a significant achievement due to the extreme floods experienced in June 2012.

Housing Management

16. The Housing Management function includes rent arrears and collection, resident involvement and consultation, anti-social behaviour, tenancy management and lettings.
17. Housing Management costs per property have remained consistent across all functions at £340.39 in 2012/13 when compared to £359.22 in 2011/12, with a middle lower quartile position being sustained.
18. Performance has increased in three of the five functions:

- Rent Arrears and Collection - Current Tenant Arrears collection improved from 2.21% in 2011/12 to 2.19% in 2012/13
- Resident Involvement - Tenant satisfaction that views were listened to increased from 70% in 2011/12 to 73.6% in 2012/13
- Tenancy Management - Tenant satisfaction with the overall service provided increased from 88% in 2011/12 to 89.1% in 2012/13
- Performance for Anti-Social Behaviour and Lettings remained consistently in the middle upper quartile

Estate Services

19. The Estate Management function includes caretaking, grounds maintenance, concierge services, estate cleaning and lighting, CCTV and communal cleaning. Costs per property for this function have remained in the upper quartile at £104 for 2012/13 when compared to £105 in, 2011/12.

Link to values

20. This report relates to the following value:
- Being honest, accountable and transparent

Impact on tenants

21. HouseMark benchmarking information provides valuable cost and performance information that can be used to benchmark our services against other housing providers.
22. Identifying which services are high cost and low performance and taking the appropriate action will lead to improvements in customer service delivery and budget management.

Risk Management Implications

23. Failure to use benchmarking data to identify those services that are under performing may result in customer satisfaction decreasing.

Financial Implications

24. Failure to identify those services that are expensive and under performing will result in unnecessary wastage of financial resources.

Equality and Diversity Implications

25. There are no Equality and Diversity implications associated with this report.

Value for Money Implications

26. HouseMark members acknowledge that average or higher than average costs are acceptable to further or achieve business objectives and can be justified in terms of high customer satisfaction or performance.

Health Implications

27. There are no Health implications associated with this report.

Environmental Implications

28. There are no Environmental implications associated with this report.

Consultation carried out

29. To allow for scrutiny of services, the Value for Money and Environmental Health Service Improvement Group (SIG) receive regular performance and budget information.
30. The report findings will be presented to the Value for Money and Environmental Health SIG at their next meeting to give customers the opportunity to scrutinise the Company's spend and performance against other housing providers.

Recommendation

31. The committee is recommended to note the findings of the report.