



**AGENDA ITEM:  
SUMMARY**

<b>Report for:</b>	<u>Housing and Communities Overview and Scrutiny Committee</u>
<b>Date of meeting:</b>	05 July 2017
<b>PART:</b>	1
If Part II, reason:	

<b>Title of report:</b>	Benchmarking and Performance Overview 2015/16
<b>Contact:</b>	Emily-Rae Maxwell – Policy and Participation Team Leader Elliott Brooks – Assistant Director Housing
<b>Purpose of report:</b>	The purpose of this report is to provide members with an overview of Dacorum’s Housing Service performance when benchmarked against a group of peers by HouseMark.  This report will include highlights and recommendations linked to the performance, satisfaction and cost of Housing Management, Responsive Repairs and Voids and Major Works and Cyclical Maintenance.
<b>Recommendations</b>	For members to consider the information presented and consider the performance of DBC when benchmarked against other social housing providers.  For members to note the areas of good performance and satisfaction of tenants and leaseholders.  For members to note the proposed recommendations for using the results of benchmarking to develop and improve the housing service.
<b>Corporate objectives:</b>	Monitoring the performance of the housing service through benchmarking supports the council to deliver the following corporate objectives; <ul style="list-style-type: none"> <li>• Providing good quality affordable homes, in particular for those most in need</li> <li>• Delivering an efficient and modern council</li> </ul>
<b>Implications:</b>	<u>Financial implication</u>

	<p>There is no financial implication.</p> <p><u>Value for money</u></p> <p>Benchmarking provides key comparisons with similar organisations, enabling understanding of strengths and weaknesses and underpinning an evidence based approach to resource allocation, cost reduction and target setting.</p> <p>Through membership with HouseMark, Dacorum’s housing service are able to effectively capture whether the service provides good value for money.</p> <p>This allows for a more informed approach to decisions made within the service.</p>
Risk Implications	Housing Risk Assessment is presented to the committee on a quarterly basis
Equalities Implications	This report is based on performance data and therefore has no equality implications
Health And Safety Implications	There are no direct Health and Safety implications.
Consultees:	<p>Elliott Brooks – Assistant Director, Housing</p> <p>Fiona Williamson – Group Manager, Property and Place</p> <p>Layna Warden – Group Manager, Tenants and Leaseholders</p> <p>Natasha Brathwaite – Group Manager, Strategic Housing</p>
Background papers:	Appendix 1 – HouseMark Peer Group
Glossary of acronyms and any other abbreviations used in this report:	DBC – Dacorum Borough Council

## 1 Introduction

- 1.1 The purpose of this report is to outline and analyse the performance of Dacorum's Housing Service in 2015/16 using the results of the HouseMark Benchmarking submission.
- 1.2 HouseMark is a leading provider in social housing data and insight. Membership with HouseMark provides Dacorum's with a suite of services which are tailor-made to help housing organisations deliver performance-driven change at both a strategic and operational level. This includes the opportunity to benchmark performance against other organisations.
- 1.3 This report will outline the benchmarking submission results for 2015/16 and will include; the performance, satisfaction and cost of Housing Management, Responsive Repairs and Voids and Major Works and Cyclical Maintenance.

## 2 Benchmarking

- 2.1 Dacorum Borough Council (DBC) recognises the importance of taking intelligence led approach to shaping services.
- 2.2 The Policy and Participation team are responsible for developing the housing services' use of information to improve the service by; understanding tenants' needs, identifying opportunities for efficiencies, monitoring value for money and facilitating the management of risk.
- 2.3 Monitoring performance internally is an essential part of identifying the effectiveness of the housing service against its own targets. To utilise this information further and gain insight DBC's housing service took part in the HouseMark Benchmarking information return.
- 2.4 Results from this submission were received in April 2017. It is important to note that all information included in this report is based on performance of the Housing Service in 2015/16.
- 2.5 DBC was compared to sixty-six other social housing providers across the country, all of which took part in the 2015/16 benchmarking submission. This peer group consists of other stock holding local authorities and was developed based on a comparison of the type and number of units within the stock.
- 2.6 Once the information is collected, HouseMark publish the results by placing organisations in the relevant quartile for each area of performance analysed. Quartiles are developed using the averages of the information. In addition to analysing performance against the averages for the peer group, results are ranked in order meaning DBC are able to identify where they are placed.
- 2.7 Due to differences in each organisation's submission of data, not all sixty-six peers will feature in the breakdown of each topic area. For the full list of peer organisations see appendix 1 – HouseMark Peer Group.

2.8 Using the results from the benchmarking submission, this report will outline and analyse DBC's performance for the following areas;

- Overall cost
- Housing Management
- Major Works and Cyclical Maintenance
- Responsive Repairs and Voids

### 3 Overall Cost

3.1 The overall cost of Dacorum's housing landlord service for 2015/16 was £35.79 million. The breakdown of this is as follows;

- £2.9 million on housing management
- £25.4 million on major works and cyclical maintenance
- £7.5 million on responsive repairs and voids

3.2 At the time of submission, DBC had approximately 10,260 homes. The cost per property to provide these services was £3,488.77.

3.3 A breakdown of this cost per property is as follows;

- £285.48 on housing management
- £2473.56 on major works and cyclical maintenance
- £729.73 on responsive repairs and voids

3.4 Whilst DBC is ranked 52 out of 67 for the overall cost of the housing service, a breakdown of this places the provision of housing management in the top quartile when compared to our peers.

3.5 When analysing the average rent per General Needs and Housing for Older People property there is a correlation between the cost of the service and the cost of living.

3.6 The average weekly rent for DBC tenants is £101.55.

#### 4 Housing Management

- 4.1 The cost of housing management for DBC is £2.9 million. This places Dacorum in the top quartile when compared our peer group. This includes collecting rent and managing arrears, carrying out lettings, managing tenancies and anti-social behaviour cases and tenant involvement.
- 4.2 This is significantly lower than the peer group and based on the breakdown of analysis indicates a need to explore whether further resources need to be invested into housing management. As mentioned, the cost per property for housing management is £285.48, this is lower than the average of the peer group at £350.47.
- 4.3 Staffing costs make up the bulk of housing management and the structure of teams within an organisation is the main factor explored within this submission when analysing performance. This is predominantly a result of generic roles vs specific roles and how they benefit or impact service areas in different ways.
- 4.4 Dacorum currently operates using specialist teams, these include; Income, Tenancy, Tenancy Sustainment, Supported Housing and Policy and Participation (who are responsible for Tenant Involvement).

#### 5 Rent arrears and income collection

- 5.1 £94.05 of the overall spend per property for housing management is on rent arrears and income collection. This is £8.92 less than the average for the peer group and places DBC in the second quartile group.
- 5.2 Current rent arrears for 2015/16 were 3.15% of rent due. This is 1% more than the average for our peer group. Whilst the service costs less than the average for the peer group, the higher percentage of rent arrears suggests a need to invest resources into supporting tenants to pay their rent and preventing them from falling into debt. A proposal to develop the service's approach to financial inclusion has been included in the 2017/18 service plan. This will also help to prepare tenants and the housing service for the changes introduced by Universal Credit.
- 5.3 Both former tenant rent arrears and gross arrears written off are in line with other organisations.
- 5.4 Overall the income collection for 2015/16 highlights a fairly good performance but indicates a need to explore ways of managing current tenant arrears and preventing further debt.

#### 6 Anti-Social Behaviour (ASB)

- 6.1 15 organisations did not submit any data for this part of the submission and therefore are not included in this analysis.
- 6.2 DBC spent a total of £256,705.20 on ASB in 2015/ 16. This equates to £25.02 per property which is £20.02 less when compared to our peer group.
- 6.3 DBC's housing service managed 384 cases in 2015/16 which was 222 less than the previous year. When compared to our peer group this is significantly less with the average of 673 cases per year. This contributes to the low cost of the provision of this service for Dacorum.

- 6.4 Additionally, crime rates in Dacorum are lower than national statistics, meaning the lower than average numbers of cases is not a result of tenants failing to report ASB. This suggests although the amount invested in resolving ASB for the housing service is lower than the average for the peer group, it is proportionate to the number of cases for DBC's stock size.
- 6.5 The total number of ASB cases for Dacorum in 2015/16 was 481. This would suggest only 20% of all logged ASB cases are non-tenant related.
- 6.6 Further analysis of DBC's performance shows the overall cost per case was £668.50 and it took on average 55 days for a case to be closed. This is 6 days less than 2014/15.
- 6.7 295 cases were reported as successfully resolved. 70 were reported as unresolved. 30 cases were opened during this benchmarking period but due to the timelines have continued into the 2016/17 submission. 125 of all cases were noise-related.
- 6.8 Whilst the report indicates DBC's resolution rate for ASB of 80.82% would appear in the bottom quartile when compared to our peers due to being ranked 36 out of 43; however, the results of the Survey of Tenants and Residents (STAR) for 2015/16 show that 92% of general needs tenants, 93% of supported housing tenants and 84% of leaseholders were satisfied with the housing service's approach to handling ASB.

## 7 Tenant Involvement

- 7.1 The cost of Tenant Involvement was £48.77; this is slightly higher than the average cost of our peer group which was £42.62.
- 7.2 DBC reported 25 changes to the service as a result of tenant involvement activities. This places us 6<sup>th</sup> out of 29. 38 peers did not submit data for this part of the submission. With a high number of peers not submitting information for Tenant Involvement, the actual cost of providing this service in comparison to our peers cannot be truly compared.
- 7.3 51 out of 62 organisations within the peer group have specialist teams for Tenant Involvement, 5 did not submit any data outlining their structure. Analysis shows organisations with a generic approach to tenant involvement have not then reported any changes to the service as a result of tenant involvement with only one organisation operating a 'generic' approach reporting 4 changes in total.
- 7.4 This suggests that although Dacorum appears higher in cost, the return on the investment from tenant involvement supports the service's wider commitment to continuous improvement and targeting resources to areas that reflect tenants' priorities and needs.

## 8 Tenancy Turnover and Lettings

- 8.1 Dacorum's tenancy turnover rate was 5.5%. This places DBC in the top quartile and a ranking of 13 out of 64 when compared to the peer group.
- 8.2 DBC's average re-let time was 27.8 days. This places us in the second quartile as the average for our peer group being 30.62 days.
- 8.3 The percentage of rent lost through voids was 0.44% which places DBC in the first quartile and a ranking of 6 out of 64 with the average for the peer group being 1.23%.

- 8.4 Further analysis indicates only 0.22% of our dwellings were vacant and available at any given time which is a total of 22 properties. The average for our peer group was 0.53%.
- 8.5 Overall tenancy turnover indicates a good performance across all contributing factors.

## 9 Asset Management

- 9.1 For the purpose of this report both Major Works and Cyclical Maintenance and Responsive Repairs and Voids will be analysed together rather than looking at them in isolation. This is to better reflect and understand the impact to the council adopting a Total Asset Management (TAM) approach.

## 10 Major Works and Cyclical Maintenance

- 10.1 The overall cost to provide Major Works and Cyclical Maintenance
- 10.2 The cost per property for Major Works and Cyclical Maintenance is £2473.56. This is in the bottom quartile when compared to our peers; however, it is important to note that Dacorum took the decision to proactively invest in Major Works through the TAM approach. This is based on the rationale that an effective maintenance programme will reduce future pressure on responsive repairs.
- 10.3 TAM gives the council more control over the works being undertaken in a property. TAM also allows the service to undertake the majority of repairs or maintenance that is required whilst a property is empty. This would prove difficult should the council have separate contractors and provides better value for money.
- 10.4 Further analysis of the peer group indicates those who have a lower cost per property for major works and cyclical maintenance generally are higher in cost for responsive repairs and voids.
- 10.5 Further work by Osborne Property Services Limited to develop a five year planned works programme will also ensure properties in most need of major works will be prioritised. This indicates this cost should reduce over the period of the contract.
- 10.6 The percentage of properties with valid gas safety certificates placed DBC in the top quartile with a 100% validity at the time of this submission.

## 11 Responsive Repairs and Voids

- 11.1 The overall cost of the responsive repairs and voids service was £7.5 million which places DBC in the third quartile with a ranking of 50 out of 67. When looking at the peer group stock size however a number of organisations have less than 5,000 homes and therefore the overall cost of the service is significantly less.
- 11.2 A breakdown of cost per property and per repair indicates the responsive repairs service delivered through the TAM contract with Osborne Property Services Limited is value for money.
- 11.3 In 2015/16 a total of 23,277 repairs were completed; 21,445 were routine repairs and 1,822 emergencies.

- 11.4 The cost per property for Responsive Repairs and Voids was £729.73 this places DBC in the second quartile when compared to the peer group. The average for the peer group was £766.85.
- 11.5 The number of repairs per property for Dacorum was 2.78. This is lower than the average for the peer group at 3.4 repairs per property and places DBC in the top quartile with a ranking of 14 out of 67.
- 11.6 The cost per repair for DBC is £113.57. The average cost per repair for the peer group was £119.18 placing DBC in the second quartile. This indicates the TAM approach provides good value for money through the responsive repairs service.
- 11.7 The percentage of repairs appointments kept was 97.51% placing DBC in the second quartile with a ranking of 16 out of 67.
- 11.8 Further value for money has been captured through the outsourcing of the responsive repairs and void works service. The overall cost to DBC to manage the responsive repairs service is £449,183 which equates to £43.70 per property. This is significantly lower than the average of £87.94 per property for the peer group and places DBC in the top quartile as the majority of costs for service provision are included in the TAM contract and provided by Osborne Property Services Limited.
- 11.9 The cost per property for the provision of the responsive repairs service is also lower than the average for the peer group. The cost per property for Dacorum is £315.95 whilst the peer group's cost is £435.40. This again reiterates the link between investing in major works leading to the reduction of responsive repairs.
- 11.10 As mentioned, the TAM approach offers the opportunity to undertake any repairs and maintenance required whilst a property is void as well as completing major works. The cost the service provision for DBC's voids is significantly higher than the peer group at £342.15 per property, as the average for the peer group is £178.29. This however, highlights the effectiveness of the TAM approach as it suggests a large number of repairs are completed during the void period minimising the impact to tenants. Additionally, this has little to no impact on tenancy turn over and re-let times as this has been highlighted as a key area of good performance for DBC.
- 11.11 The overall cost per property for the provision of responsive repairs and voids was in line with the peer group. This suggests the investment of resources is in service provision as opposed to service management. This links to the STAR results from 2015/16 which show that 85% of general needs tenants, 94% of supported housing tenants and 96% of leaseholders indicated they were satisfied with the quality of their home. This places us in the second upper quartile when compared to our peers.

## 12 Value for Money and Satisfaction

- 12.1 Overall, 94% of tenants and leaseholders were satisfied with the housing service based on the results of STAR.
- 12.2 93% of our general needs tenants said they were satisfied their rent provides value for money. This is a 3% increase when compared with the 2014 STAR results
- 12.3 98% of our supported housing tenants said they were satisfied their rent provides value for money. This is a 1% increase when compared with the 2014 STAR results.



- 12.4 79% of our leaseholders said they were satisfied their rent provides value for money. This is an 8% increase when compared with the 2014 STAR results. *(NB. the leaseholder question related to service charges rather than rent.)*
- 12.5 97% of our supported housing tenants said they were satisfied with their neighbourhood as a place to live. This is comparable to the 2014 STAR results.
- 12.6 90% of our leaseholders said they were satisfied with the overall their neighbourhood as a place to live. This is a 7% increase when compared with the 2014 STAR results.
- 12.7 When asked '*How satisfied or dissatisfied are you with your neighbourhood as a place to live?*' results showed:
- 12.8 92% of our general needs tenants said they were satisfied with their neighbourhood as a place to live. This is a 2% increase when compared with the 2014 STAR results.

### 13 Conclusion

- 13.1 The results of the HouseMark benchmarking submission show a number of areas of good performance for DBC.
- 13.2 Further to this, DBC were highlighted as both high performing and low cost, specifically in areas related to housing management.
- 13.3 Additionally, areas that were considered high cost such as Major Works reflected service decisions by DBC to proactively invest in properties with the aim to reduce demand in the future meaning high cost areas are not a result of poor performance.
- 13.4 Areas of success include:
- The total cost of Housing Management placing DBC in the top quartile whilst still maintaining a good performance
  - Rent loss due to empty properties as a % of rent due placing DBC in the top quartile with only 0.44% of rent lost
  - Percentage of properties with a valid gas safety certificate
  - Overall satisfaction from tenants and leaseholders with the service provided
  - Overall satisfaction from tenants and leaseholders with their neighbourhoods
- 13.5 Areas for improvement or further development include:
- Further analysis on the cost per activity under housing management including collecting rent arrears as a % of rent due
  - Further analysis on ASB including the resolution rates and approach to reducing tenant related ASB cases
  - Further development of the Major Works programme to ensure value for money is achieved
  - Further analysis on demand management to identify any correlation between tenants accessing all areas within the service and trend behaviours