

CABINET (HOUSING) COMMITTEE

30 January 2013

2011/12 PERFORMANCE BENCHMARKING REPORT - HOUSING SERVICES

REPORT OF HEAD OF HOUSING SERVICES

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RECENT REFERENCES:

CAB2287 (HSG) - Housing Revenue Account Budget 2012/13 and Business Plan - 2012/13 To 2042/43 dated 1 February 2012

CAB2235 - 2011/12 Performance Monitoring Outturn - Housing Revenue Account (HRA) Services

EXECUTIVE SUMMARY:

This report sets out the Council Housing Services performance information for 2011/12 benchmarked against 43 local authorities who still manage housing stock. The benchmarking report has been completed by Housemark, an independent body jointly owned by the Chartered Institute of Housing and the National Housing Federation.

The report demonstrates how the City Council's Housing Services compare with those local authorities both from a performance and unit cost viewpoint to provide an overall "Value for Money" assessment.

RECOMMENDATIONS:

That Cabinet (Housing) Committee notes the performance benchmarking information and considers whether further actions are required to address any areas of concern.

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1 Introduction

- 1.1 The City Council has for many years subscribed to Housemark, an organisation that undertake independent benchmarking assessments of all local authority landlords and registered providers. Housemark are jointly owned by the Chartered Institute of Housing and the National Housing Federation.
- 1.2 Housemark produce a number of reports annually, including one comparing all subscribing local authorities (see appendix). Another produced compares the City Council with all subscribing registered providers in the south east. In each case, they take performance and financial information provided by landlords and analyse and validate it to ensure consistent comparisons can be reported.
- 1.3 Summary information in relation to Housing Services can be viewed through the "Performance Dashboard" on the Council's website. The dashboard has a filter which allows the information to be amended for different peer groups.
- 1.4 Overall, the City Council compares well with the majority of services falling at least in the below average cost and above average performance. As with any benchmarking, results are subjective and can be interpreted in a number of ways. For example, Housemark would score the Council with the smallest spend on Major works as a top 25% performer. However it could be argued that reduced investment on properties could be a problem and not protecting the future of the housing stock.
- 1.5 A summary of results is included as Appendix 1 to this report. The full report forms appendix 2. It does run to 50 pages. A copy is available on the Council website through the following link, which can also be used to access the "Dashboard" referred to in 1.3 above:
<http://www.winchester.gov.uk/housing/council-housing-tenants/performance/>

2 Summary of Benchmarking Results

- 2.1 The Report breaks the results down by services. It also gives a breakdown by Cost and Quality. On Page 12 of the report (Appendix 1) there is a useful Value for money summary comparing cost and quality in services.

- 2.2 Statistics relevant to the Council housing services above, (based on the Housemark benchmark comparison of local authority landlords for 2011/12) include:

Direct Cost per Property of Housing Management

WCC = £162

Average = £190

Total Cost per property of major works

WCC = £1,017

Average = £1,261

Total Cost per property for Responsive Repairs

WCC = £605

Average = £687

Average Cost of a Void Repair

WCC = £1,662

Average = £2,114

- 2.3 Generally Winchester Housing Services perform well in most areas being either Top Quartile (Top 25%) or Above Average (within top 50%). There are however a few exceptions where Winchester is performing below average.
- a) Overhead Costs – both Key performance indicators for overhead costs indicate that Winchester is performing below average against other local authorities. Overhead costs as a percentage of adjusted turnover are below average whereas Overhead costs as a percentage of direct revenue costs are in the bottom 25%.
 - b) Responsive repairs and void works – the percentage of repairs completed on time are below average compared to our peers. A degree of caution is required though because this indicator only judges us against our own targets. The City Council has set relatively tough targets in line with many landlords. However, some authorities may not have such ambitious targets and consequently meet them a higher percentage of the time, thus resulting in them being assessed as one of the best performers.

E.g. We aim to repair emergencies within 2 hours – but only achieve it 90% of the time, another authority may set a target for the same type of repair within 24 hours – but they meet it 99% of the time.
 - c) Estate Services – The total cost per property of estate services is below average compared to our peers. It is not clear from the report whether this is because the City Council spends more on this area than others (estate improvement programme for example) or whether it is due to the percentage allocation of staff time needing review – the unit costs for housing management overall is below average. This must

also be balanced against the fact that the percentage of tenants satisfied with their neighbourhood as a place to live is in the top 25%.

2.4 The main areas improvements have been made since the 2010/11 results:

- a) The average time in days to re-let empty properties has improved from above average to top 25%. This has been down to continual review of processes to reduce the amount of time taken to re-let properties.
- b) Total Cost per property of Housing Management. The report shows that we have moved from below average performance to above average. The reason for the drop in unit cost is not immediately obvious and is currently being investigated, although is likely to relate to assumptions made on time allocation.

2.5 The full results can be viewed on the Council's website at:
<http://www.winchester.gov.uk/housing/council-housing-tenants/performance/>.
 A performance "dashboard" allowing easy review of the results is also available in the same section of the website.

3 Previous scrutiny of the Benchmarking report of Landlord Services Cost and Performance

- 3.1 An Informal Scrutiny Group appointed to review benchmarking data met in November 2010. The Panel noted the very positive comparisons for City Council cost and performance compared to other social landlords in the South East across a wide range of services.
- 3.2 The Group did ask the Head of Landlord Services to investigate one issue further. Whilst the overall investment in Major Repairs was low compared to other landlords, staffing costs were above average. This has now improved due to further investment in housing stock through the Major Repairs programme
- 3.3 The Group also noted areas where the City Council was not able to provide comparative data as part of the exercise, including information on Repairs Completed at First Visit and satisfaction with complaints and anti social behaviour cases. Systems are currently being developed to address this.
- 3.4 The Panel concluded that in light of the very positive comparative information presented, a further meeting of the Group was not required and that the additional information requested should be reported directly to the Scrutiny Panel once available.

4 Achieving Efficiencies and Reducing Operating Costs

- 4.1 Ensuring that the Council continues to deliver value for money to its tenants remains a key priority in the HRA Business Plan (see CAB2445(HSG) elsewhere on this agenda).

- 4.2 As part of this commitment, The Council continues to strive to reduce operating costs for all Housing Services wherever possible and has achieved a significant number of efficiencies in recent years. These include:
- a) Changes to sheltered housing schemes to reduce operating costs in line with Supporting People targets
 - b) 15% savings have been achieved through the recent tendering of gas servicing and gas installations
 - c) Overall numbers of staff in Property Services have been held static despite increasing annual budgets by over £4m
 - d) The provision of care services at Extra Care Housing was transferred to another provider earlier this year to reduce operating costs
 - e) The Temporary Accommodation team and the Homelessness team have been merged to reduce management costs and to improve outcomes and performance
- 4.3 Targets to achieve vacancy management savings have not been set for HRA services, as focus has been required on ensuring teams have adequate resources to deliver substantially increased programmes. However, this will be kept under review and it is likely that targets will be introduced in the near future.

OTHER CONSIDERATIONS:

9. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 9.1 The Community Strategy places emphasis on strong performance management. This report forms part of the quarterly performance and financial monitoring processes, designed to check progress being made against agreed targets.

10 RESOURCE IMPLICATIONS:

- 10.1 There are no direct resource implications the need to be considered as part of this report, although obviously ensuring strong performance in areas such as voids and arrears is essential to the financial health of the HRA.

11 RISK MANAGEMENT ISSUES

- 11.1 Risk management plans form an integral part of the HRA Business Plan and key risks have been assessed and actions are in place to mitigate those risks.

APPENDICES:

Appendix 1: Summary of Benchmarking Results 2011/12

Appendix 2: Housemark Local Authority Benchmarking Report 2011/12 (attached for members of the Committee only – can also be viewed via

[/www.winchester.gov.uk/housing/council-housing-tenants/performance/](http://www.winchester.gov.uk/housing/council-housing-tenants/performance/)

4. Your benchmarking results

4.1 Value for money summary

The following VFM summary has been provided to help you understand the relationship (VFM) between cost and performance across the main business activities for which we hold data.

Please note that the cost information shown on the left of the table is based on the total cost of each service, including allocated overheads.

Efficiency Summary for Winchester City Council						
Business Activity	Cost KPI	Cost KPI Quartile		Quality KPI	Quality KPI Quartile	
		Winchester City Council (2011/2012)	Winchester City Council (2010/2011)		Winchester City Council (2011/2012)	Winchester City Council (2010/2011)
Overheads	Overhead costs as % adjusted turnover			Overhead costs as % direct revenue costs		
Major Works & Cyclical Maintenance	Total CPP of Major Works & Cyclical Maintenance			Percentage of tenants satisfied with overall quality of home (GN & HFOP)		
				Percentage of dwellings failing to meet the Decent Homes Standard		
Responsive Repairs & Void Works	Total CPP of Responsive Repairs & Void Works			Percentage of tenants satisfied with the repairs and maintenance service (GN & HFOP)		
				Percentage of all repairs completed on time		
				Average time in days to re-let empty properties		
Housing Management	Total CPP of Housing Management			Percentage of tenants satisfied with overall services provided (GN & HFOP)		
				Percentage of tenants satisfied that views are being taken into account (GN & HFOP)		
				Current tenant rent arrears net of unpaid HB as % of rent due		
Development	Staff involved in standard units developed per 100 units			Percentage of residents satisfied with quality of new home, surveyed within 3 years of completion		
				Standard units developed as % of current stock		
Estate Services	Total CPP of Estate Services			Percentage of tenants satisfied with their neighbourhood as a place to live (GN & HFOP)		

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

The traffic light indicators use the convention that high performance and low cost are green (upper quartile). However, it is acknowledged that average or higher than average costs might be perfectly acceptable if they can be justified in terms of performance and/or user satisfaction.