

## Housemark Benchmarking Analysis Report 2014/15

### Introduction

This report summarises results from the HouseMark benchmarking exercise. It identifies how performance and cost compares with others and where it has improved or declined over the last year. Benchmarking is primarily used as a tool for internal performance management and self-assessment, and can be used to understand current levels of performance in comparison to other organisations. This in turn helps us to understand where we need to improve and how we can learn from other organisations.

The data behind the report, compiled by Derby Homes, is subjected to validation and quality assurance processes by HouseMark to ensure data integrity. In October 2015, HouseMark provided our Summary Annual Bespoke Benchmarking report detailing comparisons with open share organisation with between 10,000 to 15,000 stock in order to ensure that Derby Homes are compared to a similar group of providers. In total we have been benchmarked against 35 organisations for the 2014/15 report.

Following customer research undertaken in 2013, HouseMark have embarked on a three year improvement and refresh programme to their benchmarking services. As part of this programme the format of the report has changed and now includes an executive summary containing a Value for Money Scorecard.

HouseMark has also changed the format of the charts to move away from the 'league table mentality'. Charts in this report are now produced in the format of histograms, scatter graphs and boxplots. Histograms allow you to quickly and easily see the distribution of data for the whole of our peer group by grouping similar results together, while boxplots present comparative data of our position in relation to peers and the distribution of our peers. We have also maintained a link to the previous way of reporting results by providing some quartile information where appropriate.

As in previous years, there should be some caution when interpreting the results, as performance information is un-audited and organisations do not necessarily record costs and information in the same way. However, the results act as a valuable can-opener, highlighting areas where more detailed investigation and analysis may be useful.

The following table summarises the 2014/15 headline costs, performance and satisfaction data. Quartile symbols are presented for ease of interpretation but it should be noted that high costs do not necessarily represent a bad thing if this is in line with Derby Homes' objectives.

Headline measures	Your value	Quartile
Costs headlines		
Overheads as a % of direct revenue costs	23.2	
Total CPP of Housing Management	435.95	
Total CPP of Responsive Repairs & Void Works	648.94	
Total CPP of Major Works & Cyclical Maintenance	1,099.82	
Operational performance headlines		
Current tenant arrears as a percentage of rent due	1.90	
Rent arrears of former tenants as % rent due (excluding voids)	2.80	
Average re-let time in days (standard re-lets)	22.12	
Rent loss due to empty properties (voids) as % rent due	0.87	
Average number of calendar days taken to complete repairs	7.80	
Percentage of repairs completed at the first visit	No Data	
Percentage of dwellings that are non-decent at the end of the year	0.00	
Percentage of properties with a valid gas safety certificate	100.00	
Staff turnover in the year %	7.1	
Sickness absence average working days/shifts lost per employee	6.5	
Satisfaction headlines		
Satisfaction with the service provided (%)	86.0	
Satisfaction that views being listened to (%)	69.0	
Satisfaction with the repairs & maintenance service (%)	75.0	
Satisfaction with rent VFM (%)	82.0	
Satisfaction with quality of home (%)	77.0	
Satisfaction with neighbourhood (%)	77.0	

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

## Value for Money Scorecard

The following scorecard has been developed by Housemark as a business effectiveness tool that can be used to help understand and challenge organisational performance.

The data is set across four areas:

- Business Health – operating efficiency, profitability and maximising income
- People – getting the most out of our most important resource
- Process – effectiveness of key business processes
- Value – effectiveness of service outcomes.

Each area contains a number of indicators:

- Value – performance or cost value for 2014/15
- Previous – corresponding value for 2013/14
- Trend – how the rate of improvement between 2013/14 and 2014/15 compares with the rate of improvement of the peer group
- Median – the peer group median
- KPI – how actual performance for 2014/15 compares with the peer group.

The arrows show how Derby Homes' trend or performance relates to others in the peer group.

The **trend** arrow ascertains whether Derby Homes' rate of improvement is greater or less than the improvement of the peer group as a whole, this is shown in the following categories:

-  = The actual change in year on year costs shows that costs are decreasing more quickly (or increasing more slowly) than three quarters of the peer group
-  = The actual change in year on year costs shows that costs are decreasing more quickly (or increasing more slowly) than half of the peer group
-  = The actual change in year on year costs shows that costs are increasing (or decreasing) at the median rate for the peer group
-  = The actual change in year on year costs shows that costs are increasing more quickly (or decreasing more slowly) than half of the peer group
-  = The actual change in year on year costs shows that costs are increasing more quickly (or decreasing more slowly) than three quarters of the peer group

The **KPI** arrow (costs) compares Derby Homes' value to the median of the comparator group for each key performance indicator, shown as:

-  = Costs are lower than three-quarters of the peer group (lowest 25%)
-  = Costs are less than the average for the peer group
-  = Costs are equal to the median of the peer group
-  = Costs are higher than the average for the peer group
-  = Costs are higher than three-quarters of the peer group (highest 25%)

## Polarity

Trend and performance arrows for the **cost** measures in the scorecard are grey as they do not have a value polarity (e.g. high or low is neither good nor bad). Whereas low cost is generally considered to be good it may be that Derby Homes have chosen to invest more to achieve certain results. As such, the direction of arrows reflects simply the direction of cost i.e. an upwards arrow in the 'KPI' column reflects higher than median costs. An upwards arrow in the trend column indicates costs increasing faster than average for the peer group.



## **Business & Financial**

The key indicators in the business health and financial domain show the three main cost areas that make up the core landlord function – housing maintenance, housing management and overheads.

The direction of the arrows in the 'KPI' column indicates that the total cost per property of responsive repairs/void works, major works/cyclical maintenance and total overhead costs as a % of adjusted turnover are lower than three quarters of the peer group and that the actual change in our year on year costs are decreasing quicker (or increasing slower) than half of the peer group (more than three quarters of the peer group in the case of overheads).

Housing management costs are slightly higher than the median costs for the peer group but the actual change in year on year costs are increasing more slowly than half the peer group. The difference from the median is relatively small - £1.95 or 0.45% and includes additional posts created in preparation for welfare reform.

Performance on rent arrears and rent loss due to voids compares well to peers with results in the middle upper quartile (between 25% and 50%).

## **People**

The delivery of any organisation is heavily dependent on its biggest resource – its employees. It is not just about processes and systems; it is about effectiveness – where staff motivation and engagement are crucial. Key indicators in the people domain show that staff time lost to sickness has remained constant and this compares well to peers.

Staff turnover has decreased from 11.3% to 7.1% - the increase in 2013/14 is attributed to the changes from the TUPE transfer of support services staff from Derby Homes to Derby City Council and from Derventio for staff at Milestone House, staff turnover has now returned to normal levels.

A staff satisfaction survey was not carried out in 2014/15.

## **Process – rent arrears and re-lets**

The key indicators for this domain show how well the organisation's processes are working. Results show that Derby Homes' performance is either similar or better than the median of the peer group with the actual change in year on year performance in the middle upper quartile when compared to the peer group.

## **Value**

Key indicators in this domain are about the outcome (value for money) as judged by the tenants. 2014/15 results are showing that overall satisfaction with landlord has increased and the result is in the middle upper quartile compared to the peer group. The performance trend is upper quartile compared to peers. Satisfaction with neighbourhood remains below median, however there are a number of factors that impact on the satisfaction of this indicator, some of which Derby Homes has no influence.

It should be noted that the satisfaction figures used for the 2013/14 submission was from the 2012/13 survey as the approach used in 2013/14 was using a yes/no methodology which is not currently acceptable by Housemark.

## **Costs and Performance – Key Measures**

### **Housing Management costs per property**

Costs are in line with the median cost of £434 per property. This is especially pleasing considering that within the £436 total cost per property for Derby Homes is the investment in the Intensive Housing Management team (IHM) which costs approximately £33 per property – these costs fall under the separate Supporting People indicator for those organisations that retain a separate function. Our policy is to sustain that service within the housing management fee and therefore this level of spending is not unexpected. If the costs if IHM had continued to be charged elsewhere, our costs would have remained below median.

### **Major Works and Cyclical costs per property**

The very low major works and cyclical spend per property is because the HRA capital programme is at a relatively low spend stage of the 30 year cycle following the completion of the Decent Homes programme. Other organisations will still be completing this. It also reflects the good value for money that we obtain in our services in this area, particularly using the in house teams on certain works. A high or low result in this area is therefore a product of the value for money and underlying needs reducing costs and our investment increasing it, making it an indicator of spending but not of performance in itself.

### **Responsive Repairs and Voids costs per property**

There is a slight reduction in total costs per property compared to 2013/14. Last year saw an increase in the number of voids – approximately 200 more than the expected norm. This appears to have been a one off and the number of voids fell back in 2014/15 as predicted. Overall costs are still well below the median. This is partly down to the IT investment around handheld PDA's for repairs staff, re-procurement of materials & sub contractor contracts and the introduction of van stocks reducing the amount of unproductive time for operatives. Over the past few years productivity within the direct workforce has increased (from 3 jobs per day to 7).

### **Overheads**

Overhead costs should not be looked at in isolation – they need to be considered alongside the direct service performance.

Allocation of overheads are based according to staff time allocated to this indicator and reflects whether staff are office based and have access to IT facilities.

The Housemark system splits overheads into the following four categories as part of its overall overheads assessment:

- Office premises
- IT & Communication
- Finance
- Central & Other

These are shown in the table below:

KPI	% Turnover		% Direct Revenue		Per Employee £		Total Overheads Costs £	
	Result	Median	Result	Median	Result	Median	Result	Median
Office Premises	0.97	1.24	2.93	2.82	2,951	3,044	611,458	899,365
IT	3.00	2.61	9.12	6.02	5,507	5,048	1,900,849	1,754,301
Finance	0.99	1.37	3.01	3.01	1,673	2,144	627,440	872,645
Central	2.69	4.73	8.16	9.95	4,537	6,504	1,701,647	3,398,209

When measured in these other ways, overheads overall are sometimes higher, sometimes lower than the median. For instance, overheads as a % of our turnover are lower than median, as is the overhead per employee and total cost, whereas costs as a percentage of direct revenue are higher. Overall, our overhead costs remain reasonable and are not out of line with comparable organisations. The following table provides a breakdown of overhead costs for the last three years.

	Office premises costs % turnover	Office premises costs % direct revenue costs	Office premises cost per employee (office user) £	Total Office Premises costs £		IT costs % turnover	IT costs % direct revenue costs	IT cost per employee (IT user) £	Total IT costs £
<b>2012/13</b>	1.53	3.91	3,003	874,414	<b>2012/13</b>	3.20	8.17	5,351	1,825,735
<b>2013/14</b>	1.55	4.89	4,267	949,693	<b>2013/14</b>	3.27	10.28	5,489	1,996,804
<b>2014/15</b>	0.97	2.93	2,951	611,458	<b>2014/15</b>	3.00	9.12	5,507	1,900,849

	Finance costs % turnover	Finance costs % direct revenue costs	Finance cost per employee	Total Finance costs £		Central costs % turnover	Central costs % direct revenue costs	Central cost per employee	Total Central costs £
<b>2012/13</b>	1.00	2.56	1,393	572,955	<b>2012/13</b>	2.62	6.69	3,632	1,494,341
<b>2013/14</b>	0.82	2.59	1,268	503,654	<b>2013/14</b>	2.85	8.96	4,380	1,740,479
<b>2014/15</b>	0.99	3.01	1,673	627,440	<b>2014/15</b>	2.69	8.16	4,537	1,701,647

Costs increased in 2013/14 due to one off extra rental costs associated with moves from offices out of Cardinal Square and for the charges from DCC for the Council House. This has now reduced as expected.

The relatively high costs of IT have contributed to the good direct service performance detailed elsewhere in the report; this is consistent with previous years.

Finance and central overhead costs continue to be extremely low compared to the median.

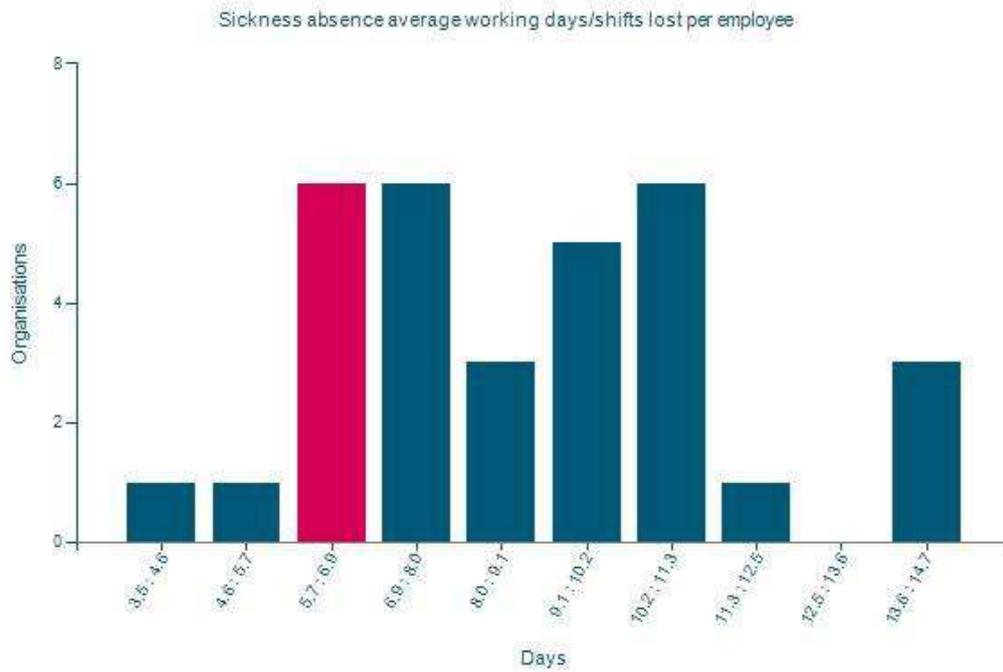
**Arrears** performance has been maintained despite the introduction of the under occupation charge. Current tenant arrears as a percentage of rent due are nearly half the level of the median, a sign of significant achievement.

**Rent loss through voids** has improved compared to 2013/14 and has now reached a new low of under 0.9%. The reduction in void losses from over 1.8% to under 0.9% over the last five years represents a gain in HRA income of around £0.5m a year for the Council. Void turnover has fallen, and this has also led to a reduction in spending on voids this year, reducing Derby Homes' costs.

## **Corporate Health**

Staff are a key asset to any organisation and the following data identifies how Derby Homes compares with regard to sickness absence and staff turnover. Satisfaction data was not available for this section.

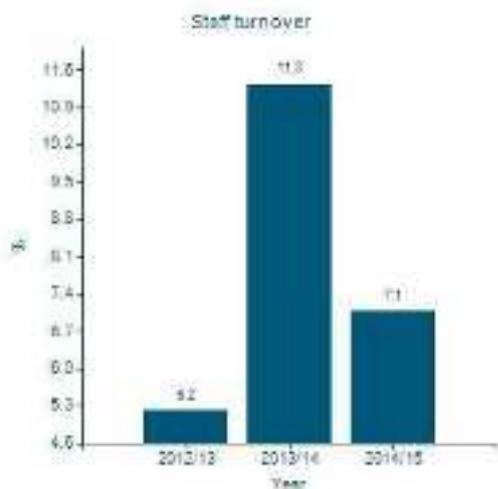
Staff absence includes long and short term sickness absence.



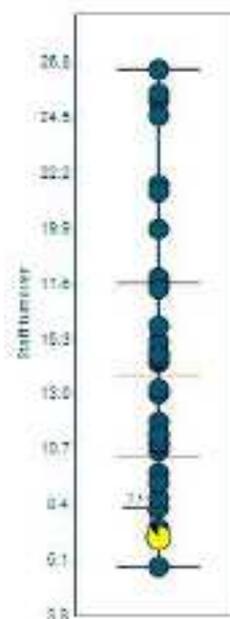
Staff time lost to sickness remains constant and Derby Homes continues to be in the first quartile when compared to our peers. The support available from Right Core Care plus the Attendance Incentive Scheme is thought to continue to contribute to the good performance.

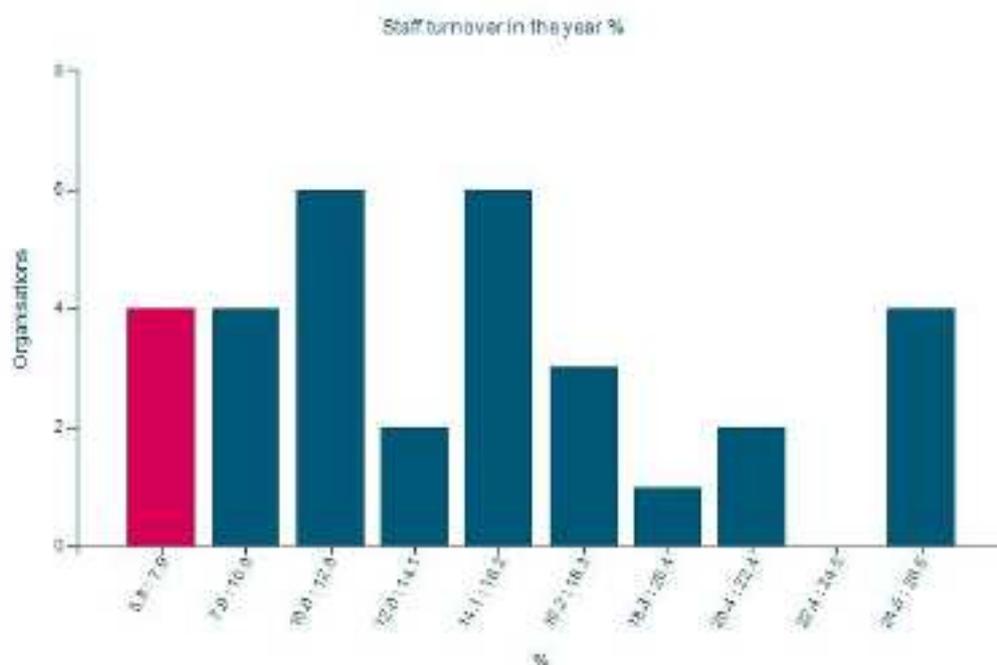
Staff turnover includes both voluntary and involuntary turnover.

Staff turnover has decreased from 11.3% in 2013/14 to 7.1% in 2014/15. The relatively high turnover in the previous year was due primarily to the staff that TUPE'd to the City Council (approx.24 staff) and new staff for Milestone House (13). Derby Homes are placed in the first quartile compared to the peer group.



Position in peer group





## Housing Maintenance

### Responsive Repairs and Void Works

All services provided as a social landlord are important, but tenants pay particular emphasis on receiving a cost-effective, high quality repairs and maintenance service. The benchmarking data shows that the total cost per property (CPP) of responsive repairs and void works is £649 and places Derby Homes in the first quartile compared to the peer group. This is a decrease of £2.13 from the total CPP in 2013/14 for Derby Homes compared to an average increase of £17.86 for the peer group.

Costs of a responsive repair has increased again this year (up from £146 to £184). During 2013/14 there was a change of policy around re-issuing jobs. Previously some jobs were re-issued after the initial assessment meaning that the same job effectively had two job numbers. Now the same job number is used all the way through the works even if there are additional works added later resulting in the total number of jobs falling (hence increased average job cost). It should be noted that there is an inconsistent approach to how job numbers are calculated across the Housemark group – with no pre-defined definition of what should be classed as one job.

KPI	Median	Quartile	2014/15	2013/14
Total CPP of Responsive Repairs	£534	Upper	£460	£453
Total CPP of Responsive Repairs (Service Provision)	£401	Middle upper	£391	£374
Total CPP of Responsive Repairs (Management)	£125	Upper	£68	£78
Average cost of a responsive repair	£129	Lower	£184	£146
Total CPP of Void Works	£235	Middle upper	£189	£199
Total CPP of Void Works (Service Provision)	£198	Middle upper	£157	£171
Total CPP of Void Works (Management)	£43	Middle upper	£32	£28
Average cost of a void repair	£2,432	Upper	£1,798	£1,656



Void costs are driven by a combination of the average costs of a void repair (costs in this area have increased but remain well below the median) and the volume of voids during the year. Total costs for management has increased slightly but is still well below average compared to our peers while total costs for service provision have decreased.

Cost per void repairs has increased by £142 which is lower than the average increase (£178) of the peer group between 2013/14 and 2014/15 and remains in the first quartile.

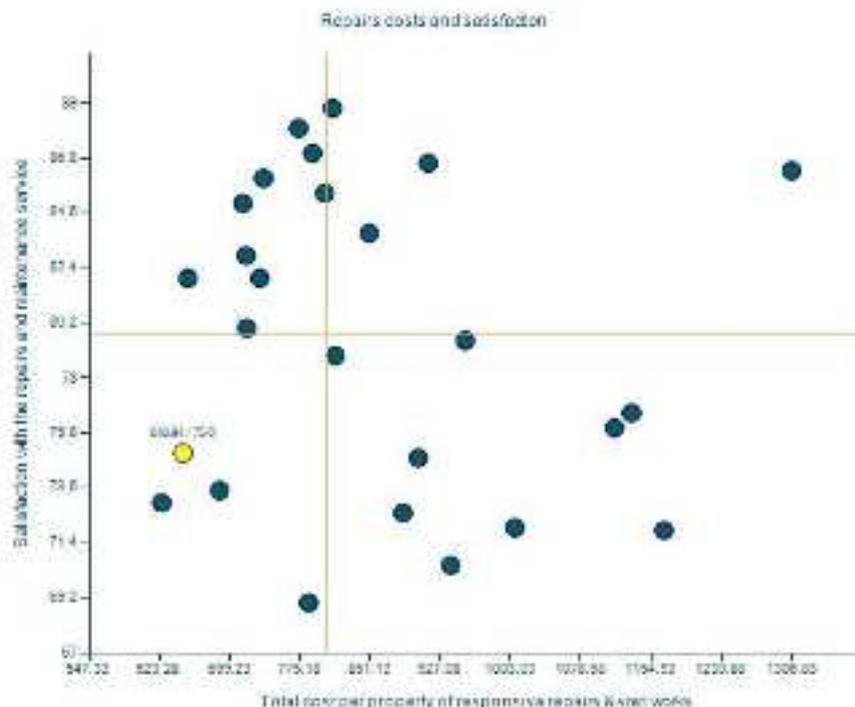
The average number of calendar days taken to complete repairs has increased from 7.5 in 2013/14 to 7.8 in 2014/15, an increase of 0.30 compared to an average increase of 0.16 for the peer group, and places Derby Homes in the second quartile. This increase can be attributed to the change in policy around re-issuing jobs as discussed previously.

Appointments kept as a percentage of appointments made has increased by 0.20% to 99.72% and places Derby Homes in the first quartile.

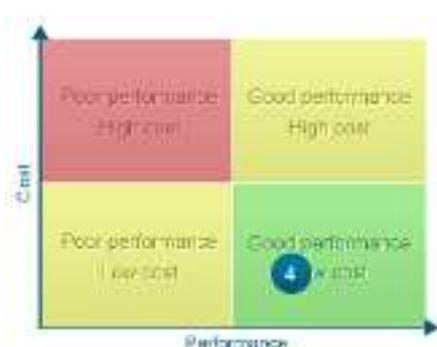
This is an indication of the modernisation of the repairs service which has resulted in increased productivity and efficiency. Performance on repairs is consistent, with similar completion times to last year.

It is critical at this point to mention the planned works element which will be attributing to the positive outcome of the repairs service, and the fact that Derby Homes has a dedicated customer service team for repairs. However, the main contributor to the excellent results will be the value from the in-house repairs team. 18 of the 35 organisations in the peer group also have DLO's.

The following scatter chart shows the correlation between repair costs and satisfaction compared to the peer group. Satisfaction with the repairs and maintenance service is 75% for 2013/14 placing Derby Homes in the third quartile.



## Major Works and Cyclical Maintenance



KPI	Median	Quartile	2014/15	2013/14
Total CPP of Major Works	£1,360	Upper	£751	£684
Total CPP of Major Works (Service Provision)	£1,225	Upper	£708	£639
Total CPP of Major Works (Management)	£88	Upper	£43	£44
Total CPP of Cyclical Maintenance	£294	Middle lower	£349	£397
Total CPP of Cyclical Maintenance (Service Provision)	£237	Middle lower	£303	£354
Total CPP of Cyclical Maintenance (Management)	£43	Middle lower	£46	£43

Major works and cyclical maintenance (investment) is split between client side costs (management) and contractor side costs (service provision). The total cost per property (CPP) for this area is £1,100 for 2014/15, placing Derby Homes in the first quartile. This is an increase in costs of £19 which is lower than the average increase of £31 compared to the peer group between 2013/14 and 2014/15.

The total costs of major works are way below the median levels and within the lowest in the peer group. Due to the completion of the Decent Homes standard, capital works are at a relatively low level at the moment. Costs are also contained by a number of these works now being delivered in house (such as kitchen & bathrooms, gas central heating etc.). However, costs in this area have increased by £67 between 2013/14 and 2014/15 compared to an average increase of £28 for the peer group.

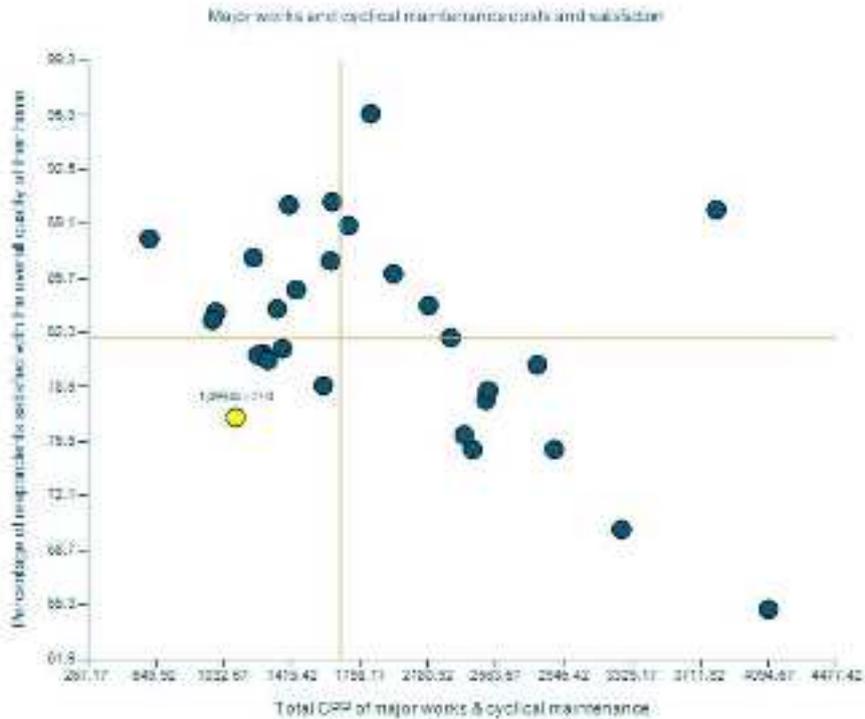
The total costs for cyclical maintenance is higher than median for the peer group but has decreased from £397 in 2013/14 to £349 in 2014/15 due to reduced expenditure on:

- fire alarm and equipment due to a revised specification of smoke alarms allowing for annual testing to be undertaken as part of the gas servicing visit which was previously undertaken by a separate contractor
- asbestos surveys (requirement varies each year)
- electrical testing, previous year includes catch up on annual inspections which was completed part way through 2014/15
- external painting due to delays to repairs prior to painting schemes, delay in subsequent painting works (weather dependent area)
- additional spend on repairs prior to painting.

However, costs have risen deliberately over the last couple of years as we have invested more in this area and will increase further as spending rises as a result of increased funding until 2017/18. There is an aim here to increase spending, not for the sake of it, but to improve the condition of properties and estates.

Percentage of dwellings that are non-decent, average SAP rating and dwellings with a gas safety certificate are all placed in the first quartile.

The following scatter chart shows the correlation between costs per property for major works and cyclical maintenance and tenant satisfaction with the overall quality of the home, along with Derby Homes' position in relation to the peer group.



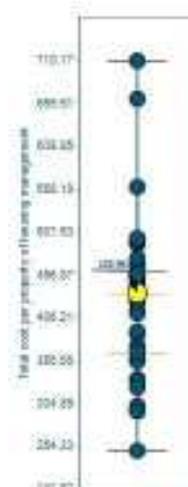
### Housing Management

The total cost per property of Housing Management shows the total costs of the housing management function, including direct employee costs, direct non-pay costs and allocated overheads expressed as a cost per property, and includes rent arrears and collection, resident involvement and consultation, anti-social behaviour, tenancy management and lettings.

It should be noted that we would expect to continue to see an increase in this area in future years as staff costs (which form the majority of these costs) increase because of planned employer pension contribution increases from 15% to 20% per employee.

The following table provides detail of the total and direct costs per property for Housing Management, including the five constituent parts of the Housing Management Service.

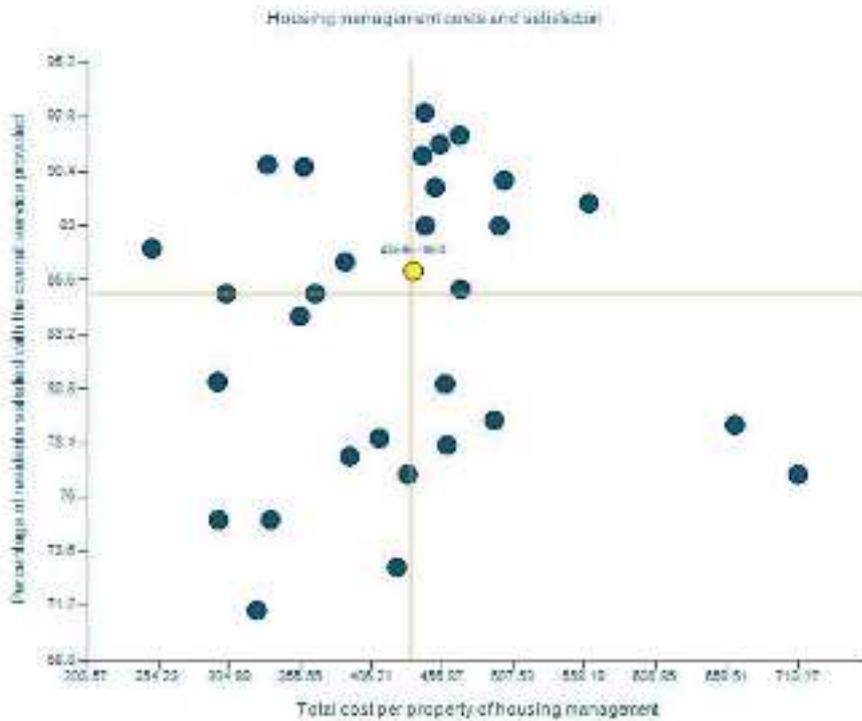
KPI	Median	Quartile	2014/15	2013/14
Total CPP of Housing Management	£434	Middle lower	£436	£429
Direct CPP of Housing Management	£267	Middle lower	£281	£262
Direct CPP of Rent Arrears and Collection	£80	Middle Upper	£79	£69
Direct CPP of Resident Involvement	£37	Middle Upper	£37	£31
Direct CPP of Anti-Social Behaviour	£40	Upper	£28	£26
Direct CPP of Lettings	£41	Middle Upper	£35	£37
Direct CPP of Tenancy Management	£61	Lower	£103	£99



Position in peer group

Derby Homes' total cost per property of housing management is £436 which places us in the third quartile when compared to the peer group. Total costs per property have increased by £7.00 between 2013/14 and 2014/15 which is slightly lower than the average increase of £9.39 for the peer group.

The costs relating to Tenancy Management include the IHM team (£33 per property) which accounts for most of the £42 extra cost per property compared to the median. This will be shown within Supporting People costs in other returns.



The above chart plots Derby Homes' total housing management costs per property against tenant satisfaction with landlord along with our positions compared to that of our peers.

**Rent Arrears and Collection**

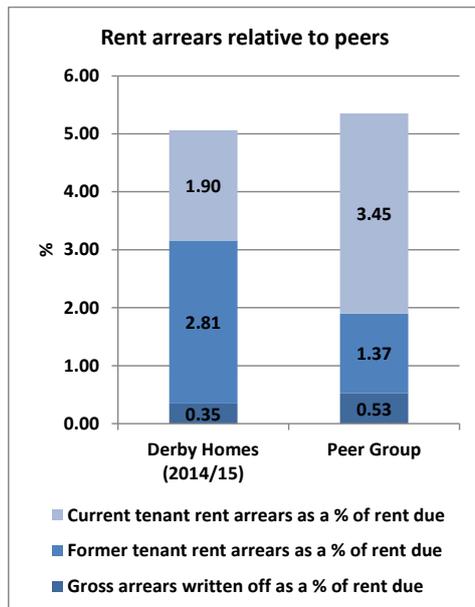
Performance on rent arrears compares well to peers, but continues to command increased resources in response to the challenges presented by welfare reform. The combined rent arrears as a percentage of rent due has increased by 0.02% between 2013/14 and 2014/15 compared to an average increase of 0.04% for the peer group.

KPI	Median	Quartile	2014/15	2013/14
Total cost per property of Rent Arrears and Collection	£124	Middle Upper	£123	£113
Direct cost per property of Rent Arrears and Collection	£80	Middle Upper	£79	£69
Current tenant arrears at the end of the year as a % of rent due	3.45%	Upper	1.90%	2.02%
Former tenant arrears at the end of the year as a % of rent due	1.37%	Lower	2.80%	2.66%
Total tenant arrears at the end of the year as a % of rent due	4.63%	Middle Lower	4.71%	4.69%
Gross arrears written-off as a % of rent due during the year	0.53%	Middle Upper	0.35%	0.45%
% of tenants evicted as a result of rent arrears	0.35%	Middle Lower	0.36%	0.64%



When analysing arrears, performance needs to be assessed across a range of different measures, which in turn is dependent on an organisations approach. For example a high number of evictions may have an adverse impact on former tenant arrears, though this could reduce if write-off levels were high.

The following stacked bar chart shows Derby Homes' full tenant arrears and write-offs compared to the peer group and the table below summarises Derby Homes' 2014/15 performance against the median:



Type of arrears	Derby Homes %	Median %
Current arrears	1.90	3.45
Former arrears	2.81	1.37
Write-offs	0.35	0.53
<b>Total</b>	<b>5.06</b>	<b>5.35</b>

This indicates that overall arrears levels for Derby Homes are below the median. The introduction of the Welfare Reform Act has not yet had the scale of impact that was forecasted in 2012/13, though this could be attributed to Discretionary Housing Payments and to the additional resources within this area.

It should be noted that the performance on current tenant arrears is very pleasing at 1.55% (approx £800,000) below the median. This is a real cashable benefit in additional rent being collected in the year.

On former tenant arrears, the relatively high percentage is because of the cumulative position on these arrears (built up over a number of years) being included in the figures each year. A more realistic measure would be to only include those new FTA's arising in the year. The practice within Derby on minimising write offs distorts this overall collection figure.

### Customer Engagement and Community Development



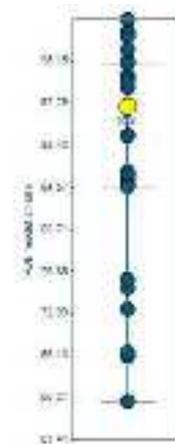
KPI	Median	Quartile	2014/15	2013/14
Total cost per property of Resident Involvement	£53	Middle Upper	£52	£48
Direct cost per property of Resident Involvement	£37	Middle Upper	£37	£31
% of tenants who are satisfied that their views are listened to and acted upon	67.0%	Middle Upper	69.0%	61.8%

The Housemark benchmarking data continues to identify Customer Engagement and Community Development as low cost with an improvement in performance – measured by % tenants satisfied with their views being taken into account and % diversity data held. There has been an increase in direct costs and total costs per property, though Derby Homes remains below median when compared to the peer group with average pay cost per direct resident involvement employee the lowest in the peer group.

The percentage of tenants who are satisfied that their views are listened to and acted upon has increased by 7.2% raising Derby Homes from lower quartile (2013/14) to middle upper quartile. The percentage of diversity information held also contributes to the performance indicator in this area. Currently Derby Homes only holds 62% diversity information which is amongst the lowest in the group. We have followed Housemark guidance when submitting this data and entered the percentage where we hold no data for the tenant and the tenant has not refused to provide the information. This will either be because we have not asked the tenant for the information or have not recorded the information in an appropriate place and relates primarily to disability, sexuality and religion and belief.

### Anti-Social Behaviour

KPI	Median	Quartile	2014/15	2013/14
Total cost per property of Anti-Social Behaviour	£60	Upper	£39	£37
Direct cost per property of Anti-Social Behaviour	£40	Upper	£28	£26
% of anti-social behaviour cases resolved successfully	89.38%	Middle Upper	92.01%	94.55%
% of respondents satisfied with case handling	81.04%	Middle Upper	No Data	82.0%
% of respondents satisfied with case outcomes	80.69%	Middle Upper	No Data	81.0%

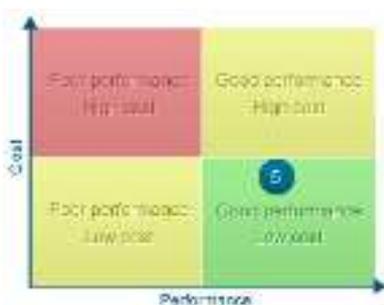


Position in peer group

There was a 40% increase in the number of ASB cases, however following a restructure this has resulted with only a 20% decrease in the cost per case. Increase in cases is largely due to changes in the way that cases are now recorded – this has meant that cases previously dealt with more informally (and not logged) are now being formally recorded. Derby Homes have not submitted data for customer satisfaction with case handling and outcome as this was not available in the 5 point scale format that Housemark require.

Derby Homes' ASB resolution rate has decreased by 2.54% between 2013/14 and 2014/15 compared to an average increase of 0.91% of the peer group but remains in the second quartile.

### Void Works and Lettings

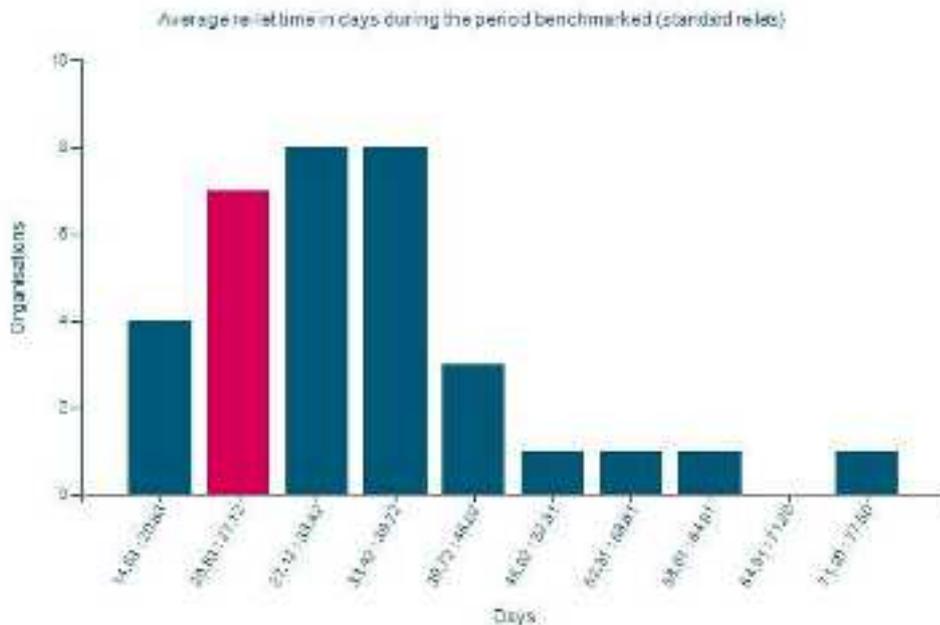


KPI	Median	Quartile	2014/15	2013/14
Total cost per property of lettings	£65	Middle Upper	£56	£61
Direct cost per property of lettings	£41	Middle Upper	£35	£37
Average time in days to re-let empty properties	31.77	Upper	22.12	24.12
Rent loss due to empty properties as a % of rent due	1.01%	Middle Upper	0.9%	1.2%

Overall lettings management is rated as good performance and low costs compared to our peers. Non pay costs in this area are above average but employee costs are low which is keeping overall costs down.

A key focus in this area is the rent loss due to voids performance which will be compared to business plan assumptions. Rent loss in 2014/15 decreased from 1.17% in 2013/14 to 0.87%, placing us in the second quartile when compared to our peers. This 0.30% decrease compares to the average decrease of 0.25% of the peer group.

Average re-let time has reduced from 24.12 in 2013/14 to 22.12 in 2014/15 and places Derby Homes in the first quartile.



It is important to look at these measures alongside tenancy turnover to assess the sustainability of new tenancies. Tenancy turnover has decreased by 1.61% from 10.32% in 2013/14 to 8.71% in 2014/15 and compares to an average decrease of 0.67% for the peer group.

### Tenancy Management



KPI	Median	Quartile	2014/15	2013/14
Total cost per property of Tenancy Management	£96	Lower	£165	£169
Direct cost per property of Tenancy Management	£62	Lower	£103	£99
Number of tenancies terminated as % of properties managed	8.89%	Middle Upper	8.71%	10.32%
% of respondents satisfied with the overall service provided	85.00%	Middle Upper	86.00%	83.40%

Tenancy management is rated as high costs and good performance. There are virtually no non-pay costs but tenancy management remains amongst the highest in employee costs. This is because of how IHM has been accounted for as previously highlighted. Derby Homes has a specialist approach to managing tenancies and this model is reflected in the overall objectives - therefore a higher expenditure is more acceptable.

## Estate Services

The reported expenditure in this area is above median with direct costs amongst the highest in the peer group. This is partially due to the change in contract of the communal cleaning and grounds maintenance contract to the Council for these services in March 2015. Initial set-up costs were incurred and also the associated teams are paid at living wage level. This will also have a comparative impact going forward on the 2015/16 figures.



KPI	Median	Quartile	2014/15	2013/14
Total cost per property of Estate Services	£200	Middle Lower	£209	£103
Direct cost per property of Estate Management	£163	Lower	£201	£95
% respondents very or fairly satisfied with their neighbourhood as a place to live	84%	Lower	77.0%	80.3%

Care should be taken when evaluating the satisfaction with neighborhood as there are a number of factors that impact on this indicator of which Derby Homes has no influence, and this specific service is only one element of that satisfaction level.

## Conclusion

Derby Homes continues to compare well amongst its peers. Using the Housemark Benchmarking data we can have a better understanding of value for money (VFM). Cost is plotted using the total cost per property of delivering a service (including overheads). Performance is plotted using an aggregate score of a selection of performance measures and are shown on the following dashboard:



1. Responsive Repairs and Void Works
2. Rent Arrears and Collection
3. Anti-Social Behaviour (not included as data missing)
4. Major Works and Cyclical Maintenance
5. Lettings
6. Tenancy Management
7. Customer Engagement and Community Development
8. Estate Services

Mapping our costs and performance results in key areas onto the Housemark VFM grid (above) we can see two patterns. Firstly, rent arrears and collection, major works and cyclical maintenance and lettings represent good value for money in relation to the comparatively low expenditure and high performance levels achieved. Secondly, estate services have higher costs than average coupled with below median performance which appears to suggest poorer value for money in comparison to the peer group. It is important to note though, that when viewing the dashboard above, care should

be taken as there are a number of factors which will be influenced, sometimes heavily, by a range of other features and more detailed analysis may be required.

We also need to ask if this is in line with Derby Homes' objectives. If, as with tenancy management, Derby Homes states that we are going to spend money in a particular area it may not be identified in the dashboard as value for money but would be achieving its objectives within the Delivery Plan.