

HouseMark Benchmarking Analysis Report 2015/16

Introduction

This report summarises results from the HouseMark annual benchmarking exercise. 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.

In September 2016, HouseMark provided our Annual Bespoke Summary Benchmarking Report that detailed comparisons with open share organisation with between 10,000 to 15,000 stock, this was to ensure that Derby Homes are compared to a similar group of providers. In total we have been benchmarked against 38 organisations for the 2015/16 report.

To make sure that the outputs of benchmarking meets the needs of the variety of subscribing organisations, HouseMark offers a range of formats for the reports and have moved away from the 'league table mentality'. Charts in this report are therefore now produced in the format of boxplots, stacked bar charts and scatter diagrams. The report also contains waterfall charts which show in detail the peer group trends for four of the headline housing management performance indicators. We have also maintained a link to the previous way of reporting results by providing some quartile information where appropriate. To maximise the outputs of the analysis the benchmarking comparisons have however been maintained, where appropriate, with previous years methodology, using the traditional quartile analysis.

The purpose of this analysis is therefore to present a summary of the latest performance and cost information, comparing Derby Homes with other housing organisations and also identifying any changing trends from previous years with the aim of supporting the delivery planning process for 2017/18 (including target setting).

It should be noted, that the data behind this report, compiled by Derby Homes, has been subjected to validation and quality assurance processes by HouseMark to ensure data integrity and improved comparability across areas. Despite this, as in previous years, there should be some caution when interpreting the results, as performance information is un-audited and organisations do not necessarily always 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 2015/16 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 'negative interpretation' if this is in line with Derby Homes' current objectives.

Headline measures	Your value	Quartile
Costs headlines		
Overheads as a % of direct revenue costs	24.7	
Total CPP of Housing Management	456.89	
Total CPP of Responsive Repairs & Void Works	694.87	
Total CPP of Major Works & Cyclical Maintenance	1,130.62	
Operational performance headlines		
Current tenant arrears as a percentage of rent due	1.94	
Rent arrears of former tenants as % rent due (excluding voids)	3.18	
Average re-let time in days (standard re-lets)	22.95	
Rent loss due to empty properties (voids) as % rent due	0.88	
Average number of calendar days taken to complete repairs	8.50	
Percentage of repairs completed at the first visit	NoData	
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 %	8.8	
Sickness absence average working days/shifts lost per employee	7.2	
Satisfaction headlines		
Satisfaction with the service provided (%)	90.0	
Satisfaction that views being listened to (%)	80.0	
Satisfaction with the repairs & maintenance service (%)	NoData	
Satisfaction with rent VFM (%)	87.0	
Satisfaction with quality of home (%)	79.0	
Satisfaction with neighbourhood (%)	81.0	

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 & Financial – 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 2015/16
- Previous – corresponding value for 2014/15 (where available). (Please note that this has not been uplifted in line with inflation)
- Trend – how the rate of improvement between 2014/15 and 2015/16 compares with the rate of improvement of the peer group (where previous year data is available)
- Median – the peer group median
- KPI – how actual performance for 2015/16 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:

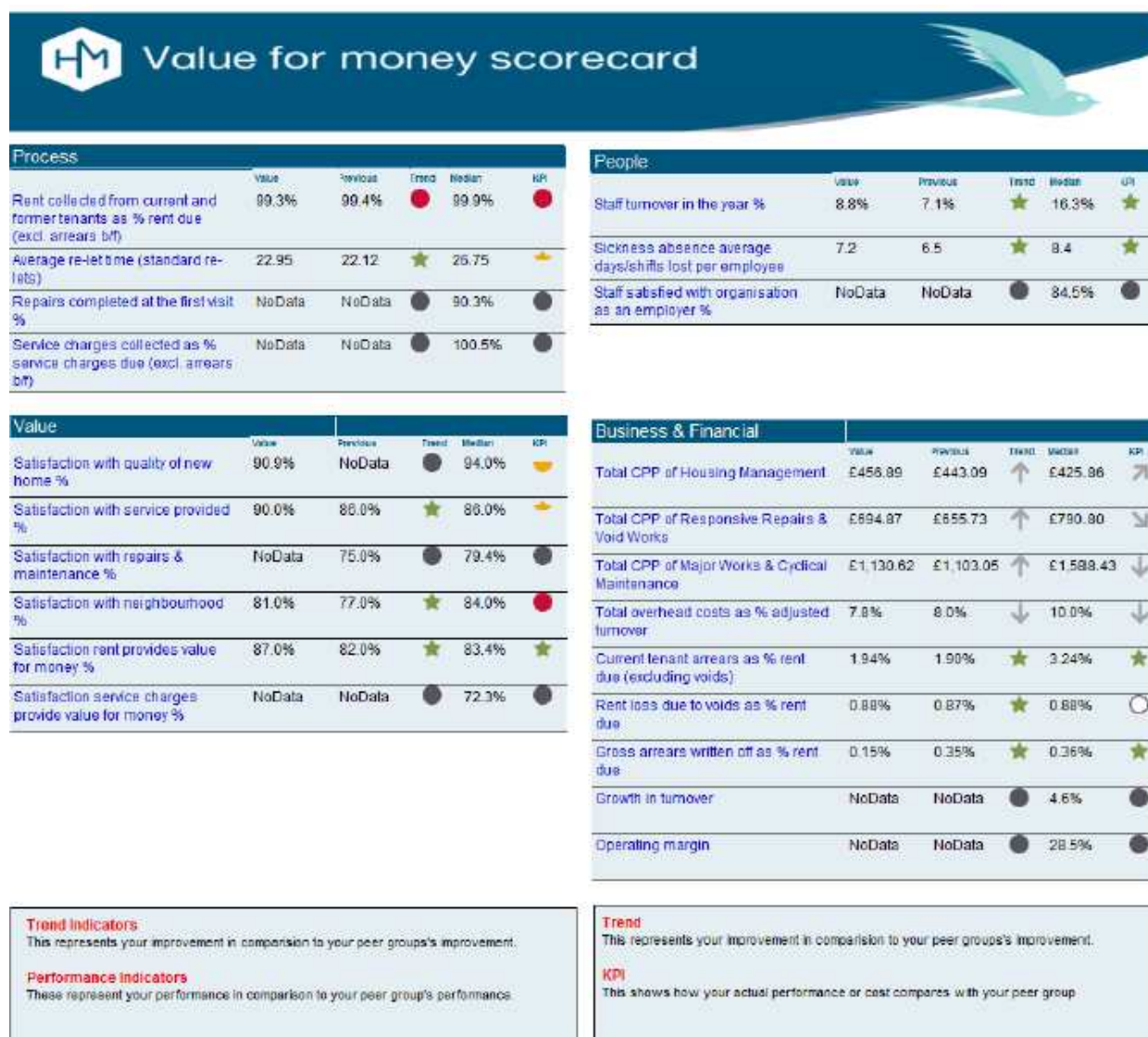
-  = The actual change in year on year costs shows that costs are decreasing more quickly (or increasing more slowly) than three quarters of the peer group
-  = The actual change in year on year costs shows that costs are decreasing more quickly (or increasing more slowly) than half of the peer group
-  = 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 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 (CPP) of responsive repairs/void works, major works/cyclical maintenance and total overhead costs as a % of adjusted turnover are lower than the median of the peer group (lower than three quarters of the peer group for major works/cyclical maintenance and total overhead costs as a % of adjusted turnover). The actual change in our year on year costs are however increasing more quickly than three

quarters of the peer group for responsive repairs/void works and major works/cyclical maintenance and decreasing more quickly for total overhead costs as a % of adjusted turnover.

Housing management costs are slightly higher than the median costs for the peer group and the actual change in the year on year costs are increasing more quickly than three quarters of the peer group.

Performance on current rent arrears and rent loss due to voids continues to compare well to peers with results for rent arrears in the upper quartile (top 25%) and rent loss due to voids equal to the median of the peer group.

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.

Despite the fact that staff turnover has increased slightly from 7.1% to 8.8%, it remains in the upper quartile of the peer group.

A staff satisfaction survey was not carried out in 2015/16.

Process – rent arrears and re-lets

The key indicators for this domain show how well the organisation's processes are working. Results overall show that there is very little change in performance compared to the previous year for both rent collected and average re-let time.

Performance for rent arrears is in the lower quartile of the peer group (between 75% and 100%) and the year on year performance is also within the lower quartile when compared to our peers.

Average re-let times remains positive and performance is in the upper quartile of the peer group (top 25%).

Value

Key indicators in this domain are about outcomes (value for money) as judged by the tenants. 2015/16 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 in the upper quartile compared to peers.

Satisfaction with neighbourhood has also increased although overall performance is in the lower quartile. It should however be noted, there are a number of factors that impact on the satisfaction of this indicator, some of which Derby Homes has no influence upon.

Costs and Performance – Key Measures

Housing Management costs per property

The total cost per property has slightly increased from £443 in 2014/15 to £457 in 2015/16 an increase of £14

The reason for the increase is the higher employers pension costs, now at 20%, (previous year 15%). This accounts for approximately £18 per property.

Without the pension change there would have been a reduction as the number of full time equivalent (FTE's) has fallen by three.

Overall costs are around £30 per property above the median and there are two main reasons for this ...

- 1) On average Derby Homes have 9.5 FTE Housing Management staff per 1,000 properties (only one out of the 39 comparators has more, with an overall average of 7.5 FTE's).
- 2) Derby Homes pension costs at 20% will be higher than most of the comparators, particularly Housing Associations who may not have Local Government Pension Scheme (LGPS) deficits to fund.

The average salary (inclusive of on-costs) however is the second lowest at £28.5k, against the average of £32k

It is worth noting that the Housing Management cost per property does not include the "Intensive Housing Management" team as the HouseMark definition still includes their functions under Supporting People works. However a Supporting People CPP is not included because there is no other data (grant income and KPI's) entered on this area. If they were to be included then the 17.6 whole time equivalent (FTE) team costing of £510k would add approximately £38 per property to the £457 CPP shown here for "General" Housing Management functions.

Arrears performance has been managed well despite the introduction of welfare reform. Current tenant arrears as a percentage of rent due are nearly half the level of the median, a sign of significant achievement.

Headline performance on former tenant's arrears is however bottom quartile and this is explained further in the main Arrears section.

Rent loss through voids continues to remain positive at under 0.9%, the median level. The reduction in void losses from over 1.8% to under 0.9% over the last six years represents a gain in HRA income for the Council. Void turnover has fallen for the second year placing Derby Homes in the second quartile.

Average void days on standard lets of 23 days, is Q2 performance, whereas 91 days for passive voids is Q4 performance.

A balance between rent generation of, for example, £12 per day has to be considered against the costs of when works can economically be scheduled to be undertaken.

Major Works and Cyclical costs per property

The 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.

The CPP in 2015/16 was £1,131, an increase of £28 from 2014/15. This was mainly due to extra works undertaken on the catch up element of the Repairs Prior / Internal & External painting programmes. This will decrease in 2017/18 once the 5 year catch up programme has been completed.

The majority of these works are undertaken by contractors; hence the pension scheme increase has not made a material impact on this area.

Responsive Repairs and Voids costs per property

The CPP of £695 in 2015/16 was £39 higher (6%) than 2014/15.

The employers contribution increase to the pension scheme (£229,000) accounts for £17 of the increase.

There were however additional costs in 2015/16 on gas breakdowns to cover staff shortages, increased spending on scaffold hire and costs associated with the emergency control valves in flats and replacement of gas fires with electric fires.

Additionally the service suffered with a number of IT problems (around the handhelds) which would also have also affected productivity.

Despite this, overall costs are still way below the median of £791, but they now fall within Quartile 2 (2014/15: Quartile 1).

Overheads

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

Overheads are generally a combination of employee costs (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), and non-pay costs. Although it is usually preferable to have low overheads, the right level of investment is fundamental to supporting front line activities effectively.

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

- Office premises - overall Q1 ranking
- IT & Communication – Q3
- Finance –Q2
- Central & Other – Q1

These are shown in the table below:

KPI	Per Employee £		Total Overheads Costs £'000	
	Result	Median	Result	Median
Office Premises	2,572	3,422	561	1,020
IT	5,432	5,119	1,833	1,655
Finance	1,916	2,253	708	924
Central	5,471	6,976	2,021	3,307

The relatively low office costs represent the accommodation savings that have been made since the move out of the Council House and investment in London Road depot.

IT costs are consistent with expectations due to the investment that this area has in service delivery.

Finance and central costs (inclusive of Derby City Council (DCC) support services) are relatively low. This is particularly strong considering that these teams operate within centralised teams in both DCC and Derby Homes enabling service teams to concentrate time on service issues.

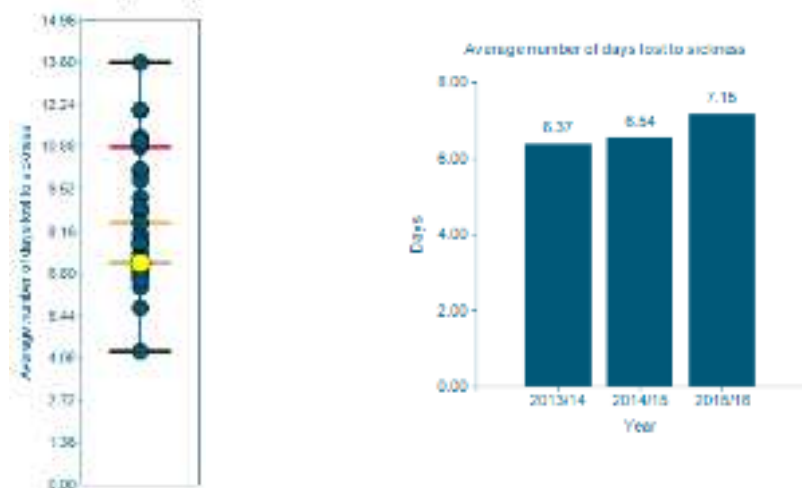
Overall the overheads remain reasonable and are not out of line with comparable organisations.

Corporate Health

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

Staff absence includes long and short term sickness absence.

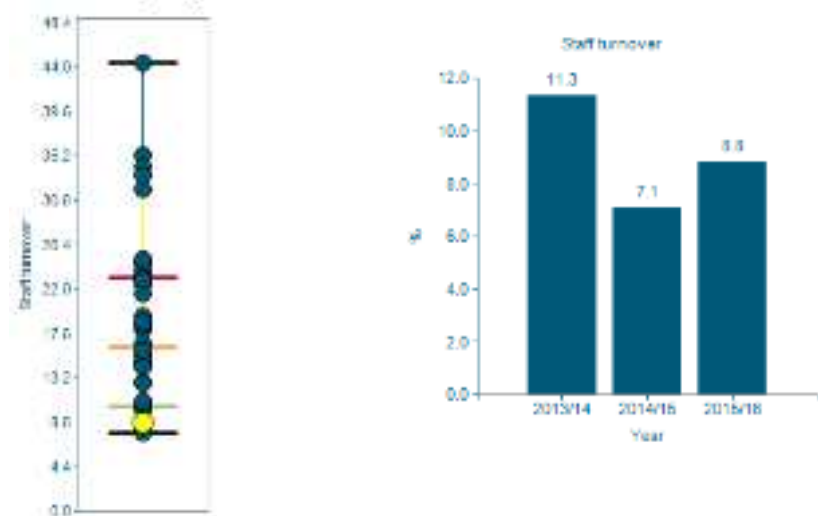
Position in peer group



There has been a slight increase in the average number of working days lost due to sickness. The increase of 0.61 compares to the average increase of 0.16 of the peer group, however Derby Homes remains in the first quartile.

Staff turnover, which includes both voluntary and involuntary turnover, has increased from 7.1% in 2014/15 to 8.8% in 2015/16. We would consider this a moderate increase for an organisation of this size and this is upper quartile performance compared to our peer group for whom median performance is 16.28%.

Position in peer group



Housing Maintenance

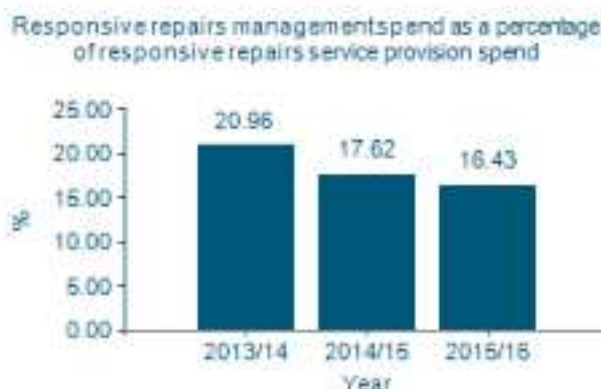
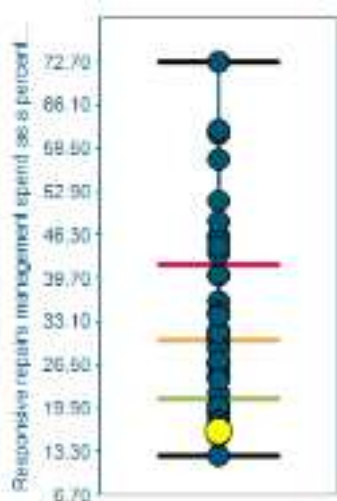
Responsive Repairs and Void Works

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 £695 and places Derby Homes in the second quartile compared to the peer group. This is an increase of £39 from the total CPP in 2014/15 for Derby Homes compared to an average increase of £5.72 for the peer group. Reasons for this are shown on page 7.

KPI	Median £	Quartile	2015/16 £	2014/15 £
Total CPP of Responsive Repairs & Void Works	791	Middle upper	695	656
Total CPP of Responsive Repairs (Service Provision)	407	Middle lower	431	395
Total CPP of Responsive Repairs (Management)	121	Upper	71	70
Average cost of a responsive repair	124	Lower	182	186
Total CPP of Void Works (Service Provision)	187	Middle upper	159	158
Total CPP of Void Works (Management)	40	Middle upper	34	33
Average cost of a void repair	2,415	Middle upper	2,237	1,817

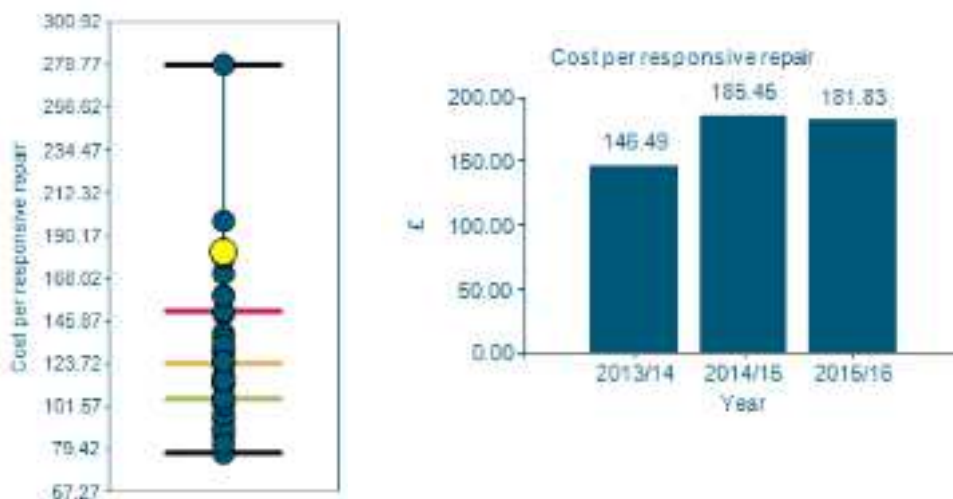


The following charts show the management costs as a percentage of service provision spend for responsive repairs. The responsive repairs management spend as a percentage of responsive repairs service is 16.43% and places Derby Homes in the first quartile. The spend has decreased by 1.19% and compares to a position of 'no average change' for our peer group.



There has been an 11.27% increase in the average number of repairs per property from 2.13 in 2014/15 to 2.37 in 2015/16 due to a significant increase in roofing jobs, which has meant that we

have taken on a new team to carry out the works. We will be analysing the areas in which we have been working in order to formulate a more comprehensive re-roofing programme through our planned maintenance teams going forward. Further to this, more recently we have employed a new two person fencing team that have carried out more works around the city on a reactive basis. This partly explains the increase in scaffolding costs, which have contributed to an increase in overall costs. Overall, the job numbers per property is upper quartile performance compared to our peer group for whom median performance is 3.25.



Costs of a responsive repair have decreased slightly this year (from £186 to £182) and we remain in a lower quartile performance. It should however 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. From a Derby Homes perspective we don't compare the average cost per job figure due to the inconsistent basis that users record a job. Even within Derby Homes a few years ago a 'single' job may have had say five jobs raised against it for each of the trades working on it, now it has one. Naturally this artificially increases the average cost per job. In reality the total workload has remained relatively consistent.

What is important is the cost per property indicator which is how Derby Homes truly compares with others in the benchmarking group. This is explained on page 7.

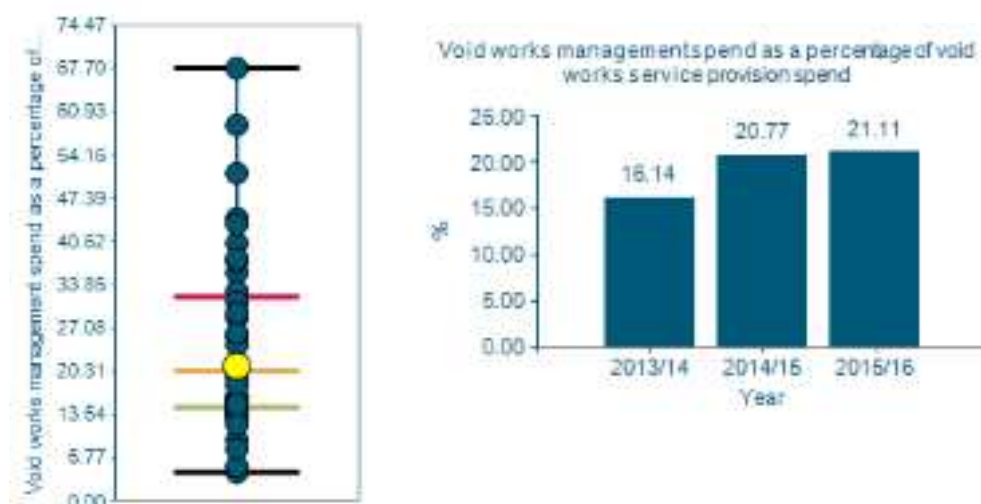
Performance on repairs is consistent, with similar completion times to last year.

The average number of calendar days taken to complete repairs has increased from 7.8 in 2014/15 to 8.5 in 2015/16, an increase of 0.70 compared to an average decrease of 0.09 for the peer group, and places Derby Homes in the second quartile.

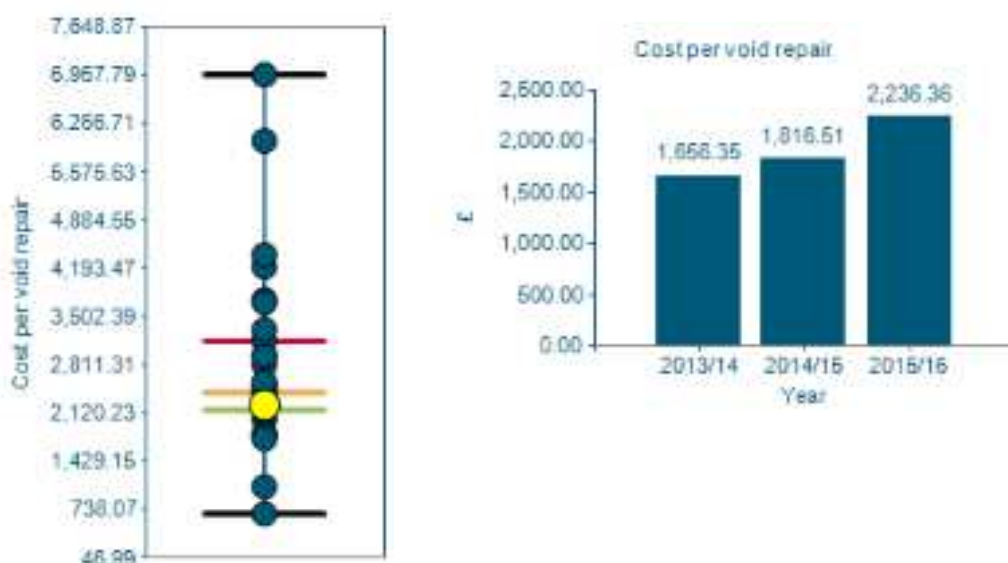
Appointments kept as a percentage of appointments made has also decreased by 0.05% to 99.87% but we remain in the first quartile. This decrease compares to an average increase of 0.01% for the peer group.

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 and service provision has increased slightly but is still well below average when compared to our peers.

The following charts identify that the void works management spend as a percentage of void works service provision has increased from 20.77% in 2014/15 to 21.11% in 2015/16, an increase of 0.34% and places Derby Homes in the third quartile when compared to our peers.



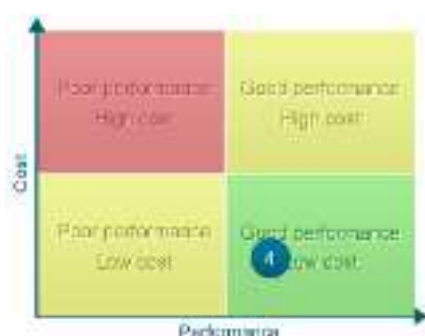
Cost per void repairs has increased by £420 and compares to an average increase of £121 for the peer group between 2014/15 and 2015/16 and places us in the second quartile. This can be attributed to the total number of void properties in the year which decreased from approximately 1200 in 2014/15 to approximately 920 in 2015/16. The costs of the voids repair team is relatively fixed (staffing), hence the average cost per void increase is as a result in the reduction in number of void properties in the 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 presented will be the value from the in-house repairs team. Please note that 23 of the 39 organisations in the peer group also have direct labour organisations (DLO's).

We are unable to show the correlation between repairs costs and satisfaction as the satisfaction data for repairs was not available.

Major Works and Cyclical Maintenance

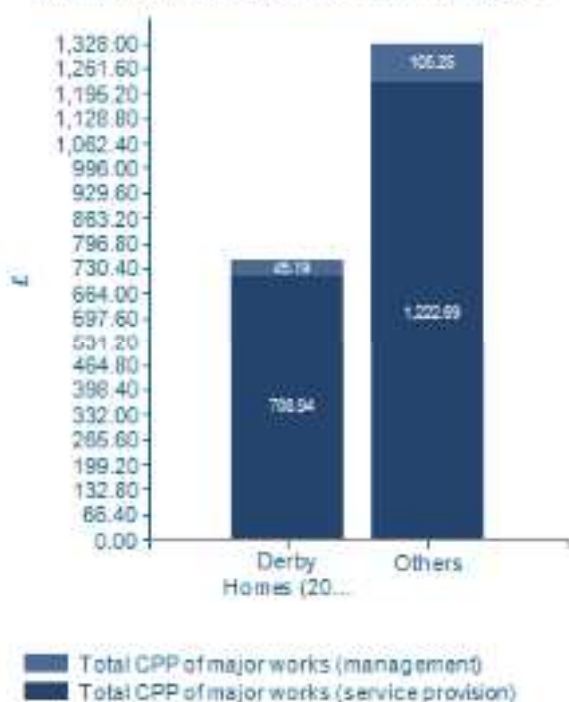


KPI	Median £	Quartile	2015/16 £	2014/15 £
Total CPP of Major Works (Service Provision)	1,183	Upper	709	708
Total CPP of Major Works (Management)	105	Upper	45	43
Total CPP of Cyclical Maintenance (Service Provision)	247	Lower	323	305
Total CPP of Cyclical Maintenance (Management)	49	Middle lower	54	46

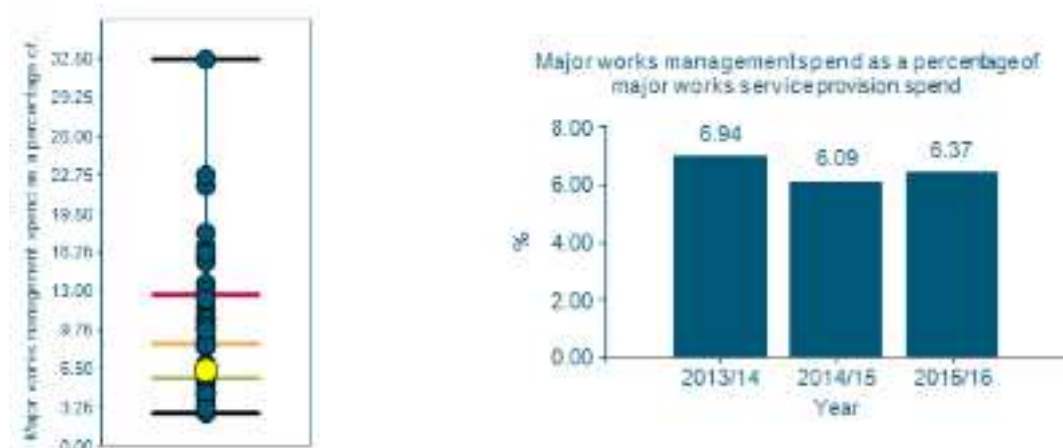
Major works and cyclical maintenance (investment) is split between client side costs (management) and contractor side costs (service provision). The total cost per property (CPP) for this area is £1,131 for 2015/16, placing Derby Homes in the first quartile. This is an increase in costs of £28 which is higher than the average increase of £10 compared to the peer group between 2014/15 and 2015/16. This is mainly due to the works relating to timing profiling of the catch up programme of cyclical works due to end in 2017/18 (this accounts for £15 CPP).

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.). Costs in this area have increased by £2.49 between 2014/15 and 2015/16 compared to an average increase of £9.68 for the peer group.

Major works total costs per property relative to peers



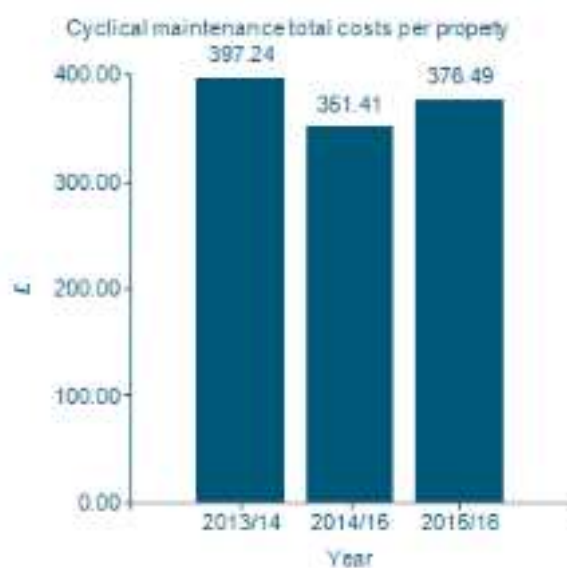
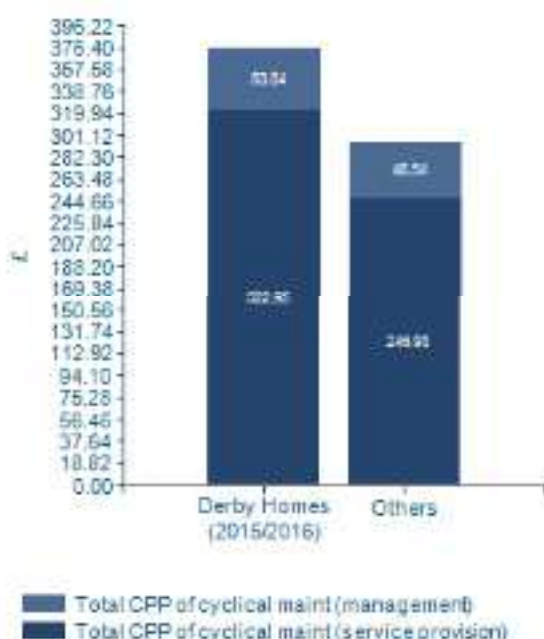
The following charts identifies that the major works management spend as a percentage of major works service provision has increased from 6.09% in 2014/15 to 6.37% in 2015/16, an increase of 0.28% and places Derby Homes in the second quartile when compared to our peers.



The total costs for cyclical maintenance per property is higher than the median for the peer group, increasing from £351 in 2014/15 to £376 in 2015/16 due to increased expenditure on this area as part of a two year catch up programme of approximately £200,000 on external painting and Repairs Prior to Painting.

The increase of £25 compares to an average increase of £2.54 for the peer group between 2014/15 and 2015/16.

Cyclical maintenance total costs per property relative to peers

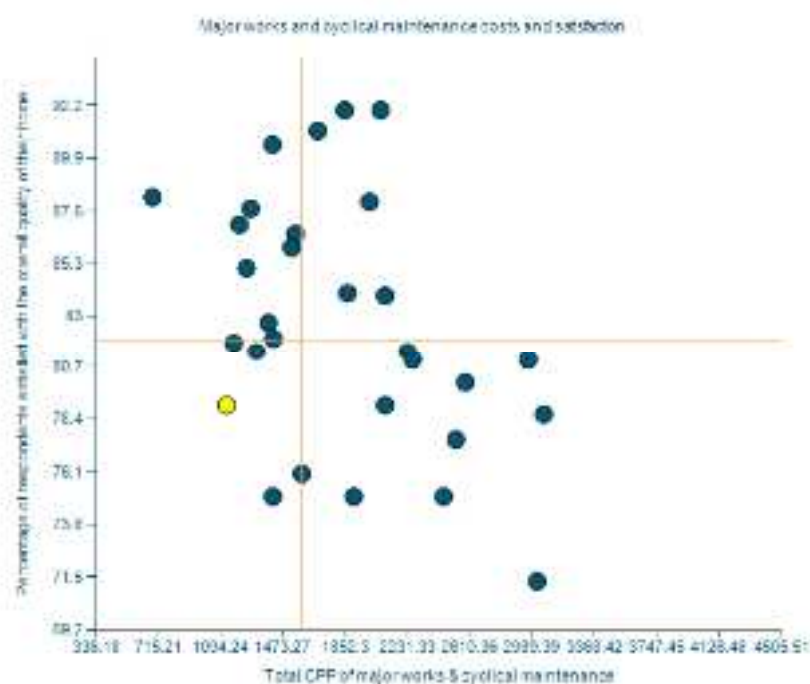


The following charts identifies that the cyclical maintenance management spend as a percentage of cyclical maintenance service provision has increased from 15.22% in 2014/15 to 16.58% in 2015/16, an increase of 1.36% and places Derby Homes in the second quartile when compared to our peers.



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.



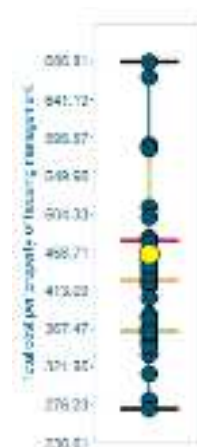
Housing Management

Housing management is a core landlord function. 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. It also includes rent arrears and collection, resident involvement and consultation, anti-social behaviour, tenancy management and lettings.

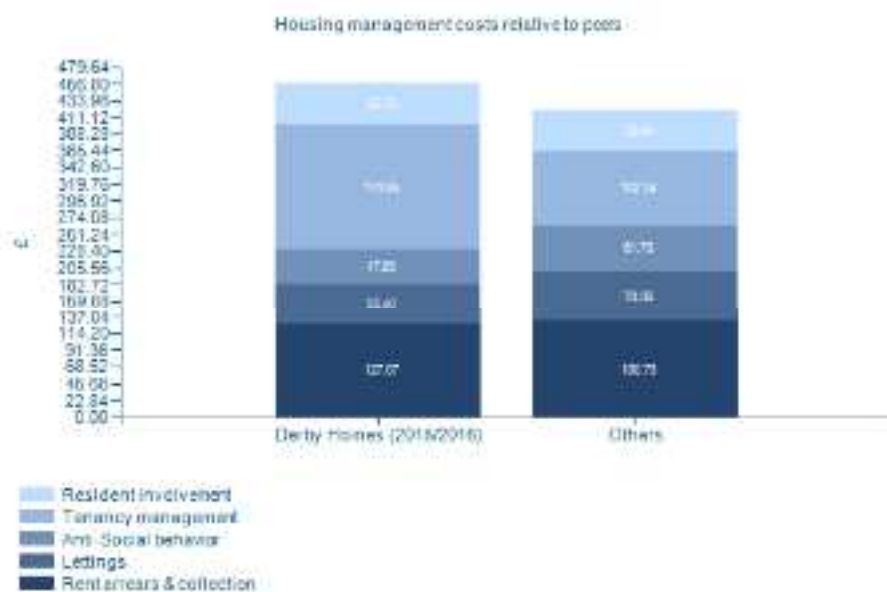
As reported last year, 2015/16 costs increased as expected because of the increase in employers pension contributions (from 15% to 20%), adding approximately £18 to the CPP.

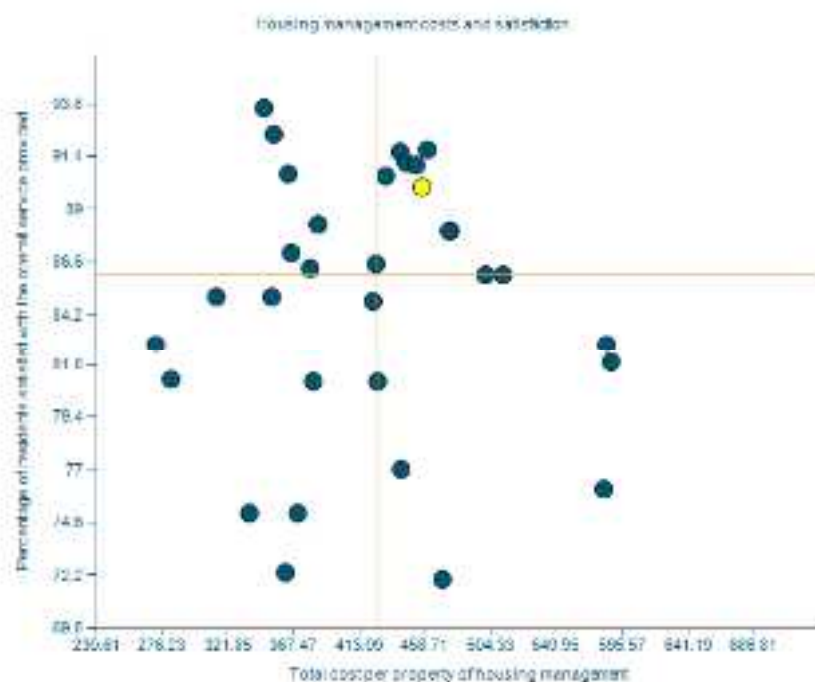
The following table provides detail of the total and direct costs per property for Housing Management, including the five constituent parts of the Housing Management Service.

KPI	Median £	Quartile	2015/16 £	2014/15 £
Total CPP of Housing Management	426	Middle lower	457	443
Direct CPP of Housing Management	280	Middle lower	294	281
Direct CPP of Rent Arrears and Collection	79	Median	79	79
Direct CPP of Resident Involvement	37	Middle lower	41	37
Direct CPP of Anti-Social Behaviour	41	Upper	31	28
Direct CPP of Lettings	43	Middle Upper	36	35
Direct CPP of Tenancy Management	65	Lower	107	103



The total cost per property of housing management is £457 which places Derby Homes in the third quartile when compared to the peer group. Total costs per property have increased by £13.80 between 2014/15 and 2015/16 which is higher than the average increase of £2.83 for the peer group; this is predominately due to the pension contribution change.



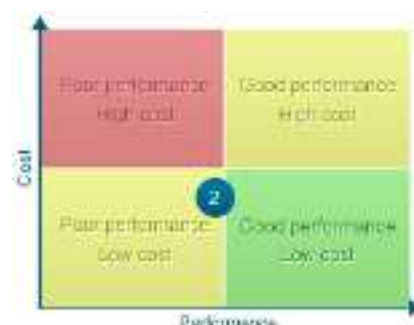


The above chart plots Derby Homes' total housing management costs per property against tenant satisfaction with landlords along with our position compared to that of our peers. As a value for money indicator this would identify a high cost, high performance service. However, it should be noted that the costs relating to Tenancy Management include the Tenancy Sustainment Team (£19 per property) which accounts for most of the £31 extra cost per property compared to the median. This may be shown within Supporting People costs in other returns (the Derby Homes Intensive Housing Management team comes under the Supporting People category).

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 0.41% between 2014/15 and 2015/16 compared to an average decrease of 0.13% for the peer group.

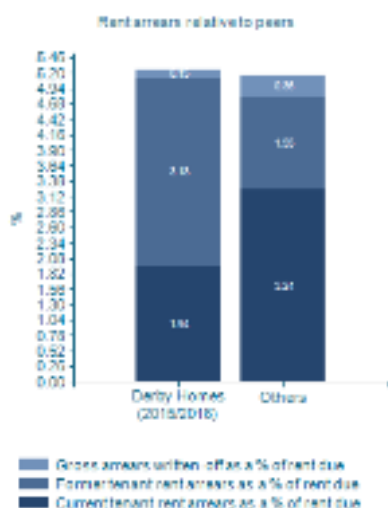
KPI	Median	Quartile	2015/16	2014/15
Total cost per property of Rent Arrears and Collection	£131	Middle Upper	£127	£125
Direct cost per property of Rent Arrears and Collection	£79	Median	£79	£79
Current tenant arrears at the end of the year as a % of rent due	3.24%	Upper	1.94%	1.90%
Former tenant arrears at the end of the year as a % of rent due	1.55%	Lower	3.18%	2.80%
Total tenant arrears at the end of the year as a % of rent due	4.6%	Middle Lower	5.12%	4.71%
Gross arrears written-off as a % of rent due during the year	0.36%	Upper	0.15%	0.35%
% of tenants evicted as a result of rent arrears	0.35%	Middle Lower	0.49%	0.36%



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	1.94	3.24
Former arrears	3.18	1.55
Write-offs	0.15	0.36
Total	5.27	5.15

This indicates that overall arrears levels for Derby Homes have risen slightly above the median.

Performance on current tenant arrears is very pleasing at 1.3% below the median. Very roughly 1% arrears equates to £550,000 of rents, so a figure (of 1.9%) that is 1.3% below the median equates to approximately £700,000 extra rent being collected annually above the median.

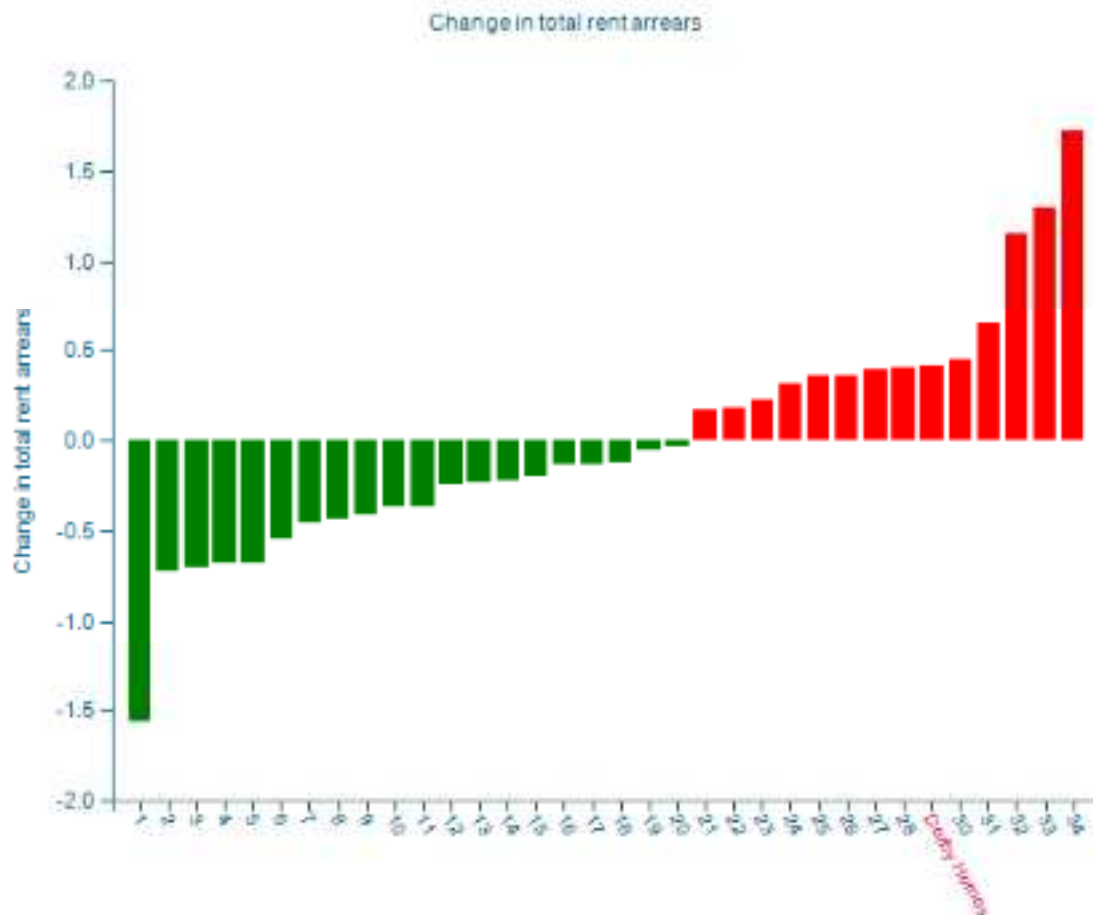
On former tenant arrears, the relatively high percentage is because of the cumulative position on these arrears (built up over a number of years) being included in the figures each year. A more realistic measure would be to only include those new FTA's arising in the year.

Former tenant arrears have increased by 13.57%. During the year we had a high number of vacancies meaning that the team was not at full strength and priority was given to collecting arrears from current tenants. We have now recruited an officer to deal with former tenant arrears so expect an improvement in performance in this area which is currently lower quartile compared to the peer group for whom the median performance is 1.5%.

It should be noted that the practice within Derby on minimising write offs distorts the overall collection figure for former tenant arrears in particular.

The 36.11% increase in evictions to 0.49% is a reflection of a lower position in the previous year reported by Derby Homes. The performance is lower quartile compared to the peer group for whom median performance is 0.4%.

The following waterfall chart illustrates the change in the total tenant arrears trend compared to our peers. This is calculated by taking the total arrears at the beginning of the year from the total arrears at the end of the year. The chart shows that Derby Homes' total arrears have increased over the course of the year. It should be noted that this will however include both current and former arrears (please refer to page 18).



Customer Engagement and Community Development



KPI	Median	Quartile	2015/16	2014/15
Total cost per property of Resident Involvement	£56	Middle Upper	£56	£53
Direct cost per property of Resident Involvement	£37	Middle Lower	£41	£37
% of tenants who are satisfied that their views are listened to and acted upon	70.15%	Upper	80.0%	69.0%

The HouseMark benchmarking data continues to identify Customer Engagement and Community Development as low cost with an overall improvement in performance – measured by the percentage of diversity data held and the percentage of tenants satisfied that their views are being taken into account.

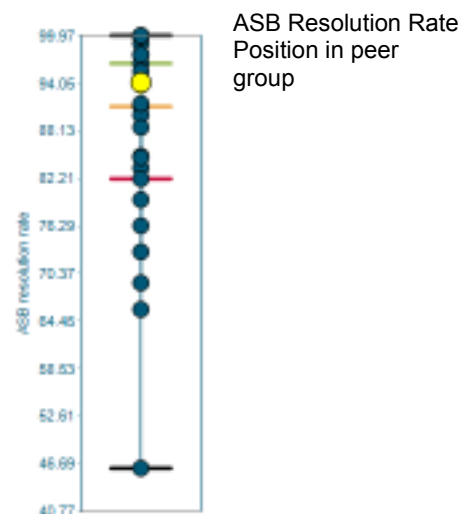
There has been an increase in direct costs and total costs per property, though Derby Homes remains below median overall when compared to the peer group.

The percentage of tenants who are satisfied that their views are listened to and acted upon has increased by 11% raising Derby Homes from middle lower quartile (2014/15) to 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 the protected characteristics; disability, sexuality, religion and belief.

There was an overall decrease in the number of residents who have received some training provided or part funded by the organisation as a percentage of properties managed (1.28% in 2014/15 compared to 0.22% in 2015/16). The decrease is likely to be down to the fact that we changed the way we measure this particular indicator. During 2014, we still relied on manual methods, which were unreliable as they were collected from a variety of sources. This also meant that we were not able to eliminate duplication of residents attending multiple events across the year. In short, we anticipated that this figure would be inaccurate but at the time it was the best we could get. From 2015, we began to use an electronic customer engagement suite to record all activities. We are now able to capture all events which tenants have been invited / attended. In addition, we are able to link attendance at any activity back to people in our housing database and count attendances separate to attendees in a cumulative way, eliminating duplication. This is still to be implemented across the organisation, so current performance represented for 2015/16 may still not include all engagement with residents and should therefore be treated with caution.

Anti-Social Behaviour

KPI	Median	Quartile	2015/16	2014/15
Total cost per property of Anti-Social Behaviour	£62	Middle Upper	£48	£40
Direct cost per property of Anti-Social Behaviour	£41	Upper	£31	£28
% of anti-social behaviour cases resolved successfully	91.16%	Middle Upper	94.16%	92.01%
% of respondents satisfied with case handling	81.0%	n/a	No data submitted	No data submitted
% of respondents satisfied with case outcomes	71.7%	n/a	No data submitted	No data submitted



There was a 15% increase in the direct cost of an anti-social behaviour (ASB) case, however following a radical review and restructuring of the ASB service we are now confident that we capture all ASB complaints and deal with them effectively and quickly. Connected to this we resolve a very high proportion of cases with informal interventions before they get more serious and we have much higher levels of contact with complainants and much more rigorous procedures around risk assessment and support to victims.

Satisfaction data for customer satisfaction with case handling and outcome was not available.

Derby Homes' ASB resolution rate has increased by 2.15% between 2014/15 and 2015/16 compared to an average decrease of 0.06% of the peer group and remains in the second quartile.

Lettings



KPI	Median	Quartile	2015/16	2014/15
Total cost per property of lettings	£70	Middle Upper	£55	£57
Direct cost per property of lettings	£43	Middle Upper	£36	£35
Average time in days to re-let (standard) empty properties	26.75	Middle Upper	22.95	22.12
Average time in days to re-let (passive) empty properties	67	Lower	91	72
Rent loss due to empty properties as a % of rent due	0.88%	Median	0.88%	0.87%

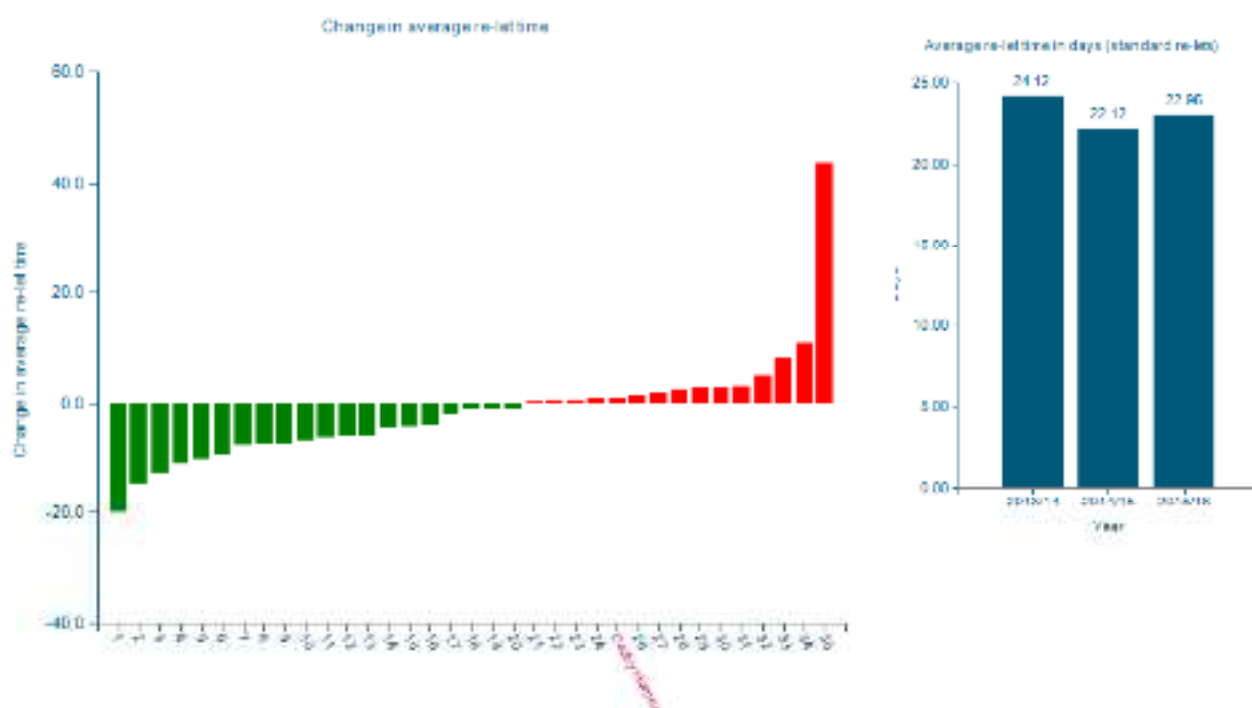
Overall lettings management is rated as good performance and low costs compared to our peers. Non pay costs are above average but employees costs are low compared to the peer group which is keeping overall costs down.

The reason for the increase in the number of passive voids is mainly down to the number of damp proofing works carried out. The cost of carrying out damp proof works whilst the properties are tenanted is substantial because of the associated costs of often decanting tenants. Additionally we were aware of the massive disruption our tenants have to deal with when this type of intrusive work is carried out.

Therefore we improved the voids inspections to ensure that empty properties are fully checked for damp. This has subsequently led to an increase of damp proof works in void properties. Often such works lead to the void being made passive.

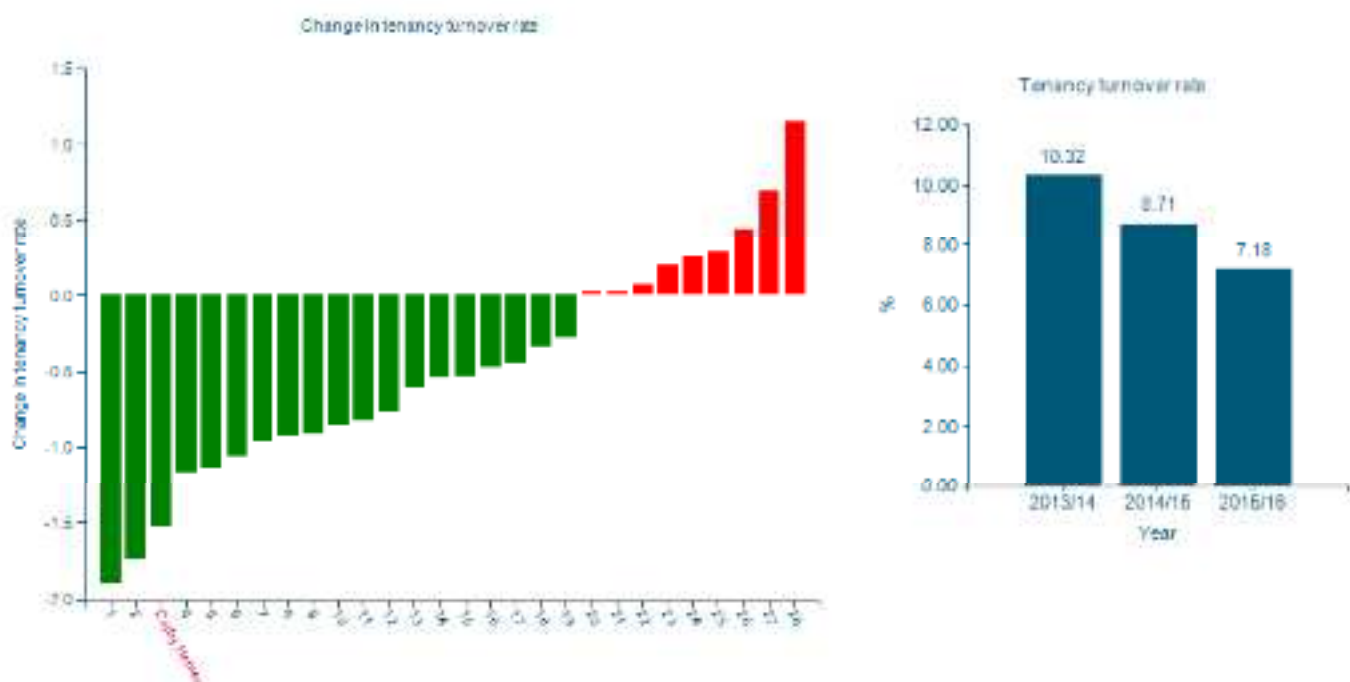


A key focus in this area is the rent loss due to voids performance which will be compared to business plan assumptions. Rent loss in 2015/16 increased slightly from 0.87% in 2014/15 to 0.88% in 2015/16, placing us on the median when compared to our peers. This 0.01% increase compares to the average decrease of 0.05% of the peer group.



Average re-let time has increased from 22.12 in 2014/15 to 22.95 in 2015/16 placing Derby Homes in the second quartile. The waterfall chart shows the trend on average re-let time for the peer group. The formula to calculate the trend is 'average re-let time 2015/16 – average re-let time 2014/16 (22.95 – 22.12 = 0.83)'. The median difference is -1.29.

It is important to look at these measures alongside tenancy turnover to assess the sustainability of new tenancies. Tenancy turnover has decreased by 1.53% from 8.71% in 2014/15 to 7.18% in 2015/16 and compares to an average decrease of 0.53% for the peer group.



Tenancy Management



KPI	Median	Quartile	2015/16	2014/15
Total cost per property of Tenancy Management	£111	Lower	£171	£168
Direct cost per property of Tenancy Management	£65	Lower	£107	£103
Number of tenancies terminated as % of properties managed	7.43%	Middle Upper	7.18%	8.71%
% of respondents satisfied with the overall service provided	86.00%	Middle Upper	90.00%	86.00%

Tenancy management is rated as high costs and good performance. There are virtually no non-pay costs and the average employee costs are amongst the lowest but tenancy management remains amongst the highest in costs per property. This is because of how Intensive Housing Management 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 to be expected.

Estate Services

The reported expenditure in this area is below the median with direct costs amongst the lowest in the peer group. The decrease relates to 'Estates Pride' works which was included in the 2014/15 figures, whereas in the 2015/16 figures this has been allocated to the major works category. Estates Pride capital works are mainly hard landscaping improvements to HRA land, both in the curtilage of the property and surrounding HRA land.



KPI	Median	Quartile	2015/16	2014/15
Total cost per property of Estate Services	£189	Upper	£132	£209
Direct cost per property of Estate Management	£163	Upper	£123	£201
% respondents very or fairly satisfied with their neighbourhood as a place to live	84%	Lower	81.00%	77.0%

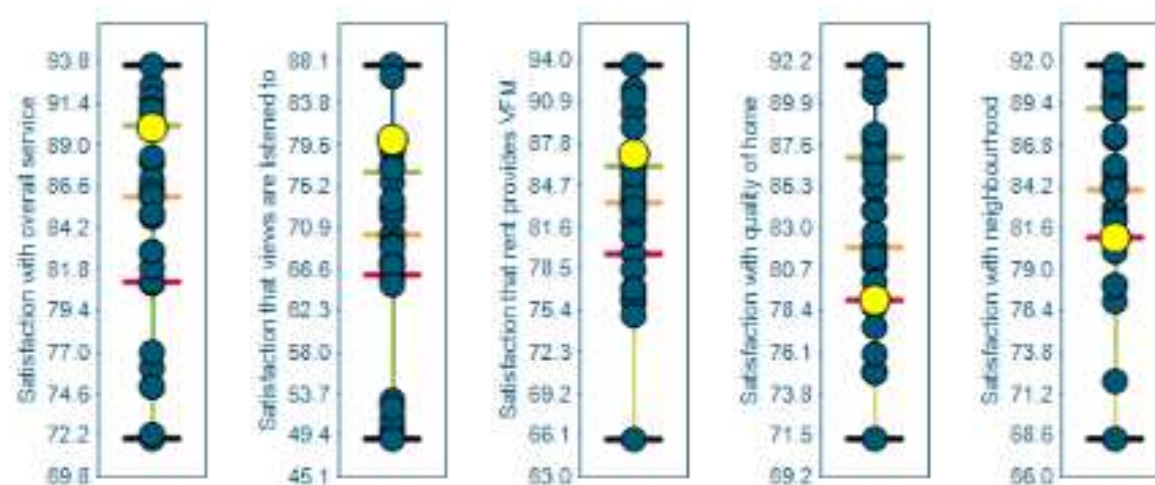
Care should be taken when evaluating the satisfaction with neighbourhood as there are a number of factors that impact on this indicator, a number of which Derby Homes has no influence upon and this specific service is only one element of the satisfaction level.

Development

Development was excluded because the information requirements would have been too time consuming to prepare for each individual site in each of the spend headings HouseMark were asking for. There was also confusion over how costs spanning more than one year (which is likely on most schemes) should be accounted for and how work in progress on schemes was to be recorded. Looking through the HouseMark report, none of

the 39 contributors ended up supplying the full data requested (most submitted nothing). It is unlikely that we will contribute to this area in its current format.

Satisfaction



Satisfaction has increased for all measures with satisfaction with overall service, views listed to and value for money all positioned above the average compared to the peer group. Satisfaction with neighbourhood and quality of home both remain in the bottom quartile, however Derby Homes' ranking has improved for both measures compared to the previous year.

Please note, the survey question 'Percentage of respondents very or fairly satisfied with the repairs service received' was not asked this year but the survey returned a satisfaction level of 75% in 2014/15.

Conclusion

Derby Homes continues to compare well amongst its peers and using the HouseMark Benchmarking data ensures that service leads have an informed 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 (not included as satisfaction data missing)
2. Rent Arrears and Collection
3. Anti-Social Behaviour (not included as satisfaction 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, major works and cyclical maintenance, lettings and customer engagement and community development represent good value for money in relation to the comparatively low expenditure and high performance levels achieved.

Secondly, tenancy management have higher costs than average 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.

As a final point of reflection, senior managers must consider whether the outcomes of the benchmarking analysis presented is in line with Derby Homes' objectives and investment is in line with commitments in the Delivery Plan.