

NOTTINGHAM CITY HOMES

PERFORMANCE & REGULATORY
COMMITTEE
30 OCTOBER 2007

JOINT REPORT OF THE INTERIM DIRECTOR OF FINANCE AND THE HEAD OF PERFORMANCE & BEST VALUE

HOUSEMARK ALMO BENCHMARKING REPORT 2007

1 SUMMARY

- 1.1 Nottingham City Homes is a member of the national Housemark Benchmarking service, which provides member organisations with a breakdown of the costs and resources that are involved in managing the housing management and maintenance functions and sets them in the context of performance. The Annual ALMO Benchmarking Report for 2007 has now been received and this report outlines the Company's plans to use its findings.

2 RECOMMENDATIONS

- 2.1 It is recommended that members of Performance & Regulatory Committee:
- note the receipt of the Housemark Annual ALMO Benchmarking Report for 2007; and
 - comment upon the proposals for responding to the findings contained within section 4 of this report.

3 BACKGROUND

- 3.1 On 17th October 2007 the Annual ALMO Benchmarking Report for 2007 comparing actual costs and outputs for the financial year 2006-07 was produced by Housemark. A copy of this report is attached as Appendix one.
- 3.2 The report on the annual ALMO benchmarking data and the technical annex which accompanied it are long documents and the data within it very complex which requires considerable analysis.
- 3.3 This is a critical piece of work and the Company recognises that it is how the organisation uses the benchmarking information to influence service improvement that is the key, not just that performance is being benchmarked.
- 3.4 All ALMOs should be striving towards indicators which are low cost and high quality and ultimately ensuring that each service area is delivering the right output at the right price.

- 3.5 In general terms, organisations which are high costs and low performing will need to be looking at step change in how they deliver the service. Those that are high cost and high performing need to explore how to sustain this level of performance whilst reducing costs e.g. through better procurement or more efficient processes. Low cost and low performers will want to explore the potential benefits that could arise from targeted investment in the service. The goal as stated above is of course, low cost and high performance.
- 3.6 It should be noted however that levels of costs and performance will be dependant on many factors including:
- Operating environment
 - Organisational priorities
 - SLA recharging policies of respective Council
 - Extent of delegation of functions to the ALMO (including any DLOs).

4 PROPOSALS

- 4.1 It is proposed that a detailed analysis of the Annual ALMO Benchmarking Report for 2007 is undertaken led by the Interim Director of Finance and the Head of Performance and Best Value.
- 4.2 The purpose of this analysis will be that the findings will inform both the 2008-09 budget planning and Delivery Planning process and the medium term financial plan and 10 year strategy. In particular it will used:
- To assist the organisation in developing its understanding of its costs and performance at a service level.
 - To show benchmarking comparisons with local best in class performers and upper quartile performance indicators across the whole of the ALMO club, again at service level.
 - To compare the performance of outputs against the costs of inputs at a service level.
 - To identify trends over time at service level.
 - To quantify how far the organisation is from upper quartile, in both cost and performance terms, again at service level.
- 4.3 Specifically the analysis needs to consider the Company's core costs per property and pay costs per property which when compared to the 22 Metropolitan ALMOS place the organisation at the bottom of its peer group as highlighted in the tables in sections 4.5 and 4.6 of this report respectively.
- 4.4 This analysis and the resulting proposals will be completed by 30th November 2007 and both the findings and progress against actions will be reported to the next meeting of the Performance & Regulatory Committee. The outcome of these findings will also result in the identification of the 2008-09 Best Value Review programme. It is proposed that the Chair of the Committee will be consulted throughout this process.

4.5

Sample 2006-07	CPP H. Man.	CPP Premises	CPP IT	CPP Legal	CPP Finance	CPP Central (Other)	CPP Total
Upper Quartile	£260	£23	£25	£5	£25	£54	£422
Median	£282	£32	£30	£7	£34	£74	£467
Lower Quartile	£321	£48	£37	£15	£40	£89	£520
NCH 2006/07	£399	£49	£52	£19	£41	£135	£695
Rank/22	22	18	20	19	19	22	22

4.6

Sample 2006 -07	Rent arrears	TEM	Voids	Resp. repairs	Major repairs	Lettings	Rent Coll.	Total core
Upper Quartile	£30	£54	£22	£43	£45	£14	£1	£260
Median	£37	£73	£27	£51	£56	£18	£4	£282
Lower Quartile	£44	£86	£41	£66	£66	£26	£8	£321
NCH 2006/07	£37	£70	£58	£73	£111	£30	£19	£399
Rank/22	12	10	22	18	22	21	21	22

5 OTHER OPTIONS

5.1 There are no specific alternative options in relation to the content of this report.

6. FINANCIAL & RISK IMPLICATIONS

6.1 There are no direct implications associated with the contents of this report other than where specifically mentioned.

7. IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

7.1 Ensuring our customers receive value for money from the services we provide is a fundamental key to achieving the organisation's mission of delivering excellent services. Analysing the detail of the Benchmarking information and responding effectively in those areas which require early and focused action is critical to achieving this objective.

8. VALUE FOR MONEY & EFFICIENCY ISSUES

8.1 There is a clear link between this report and achieving the requirements of the Audit Commission's Key Line of Enquiry (KLOE) number 32 on Value for Money and in particular areas of the KLOE which concentrate on cost and service level benchmarking.

9. EQUALITY & DIVERSITY IMPLICATIONS

9.1 There are no direct implications associated with the contents of this report other than where specifically mentioned.

10. BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Housemark ALMO Benchmarking Report – Attached as Appendix One

CONTACT OFFICERS: Steve Everson
Interim Director of Finance
14 Hounds Gate, Nottingham NG1 7BA
Tel: 0115 91 57378
E-mail: steve.everson@nottinghamcityhomes.org.uk

Neil Barks
Head of Performance & Best Value
14 Hounds Gate, Nottingham NG1 7BA
Tel: 0115 91 57362
E-mail: neil.barks@nottinghamcityhomes.org.uk

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