



## **Response to Housing Corporation Consultation Paper: Proposed changes to the Performance Indicator Framework**

### **Background**

The Northern Housing Consortium (previously the Northern Consortium of Housing Authorities 1974 - 2002) was established in April 2002. It is an independent non-party political, not for profit organisation working to improve and promote housing services across the North. Its 176 members include Local Authorities, Registered Social Landlords (RSLs), Arms Length Management Organisations (ALMOs) and other organisations involved in housing.

Its members, who between them manage almost 90% of social housing in the north, over 1.4 million homes, control the Northern Housing Consortium. These organisations are drawn from the three Northern Government Office regions of the North East, North West and Yorkshire & Humberside, as well as the Housing Corporation (North).

The following details the views of the Northern Housing Consortium on proposed changes to the Performance Indicator Framework for RSLs. The response will concern itself with the overall approach and then the proposals for housing services.

### **Overall Approach**

We welcome the themes within the consultation paper. The Housing Corporation is clearly keen to make performance indicators meaningful and to reduce the burden of unnecessary data collection from RSLs and to focus on the tenants' experience of services when measuring them.

It appears that the messages from our pilot work on systems thinking for the ODPM - 'A systematic approach to service improvement' - along with the CIH/ Housing Corporation study into responsive repairs, 'Right first time' , have been a factor in the proposed changes. We applaud the Corporation for its response to these studies.

The Housing Corporation has gone some way toward assessing performance from the tenants' perspective. This may not be as far as we would like in some areas, but we acknowledge the consultation paper as a step in the right direction. In the time since the consultation paper was published, the Government has made it clear that it sees the tenants' role as fundamental in assessing services.

Our responses to the specific questions are as follows:

### **Section A. Stock Base**

**Do you support the proposal to continue to use the RSR (Long) as the starting point for associations to be involved in the PIs and to apply a 'minimum size' of 250 units for each PI relating to the type and status of stock the PI is concerned with (e.g. general needs or supported housing etc)?**

Yes. This leads to an extension of the minimum size and any move to reduce the burden on smaller associations is welcome

### **Section B. Proposals for the Performance Indicator**

#### **Weekly rent**

**Do you agree with our proposal to discontinue the average weekly rent PIs for both general needs and supported housing?**

Yes

#### **Voids**

**Would you prefer to see the Current Dwellings Vacant and Available to Let PI continued, or one based on all vacant stock?**

We favour the simple single measure based on all vacant stock. We have some concerns over the categorisation of voids for PI purposes, with a perverse incentive to "park" difficult to let properties by categorising them as in need of major repairs. We accept your comments re comparisons between organisations, but think that there are many factors that make comparisons less meaningful, irrespective of which indicator is chosen.

Another measure to consider would be that the amount of rent lost due to voids be reported annually.

#### **Managed or owned**

**Assuming that you agree that the relet time should be continued as a PI, should it be based on managed stock (as proposed) or owned stock?**

We can see the logic in the Corporation's proposal, but can also see the argument that the owner of the stock should still be responsible for how it is managed. The manager should be reporting published PIs to the owner anyway.

We would support the Corporation's proposal in principle, but suggest that individual RSLs who are managers and owners may be in a better position to respond.

## **Lettings**

**Do you agree that percentage of lettings made to BME tenants should be discontinued as a published PI?**

Yes, but organisations should be made aware that they will still need to collect to comply with CRE Code and the Regulatory Code

**Would you prefer to continue the letting PI as an average letting time or adjust it to reflect relet time? Would you prefer to see times for supported housing separated from those for housing for older people and would you retain one or both figures?**

We think that, if relet time is to continue as an indicator, it should be adjusted to reflect relet time only and not lets to new dwellings. We would suggest one figure on supported housing.

We would also suggest use of a median average as opposed to the mean average currently used. The mean average is adversely affected by letting properties that have been empty for a long period and, though the indicator should not be seen as a disincentive, associations should not be “penalised” for achieving a positive outcome (i.e. the letting of the property).

The true customer measure on a relet is how long they have waited to get a home, not how long has it been standing empty. If looking from a customer perspective, we suggest this should be considered.

## **Quality of homes**

**Do you have an alternative suggestion for PIs which capture the quality of homes?**

Is there scope for including this in tenant survey work? Simple questions as to whether the tenant is happy with the quality of their property, and whether they think it is energy efficient may be appropriate. The association could ask for a mark out of 10 with a follow up as to what they need to do to achieve 10/10. This would allow an assessment of quality from the tenants' perspective, though should be backed up by existing quality inspection work by professionals (for example, when completing repairs).

It would also serve as another opportunity to advise tenants on energy efficient steps they could be taking.

## **Repairs**

**Would you support any of the suggestions as the basis for new indicators of housing management performance, if they can be**

**developed into suitably robust measures? Do you have any alternative suggestions?**

### **Suggested PIs**

Our comments on the suggested PIs as listed in the document are as follows:

- **Annual unit cost per unit of all repairs**  
The variation in stock profile, location and age between associations make this a flawed comparison.
- **Average number of repairs per unit in year**  
Again, associations, their location and client group and the ways they work are too variable to allow meaningful comparison.

The work that the Consortium led in the recent pilot of systems thinking found a distinction between a 'repair', which is the successful completion of the whole repair to the customer's satisfaction, and a 'job', which is a request to do the work. Frequently, a whole repair consists of a number of jobs.

- **Percentage of all repairs in year that were emergency repairs**  
We are not sure what this would reveal. Is it intended as a measure of the association's repairs reporting mechanisms and the ability of reception staff to categorise a repair? In addition, emergencies are frequently "make safe" work with the actual repair following the "make safe".

Associations should obviously manage spending on the maintenance of their properties. We think the way that they do this should be left to the organisations themselves and not by externally imposed measures reflecting part of the whole picture.

- **Average time for a repair**  
This is welcome as a move toward the true measure, but it is important to note the comments above regarding the difference between a repair and a series of jobs.

From the customer's point of view, it is the total time the whole repair takes (i.e. the end-to-end time) that is important. End-to-end time measures the date the repair was first ordered to the date it was completed, irrespective of how many jobs had been raised.

- **Number of gas servicing repair certificates outstanding at the 31 March**  
This indicator should be retained. It keeps the focus on the statutory duty for associations to take all reasonable steps to complete the servicing programme.

- **Retention of the “completion of urgent repairs in target” PI for time being**

We are unclear on the rationale for retaining this indicator, other than keeping something in place. If the Corporation needs time to promote end-to-end time as a true measure, better to use average repair time as an interim, rather than keep this indicator for the sake of it.

## **Alternative Suggestions**

### **1. End-to-end Times**

You will note from our comments above that we have become convinced through our work on the systems thinking pilot that the measurement of the end-to-end time from the customer’s point of view is a valid measure. It should measure the date the repair was first ordered to the date it was completed.

### **2. User ratings**

Repairs in particular, give the opportunity for immediate feedback on a specific, tangible event. We do favour the “marks out of 10” approach (see our response to Question 4 above) as it is clear and unambiguous and also provides the organisation with pointers for improvement. Telephone surveys are used in the repairs pilot, Tees Valley HA, but we would not suggest prescribing a method. We would, however, expect associations to explain their method of surveying and the rationale behind it.

## **Tenant Satisfaction**

### **What activities could form the basis for developing new PIs giving a stronger focus on the delivery of quality services to tenants, customers and stakeholders?**

Assessing satisfaction is an ongoing process and not one to be completed every 3 years by the STATUS survey, whether the timing is pre-determined or not. We would prefer to see associations using a variety of media and asking for tenants’ views as a natural part of delivering a service.

We have already mentioned repairs surveying above. This could be widened to include other services or comments on the overall service at the same point of contact.

Whilst we understand and agree that the Housing Corporation should ensure RSLs are involving their tenants, how they do so should not be prescribed. The association’s self-assessment and links to lead regulators and the housing inspection, should explain how tenants’ views are canvassed and used to inform service delivery.

The other issue arising around tenant satisfaction is that it has an even higher profile given recent speeches by Government ministers and the ODPM

discussion document. If tenant dissatisfaction is to act as a catalyst for inspection, organisations will want to keep a close eye on satisfaction levels.

### **Financial PIs**

It appears from feedback we have received that a number of RSLs place store by the following cost indicators.

- Average weekly operating cost
- Current tenant arrears
- Rent lost due to voids

We accept the flaws pointed out in the consultation, but think that the indicator on rent lost due to voids serves as a reminder of the reality of having empty properties; it costs the business money.

The problem that the Corporation has is that, while the OCI may be more sophisticated and analytical, it was initially perceived as a league table and became devalued because of that (especially as two versions were produced). If the OCI is to continue, it needs to be more intuitive and user friendly and will need, in our opinion, to be “sold” to the sector.

In terms of financial efficiency, as we are not an RSL we would ask the Corporation to consider the views of our individual members in their responses to this consultation.

### **Shared Ownership**

**Do you support the proposal to discontinue the current suite of shared ownership homes, would you support the development of a facility to benchmark locally?**

We support the proposal to discontinue the current suite of shared ownership PIs.

We do not see many benefits of local benchmarking, but would ask that you take into account the responses of our individual members on this issue.

### **Section C - External validation of Performance Reporting Systems**

We are not convinced by the Data Validation exercise and the charges imposed on associations to carry it out. It picks up certain obvious omissions, for example the inability to record time for an emergency, but, in our opinion, misses the main point.

The main point is that performance indicators are just that. They are indicators of performance and should not be used to produce league tables or as a benchmark of service between organisations with different sizes,

structures, locations, operations etc. We think that the best comparator is the organisation itself.

- Is it improving services to tenants?
- How does it know?
- Who is the best judge?
- Is it relevant how other organisations are doing?

Performance measures are relevant when used by the organisation to judge its own improvement. As such, external validation is not necessary as the organisation would simply be cheating itself and internal mechanisms should be in place to counter such practices.

#### **Section D - Publication of Performance Indicator Data**

In spite of our reservations on benchmarking *per se*, we find the Housing Pls website very useful and user friendly. Any enhancements that improve it further are, of course, welcome.

#### **Section E – Timescale**

We have no objections to the proposed timescales, though doubt the merit of keeping any indicators in 2007 that are to be replaced in 2008.

For more information please contact:  
Nigel Johnston  
Performance Improvement Manager  
Northern Housing Consortium  
0191 566 1006  
[nigel.johnston@northern-consortium.org.uk](mailto:nigel.johnston@northern-consortium.org.uk)

Northern Housing Consortium  
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