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SPBM 2017 Annual Report for Smaller Housing Providers

Foreword

This report is released at a time of great uncertainty and challenge for everyone involved in the housing world. The nation is in the midst of a big conversation about the purpose of social housing, including how it should be funded, managed and delivered. It is vital that the housing association sector is an active participant in this conversation, because it is housing associations up and down the country that have significant insight into what is currently working well and what could be improved.

As a sector, our ability to speak and be heard is enormously influenced by our credibility, and this in turn depends on the strength of our message and our ability to prove it. This is why it is so important that at both an organisational and a sector level, we can demonstrate a commitment to performance management and benchmarking, and draw on robust data to identify trends, drive improvement and highlight exceptional performance.

The spotlight has been on our sector over the past seven years or so and we have truly risen to the occasion. So much so, that it is not just us talking about the housing crisis and the chronic lack of affordable housing now, but also the political parties, mainstream media, economists, think tanks and the general public. Our ability to raise the profile of housing and convince decision-makers that they need to focus on the delivery of truly affordable housing has been based on the sector's strong track record of delivery and impact. Housing associations' contribution to the supply of new housing is significant and growing, and our role in shaping places and investing in communities up and down the country has gained profile and is much better understood.

One of the sector's greatest strengths is its ability to combine organisational diversity with common purpose. We are united in our not-for-profit status and desire to ensure everyone has access to a quality home that they can afford. But on the ground that common purpose can take many forms, depending on local need, history and expertise. Here the role of smaller organisations is vital and must be emphasised. Place-based organisations with deep links to local communities and long established expertise in specialist delivery make an enormous contribution to the lives of people across the nation. Through participating in consistent and robust benchmarking you are able to retain your identity whilst demonstrating performance in a way which everyone can understand.

As we move forward through this challenging time our success will depend upon drawing on the expertise and resources of all. Comparing performance, sharing learning and striving to do better is a key foundation of this approach and one which I will continue to champion and support.

David Orr
Chief Executive
National Housing Federation

SPBM Update 2017

Mark Anderson discusses how SPBM benchmarking continues to help members to save money, share best practice, and meet the demands of the regulator.

Understanding costs & performance – and more

SPBM works for its members. This year our focus has been on providing robust comparative data for members who want to better understand their costs and performance, and respond to regulatory and political pressure to demonstrate Value for Money (VFM).

It's pleasing to report that SPBM members compare favourably with the rest of the sector in key areas such as rent collection, arrears, voids and the cost and management of repairs. Encouragingly, general trends in performance and costs are positive. (full details page 17).

When SPBM started in 2006 our main aim was to provide data for use within organisations to enable them to improve. That focus on improvement continues, but increasingly members are using the data to tell their story externally to stakeholders, including the regulator. So we have tailored SPBM reports to make this easier, and we are spending more time helping and advising members on VFM and regulatory issues.

Acuity was delighted to support the Sector Scorecard pilot, allowing the SPBM platform to be used for data collection from smaller housing associations whether or not they were our members. The initial results provide a great evidence base to support the smaller association value proposition. Read the latest on the initiative on page 6.

We are also keen to share best practice and innovative ideas between members, and you'll find some of those in the report. They include an in-depth look at the advantages of moving resident services online (page 9) and practical ways in which smaller housing associations can build more homes (page 14). We also hear from four chief executives about their challenges and how they are tackling them (page 11).

Contents

Good practice and saving at our clubs

Club meetings have focused on a wide range of issues, with specialist practitioner sessions covering topics such as voids & lettings, fire safety, compliance, gas servicing & maintenance, HR and training.

We have also run many one-off cost-comparison exercises, which can be quick and easy to carry out and can provide significant financial savings to those who take part. They also help members demonstrate they have a grip on operational costs – a key requirement in the proposed approach to VFM regulation.

> **“The high level of trust within the group really helps us in learning from each other”**

Salaries – everything you need to know

Our unique national comparison of salaries and benefits at smaller housing associations is always one of the most-read sections of the report. Our summary of this year’s findings is no exception, showing that average salaries rose last year by 1.8%, and staff costs were typically 18 – 20% of turnover for smaller housing associations. Members with access to the full breakdown find it very useful, but it is limited to participating organisations: something to consider for this year?

Save time and resources with collaboration

Closer and wider collaborations could be the key to continued success for smaller associations, which may be one reason why SPBM members are increasingly interested in the opportunities the network provides for collaboration – as well as a way of saving time and resources.

In our clubs, we have collated information on members’ planned projects where there may be opportunities for joint working, which could lead to small-scale collaborations like sharing resources on a policy re-write or more significant joint-procurement projects. No matter whether the projects are small or large, if two or three associations are undertaking the same piece of work it makes sense for them to share the load.

We have also been collecting data about training and development needs across the country and, where we identify shared needs, putting on events and sharing the costs between the participants. The has enabled us to provide training at significantly reduced costs.

> **“You can come away with a little gem of an idea you’d not previously thought of … and it encourages you to try new things”**

What is SPBM?

Smaller Providers Benchmarking (SPBM) is the national smaller housing providers’ benchmarking network, facilitated by Acuity in partnership with HouseMark. Aimed at housing providers with up to 1,000 homes, SPBM has 134 members owning/managing over 74,000 homes across eight English regions, with an average stock of 388.

SPBM provides performance and cost benchmarking data for our members, enabling them to compare themselves with a peer group of similar organisations facing similar challenges. This data is used by staff, Boards and residents to provide a context for their organisation’s performance, inform decision-making and demonstrate value for money.

SPBM also brings member organisations together in regional and specialist benchmarking clubs, offering the opportunity to meet with colleagues and to get beyond the numbers; to network, share ideas and to learn from each other.

Working with HouseMark

Our close working relationship with HouseMark is essential in ensuring that SPBM activity remains in sync with the rest of the sector and enables us to develop and improve benchmarking services for smaller housing providers.

The key to successful benchmarking is consistent calculation of cost and performance measures. We have had great support from colleagues at HouseMark this year, providing us with detailed definitions for the new cost measures and a helpline for SPBM members to respond to queries about definition and clarification of where costs should be allocated.

The relationship with HouseMark brings great benefits for SPBM members, enabling them to compare performance with larger providers using a level playing field of clearly defined, standard performance indicators. We encourage our members to use the wealth of searchable information and good practice available online through HouseMark's knowledge base.

What's next?

Members drive the SPBM agenda: we will continue with the basics of benchmarking performance, costs and processes and supporting you through networking and the sharing of best practice. As facilitators of this national network, we will keep looking for ways to improve and adapt what we do, to help SPBM members meet the challenges of a difficult operating environment.

That means we will explore new collaborations, services, workshops and events to respond to your needs, supporting members' work with residents and national housing issues.

Get in touch

We always enjoy getting feedback on our annual report, and use it to improve. While comparative data remains its central focus, and is the section that most readers read first, we have continued to develop the report as an opportunity for those we work with to share their thinking and highlight activities of interest to others. Whether you'd like to tell us what you think of the report, or would like to find out more about working with us, do get in touch.

Mark Anderson, Director
Acuity Research & Practice
mark.anderson@arap.co.uk

"It focused the Board's attention on the areas where improvements are possible. This has kept the momentum going in areas where we are behind our sector."

Sector Scorecard: the story so far and what we've learnt

Steve Smedley analyses what the Sector Scorecard tells us about the efficiency of smaller Housing Associations and their contribution to the supply of new homes.

A lot has been riding on the development of the sector scorecard. A sector which has been under increasing governmental and regulatory scrutiny to demonstrate VFM whilst contending with an enforced rent reduction has seen – and seized - a chance to take back some control.

Both Acuity and HouseMark have supported the Scorecard, collecting data for its first year. Like many, we were keen to see how the working group fared and what the pilot project showed.

And on the basis of evidence to date, the sector appears to have risen to the occasion in terms of participation and the initial results. For instance, the pilot study shows our sector is punching above its weight when it comes to completing new homes when compared to volume builders such as Barratt Homes, with smaller associations doing particularly well. We can also see that housing associations are committing hard cash to the drive for new homes, spending a median 69p out of every pound generated from operations.

Once again, the evidence does not support the contention that bigger organisations are more efficient.

Key findings from the pilot

It's worth reading the HouseMark analysis in full, but the key findings tell a positive story.

The sector scorecard: what is it and how did we get here?

The Scorecard…

- Is a set of 15 **indicators**, devised by a diverse working group of housing associations (led by Mark Henderson, CEO of Home Group) that the sector is voluntarily proposing should be used as the starting point to compare VFM across providers
- seeks to address the **lack of consistency** in the way VFM is currently reported as participants will adhere to carefully defined metrics. These reflect common indicators of performance across social housing providers, recognising that no single suite of measures can capture the diversity of individual missions
- has been welcomed by the sector, government and regulator as an expression of **co-regulation and sector maturity**
- goes some way to addressing the government's concerns about the sector's VFM, avoids the government narrowly defining VFM for the sector and **paves the way for an improved partnership.** The regulator is proposing to use a subset of the indicators to help it monitor and report on sectoral VFM, so it will no longer require associations to publish a VFM self-assessment
- is still in its pilot phase: it is hoped to roll it out **next year** with the collection of 2017/18 data. Over 300 associations participated in the pilot, managing 80% of the sector's housing stock, including 78 associations with stock below 1,000 (four from Scotland and one from the Channel Islands, the rest from England). Both Acuity and HouseMark have supported the pilot by collecting the sector's data.

HouseMark has published findings based on the pilot data (see below) and the Sector Scorecard Working Group is currently evaluating the pilot experience before fine-tuning metrics, method and ongoing governance of the initiative.

http://www.sectorscorecard.org.uk/

Building homes

- 241 participants completed 39,776 new homes in 2016/17. Based on the turnover and output of volume builders such as Barratt Homes, the sector is punching above its weight
- smaller associations delivered 658 new homes, representing nearly 2% of the 35,489 properties they already managed. This actually places their contribution some way higher than the median for all scorecard participants of 1.1%
- the three associations registering the highest proportion of development (relative to existing stock) are all smaller associations
- associations invest, on average, 69p of their own money in development for every £1 generated from operational activity, with the top quartile at £1.12. Both figures suggest a commitment to addressing the national housing supply crisis, especially as 'supply is not the answer' in all parts of the country

Satisfaction

- satisfaction with services for general needs and housing for older people (HfOP) residents is at a median of 86.6% (as it has been for some time), 10% higher than the local authority figure (across all council services)
- tenants in Scotland and the North East tend to be more satisfied than their London counterparts who continue to conform to the 'London effect'[1]
- smaller associations tend to report higher satisfaction levels, with a difference of almost 3% between those with stock of under a thousand and more than 10,000. This mirrors the findings in the Performance and Comparison section which takes a look at SPBM data.

Occupancy, rent collection, repairs and costs

- association occupancy rates are impressive – the median stands at 99.5% and sits within a very tight inter-quartile range (ie the top quartile is 99.76% and lower quartile 99%). The North East, East Midlands and East of England tend to report lower occupancy levels whilst smaller associations generally tend to report higher occupancy rates
- associations are continuing a long-term trend of effectively collecting the rent notwithstanding the impact of welfare reform. The inter-quartile range is tight: the median stands at 99.72% whilst top and bottom are 100.21% and 99.23%. If the Universal Credit (UC) pilot exercise is anything to go by, there can be no complacency

> **"It's been useful to be one of the smaller housing associations involved in the working group to develop the Sector Scorecard. The new approach has been warmly welcomed by colleagues running smaller housing associations. It is a positive way of demonstrating our efficiency and adding to the benchmarking tools available to us."**
>
> **John Delahunty**
>
> *CEO Innisfree HA / Smaller HA representative on the Sector Scorecard Working Group*

- smaller associations measure up well against sector medians on rent collection – theirs is 99.88%, compared to 99.6% for 10,000+ associations
- associations with more supported housing tend to slightly underperform the national median on rent collection (99.4%) whilst HfOP just beats it (99.83%).
- most associations are spending less on responsive repairs than planned: received wisdom is that it is more cost-effective to plan than respond
- the median headline social housing cost per unit is £3,306 (first quartile £2,865 and third quartile £4,371). As with the HCA's analysis of this indicator, these inter-quartile values sit within a broad range: some providers costing more than £10,000 whilst one recorded less than £1,000.
- known contextual issues were found to drive costs: associations managing a large proportion of supported housing and HfOP recorded median costs of £5,154 and £4,994 respectively. On average, London associations cost more (£4,995) and the East Midlands the least (£2,605)[2].

[1] STAR benchmarking service: analysis of findings 2011/12, HouseMark, 2013
[2] The HCA's 2016 cost analysis provides further insight to key contextual cost drivers: *Delivering better value for money: understanding differences in unit costs* – summary, HCA, 2016

"The response from the sector has been brilliant, with 315 housing associations of all shapes and sizes taking part in the pilot. But it's what we now do with our results that will really test whether Sector Scorecard has been a success. I know the whole sector is committed to delivering value for money, but as part of that we must acknowledge that there's always room for improvement. If we use the results to start asking challenging questions of ourselves, we can identify better ways of doing things, and we can all benefit"

Mark Henderson
CEO Home Group and Sector Scorecard Lead

- smaller associations also tend to cost more, at a median £4,247 per unit. It's difficult to be precise about the reason, as statistically there is a weak correlation between size and cost, which suggests factors such as location or client group may be at play. Around a third of smaller associations in the pilot were in London and a quarter had high proportions of supported housing or HfOP
- average overhead costs (such as IT, HR, finance, office premises and corporate services) as a percentage of adjusted turnover (to exclude non-managed activities) stand at 12.3% with a number of outliers at either end
- London-based associations tend to spend most on overheads and the East Midlands the least
- the smaller association median for overheads is 15.3%, dropping to 10.1% for those with 10,000+ stock. As with headline unit costs, statistically, the relationship between size and cost is weak which means other factors must be at play
- similarly, there is no discernible correlation between the size of a housing association and its overall operating margin which supports many previous findings that bigger doesn't mean more efficient
- overall operating margins (an indication of efficiency) compare favourably to private sector companies developing new homes or managing or maintaining property
- not surprisingly, those with significant proportions of supported or HfOP tended to have lower margins (around 10% lower) due to the higher service costs

Context is key

- smaller associations tend to have more capacity to cover their loan interest payments from earnings (as measured by EBITDA MRI) than those associations with over 10,000 stock (medians of 246% and 205% respectively). This is definitely one of those indicators that needs to be seen in the context of the business in question - a high score could mean a prudent approach to mitigating risk or that the organisation isn't actively thinking about using its headroom
- those associations with more than 5,000 stock tend to be more highly geared than those below this figure. Like EBITDA MRI, gearing needs to be understood in context – in this case a low score might be deemed prudent given the risks faced by an association, or alternatively, failing to sweat assets

So, in all, a promising beginning which tells a good story about the efficiency and activities of housing associations – and may go a long way towards developing an increasingly mature relationship with government and regulators.

Steve Smedley is an Acuity associate.

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More information: www.arap.co.uk/sectorscorecard

Can smaller housing associations afford to offer services online?

Digital service provision is an increasingly popular topic at benchmarking clubs. Colin Sales brought us up to speed on the issues at our annual conference in April: here's his latest thinking.

Why do it?

Smartphones now outsell toothbrushes and are making alarm clocks, wrist watches and cameras obsolete. Many people no longer have a telephone landline – perhaps no surprise when most calls are from sales people and elderly relatives. The younger generation, particularly, aren't even making phone calls, preferring WhatsApp or Messenger.

Attitudes to service have also changed: many expect easy communication with companies over the internet at a time and from a place that suits them. Recent data from the Office of National Statistics suggests 89% of UK adults used the internet in the last three months, while only 9% have never used the internet.

> **"The question is not whether we should offer services online, but how and when?"**

So, the question is not whether we should offer services online, but how and when?

Implemented correctly, greater use of digital, automated customer communication - often referred to as Digital by Default or Digital Business Transformation - will not just enhance customer service but liberate staff to deliver more value, perhaps working with customers in their homes, providing financial and digital inclusion support, and spotting missed revenue opportunities.

It also addresses two other important business requirements: (1) cost control - allowing executive teams to demonstrate that their services provide Value for Money (VFM) and (2) governance - demonstrating that the organisation has access to levels of business intelligence, compliance and data security that used to be the preserve of major corporates. Combined with the government's drive to make public services available via the internet, the shift to online customer communication is not just compelling, but inevitable.

Can you afford to go digital?

So, how do you build the business case for digital business transformation and manage the implementation challenges without too much disruption to your business? Some believe the costs are prohibitive, but that's not our experience. There are proven existing solutions that can be adapted to your business's requirements, providing a cost effective, fast-track to introducing online services. Like any change, there are challenges, but you can learn from those that have already completed the journey. Indeed, the evidence suggests that the smaller you are, the easier the process will often be.

A recent review carried out for a housing association with around 350 properties revealed that the five year cost to procure a proven customer portal that delivered automated customer self-service would be a fraction under £20,000. This excludes the cost of the internal resource required to implement it and was based on developing software already in use, but it clearly demonstrates that the cost needn't be prohibitive.

> **"89% of UK adults used the internet in the last three months, while only 9% have never used the internet"**

The review also recommended it would be both advisable and cost-effective for the business to make greater use of cloud-based solutions by having their software hosted and making use of Office 365, SharePoint and data backup.

This offers a more agile working environment, a business disaster recovery solution and the opportunity to resolve longstanding data issues - especially important with the new General Data Protection Regulation (GDPR) just around the corner. The organisation's ICT was also ready for a refresh, which helped make the case.

The implementation process is formulaic and provided there is leadership and commitment, can be completed in less than 12 months.

Cultural business transformation is just as important to the process as digital transformation. Management, staff and customers will need to change the way they operate and recognise the benefits this will provide. In our experience, cost savings are achieved through smarter working practices, not redundancies.

What could your residents do online?

Successful online services are already allowing customers to:

- check their rent account, make and manage payments including requesting direct debit or standing order payments
- book and track repairs, choosing and, if necessary, moving appointment times
- send in letters, photos, feedback, comments and complaints and check the status of their enquiries
- access all their tenancy letters/documents and view and update their family details
- view properties and carry out the end-to-end sales application process online
- swiftly identify new void properties
- make and update applications for accommodation or other services
- get involved with tenant groups
- use web chat or click a 'Help' button to chat to an operative or leave a message
- go paper-free and get a faster, greener service
- receive newsletters, rent statements and other communications, so removing printing and distribution costs
- check calendars for regular dates (such as bin collections and stair cleaning days)
- access details about their home (such as heating instructions, turning the water off)

"Smartphones now outsell toothbrushes"

Remember, they can do all these things 24 hours a day, 7 days a week, 365 days a year.

In the vast majority of cases, these online services completely remove the need for staff to re-enter data, so liberating resources.

Many organisations which have invested in resident portals are aiming for over 75% of customer transactions to be done online within three years. This is achievable, depending on geography and connectivity challenges in certain areas.

Feedback suggests that for those advanced in their journey, connectivity wasn't the problem they thought it would be. It transpired that many customers who had 'no internet access' did have smartphones - they just didn't realise that their use of apps like Facebook meant they were online!

It also became clear that elderly residents often had their affairs managed by relations or friends who preferred to go online in the evenings after work.

Can you afford *not* to go digital?

In summary, providing customers with the option to self-serve over the internet, at any time and from anywhere, should now be a mandatory part of an ICT strategy. Such strategies should pay for themselves as customers free up demand and help themselves. Many have already taken this particular journey, limiting the risks for those that follow. Those organisations that move services online are those that are likely to flourish in a sector that is currently on a trajectory of rapid change.

Colin Sales is Managing Director of 3C Consultants, provider of specialist IT Consultants to the Social Housing Sector

Managing the rent cut, and other sector challenges

Four leaders of smaller HA's share their ambitions and plans.

Peter Bedford Housing Association: an entrepreneurial approach

"Times are particularly challenging for small supported housing providers and we have been squeezed tightly over the last two years by statutory funding reductions.

However, we are rising to the challenge, particularly as our tenants recently voted to keep Peter Bedford independent. We have changed our business model, moving away from reliance on statutory funding to one based on an entrepreneurial approach. We have invested in our infrastructure to grow our social enterprises and fundraising capacity whilst improving our income generation performance.

Our challenges now are to:

- bring our homes up to a good standard so they are fit to meet future needs
- increase the number of homes available to adults with vulnerabilities
- assess our social impact and review our approach based on what it tells us

So, we will:

- invest and grow the organisation: achieving bespoke enterprise business plans including a coffee shop, retail outlet and creative industries hub; extending income streams into corporate and individual giving; and steady growth through contracting via a strengthened new business team
- invest in our homes and expand the number of homes within our existing footprint: identifying funding routes, developing mixed models of housing alongside supported housing and strengthening the assets and property team
- improve the impact and value created at Peter Bedford by improving housing management performance and client outcomes, particularly tenant outcomes across enterprise and recovery and adult learning, focusing on how good housing management and recovery approaches enable positive move on and employment outcomes

Looking to the future, we are reviewing our business plan to 2020 and are ambitious for what we can achieve. We exist to help create a society where everyone is valued and is seen as having something to contribute, so our goals for the next 10 years will be ambitious, focusing on building clients' ownership of services, reducing inequality, and improving the life chances of people with vulnerabilities."

Clare Norton

Clare is CEO of Peter Bedford Housing Association. Based primarily across Hackney and Islington, its 265 homes provide a community where tenants, participants, staff and volunteers come together to create the space and security for people with vulnerabilities to recover. We take an asset-based approach to recovery where people live, learn and work together, supporting each other

King Street Housing: leading the way in ethical lettings and new ways to invest in housing

"KSH has never thought of itself as a traditional housing society: it has always pursued less mainstream ideas to bring a range of accommodation into the area and help solve the housing crisis.

In 2016 we launched King Street Lettings, a trading subsidiary. We wanted to create an ethical lettings agent for two reasons: firstly, we felt that we could use our skills and knowledge of the private housing market, gained from our 25 years of working on private leasing schemes, to offer a commercial service to landlords. We would gift the profit back to KSH, helping subsidise our social housing and aspirations. Secondly, we wanted to present an offer to tenants and landlords that was fair to both - we felt that charges in some cases were excessive and that the value of a long-term tenant was underestimated by many lettings agents.

In a competitive market for lettings, it hasn't been an easy ride, but KSL now employs two full-time members of staff, is accredited by the Association of Residential Lettings Agents (ARLA propertymark), and looks set to meet its ambitious business plan for the current financial year.

To better achieve our mission of providing a range of housing to meet need in the Cambridge area, we have entered into talks with Aldwyck Housing Group with a view to becoming a subsidiary. For KSH, it provides an opportunity to invest more in housing provision than we could alone whilst exploring new ways of increasing housing supply. Our innovative approach to problems and commercial knowledge will also help grow services in areas that are new to the Aldwyck Housing Group."

Craig Glasper

Craig is CEO of King Street Housing (KSH), which owns or manages 576 properties in Cambridgeshire, including general needs housing, properties leased from private landlords for use as temporary local authority accommodation, and properties managed on behalf of organisations such as almshouse charities.

Steve Biko Housing Association: moving to a single maintenance contract for savings and a better service

"Like many, we are absorbing the financial impact of annual rent cuts, welfare reforms, local authority rent caps and the uncertainty around future funding of sheltered accommodation whilst still ensuring that we listen to tenants, continually improve services and maintain high standards of governance.

It is critical that we stay true to who we are - a BME association that is rooted in a diverse community and that enables partners and individuals to make a difference in that community.

Following consultation with tenants and a service review, we recently changed the way we procure the repairs service. The old service was fragmented across many small contractors paid on an hourly rate and didn't join up with planned maintenance data or delivery. Notwithstanding the benefits of supporting small, local businesses, the case for consolidating the service in a single contract was compelling.

In April 2017 we appointed Housing Maintenance Solutions to deliver routine repairs, planned and cyclical works and services such as gardening, cleaning and window cleaning. We now offer tenants appointments at the point of reporting the repair and are completed within seven days as opposed to 21 days. We estimate that for the first quarter of the year we have made £9,000 savings compared to the same period the previous year. The savings will be reinvested into our planned maintenance programme."

Tracey Gore

Tracey Gore is director of Steve Biko Housing Association. Located in Manchester, it provides 265 quality affordable general needs and supported homes primarily, though not exclusively, for black and other ethnic minority (BME) people in housing need.

Broadening Choices for Older People: focusing on core purpose, assurance and improving services

"As a small social housing and social care provider, BCOP has had to respond regularly to changing regulatory and policy developments during our 70-year history. Leadership and governance issues have been to the fore in the past financial year, and our ten-strong board of trustees now has six new members – including the Chair - as well as changes in the executive team. A new chief executive, recruited from outside the housing sector, joined in summer 2016.

Against this backdrop, we have benefited from greater interaction with similar housing organisations (including through the West Midlands Benchmarking Club), while getting to grips with the rent cut, Local Housing Allowance uncertainties, and other issues affecting the sector.

We are now better positioned to address our future strategy by focusing on:

- the core purpose of the organisation - moving towards a clearer, shared understanding of what business we are in, given the breadth of services;
- clarifying how we obtain assurance - looking for the evidence that internal controls are in place and operating effectively. We believe strengthening our model of governance is vital to securing future development opportunities and finance, borne out by our recent refinancing of current loans; and
- engaging directly with our residents and others to improve our services, achieving greater value for money and evidencing our impact.

Given the rising demands and increasing complexity of needs of older people in the coming years, our ultimate ambition is growth."

Caroline Cooban

Caroline is chief executive of Broadening Choices for Older People (BCOP) owning 160 properties in Birmingham providing independent, sheltered and assisted living for older people. In addition, the charity runs three nursing homes and is currently establishing a new domiciliary care service.

"It is critical that we stay true to who we are - a BME association that is rooted in a diverse community and that enables partners and individuals to make a difference in that community."

How are smaller housing associations helping to solve the housing crisis?

Commitment, partnership and creative thinking are helping to construct some desperately-needed homes: here, two organisations at either end of the country tell us how they increased their own capacity to build, while the National Housing Federation is helping to create networks.

Partnership is key, says the National Housing Federation

"Politicians of all colours agree there is a housing crisis and housing associations must play a significant role if we are going to solve it. While this will be no easy task, associations are clear about their ambition to build 120,000 homes per year by 2033 – roughly a threefold increase on current output.

The National Housing Federation (NHF) and its members have been working to understand the sector's current contribution to housebuilding - associations started 47,709 homes in 2016/17 - as well as the changes necessary to increase this figure.

It's clear that partnership working is key and that all associations that are in a position to do so contribute with many smaller associations already stating their aim to increase output to help ensure that the communities they work with can access homes that are right for them.

To help support this, the NHF has set up a network of smaller housing associations looking to increase the number of new homes they build. Since the beginning of 2017, the group has worked to identify the main challenges to building more homes – for instance, accessing land and competitive finance and developing the relevant skills among executives and boards – as well as the actions they and government would need to take to overcome them.

Over the coming year, smaller associations have committed to communicating their offer to stakeholders, sharing examples of the excellent practice in the sector and investigating how they could collaborate further to increase their development capacity."

Victoria Moffett is External Affairs Manager of the NHF

"CRHA has built 336 homes across 49 developments in 31 villages & on 4 islands"

Affordable homes enable rural communities to thrive, says Cornwall Rural HA

"Cornwall Rural Housing Association (CRHA) is a community-based organisation formed in 1985 to develop affordable homes throughout Cornwall and on the Isles of Scilly. We see the provision of affordable homes as an essential element in maintaining a living, working countryside so that rural communities can continue to thrive.

CRHA completed its first homes in 1988 and has now provided a total of 320 rented homes, 16 shared ownership homes and three homes for discounted sale. A further eight homes for rent will be complete by October 2017. These homes are dispersed across 50 separate developments in 32 villages and on four islands.

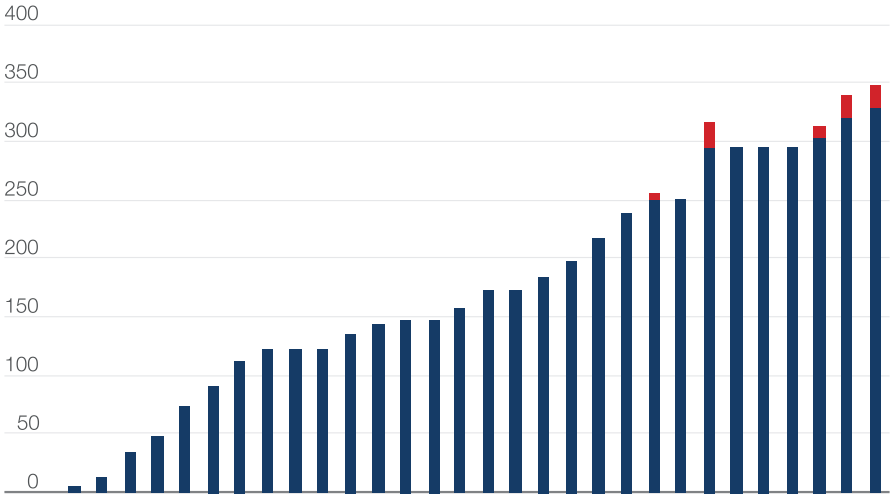
We develop homes as an independent investment partner with the Homes & Communities Agency, and have also helped smaller community-based organisations develop their own new homes.

CRHA established the first county-wide community land trust (CLT) in England and has continued to support the development of CLTs throughout Cornwall, which has included the facilitation and provision of 32 homes for discounted sale and the provision of management services for CLTs.

CRHA's most recent tenant satisfaction survey (conducted by Acuity) told us that 97% of our residents are satisfied with the service we provide, and our Net Promoter Score was 62 – both results in the top quartile for our sector. This excellent feedback flows from our belief that the development of new housing is not just about providing good quality new homes, it is also about ensuring that those homes are well managed and maintained.

We have an excellent track record of delivering good quality affordable homes plus a range of community-led housing schemes in some of the more difficult to reach areas of Cornwall and the Isles of Scilly. We want to do more, and CRHA is delighted to have been asked by Cornwall Council to work with it to ensure that the new Community Housing Fund is used effectively to enable local communities to participate in the delivery of more homes."

Peter Moore is CEO of Cornwall Rural HA



Homes developed by CRHA, 1988 - 2017

- Homes for rent
- Homes for sale

Housing associations working together helps us act like a bigger organisation, says Iceni Homes

"We operate in East Anglia and are a HCA development partner, Iceni Homes (named after the Celtic tribe that took on the Romans) is a joint venture development company established in 2004, and owned by three housing associations, Colne Housing in Essex, Hundred Houses in Cambridge, and Suffolk Housing.

Iceni was established to allow its shareholders to access development services that offer a level of specialism and expertise of a much larger organisation at a comparable cost. Since 2004 Iceni has built over 3,000 homes and paid over £2 million in gift aid to its partners.

Each partner retains control over its own strategy, approving its own schemes and owns and manages all properties. Iceni is responsible for delivering the strategy and managing the delivery of schemes and new business from inception to completion.

Iceni also works for external customers and has been involved in the delivery of community facilities and commercial buildings as well as residential projects, giving a very broad range of experience.

Moving forward, Iceni continues to deliver around 250 homes per year for its shareholders, and has an expanding external client base, contributing to record delivery projections over the coming years. A new consultancy offer, providing organisations with the ability to commission Iceni for a range of development services, from an individual scheme to a wider programme, is also being developed."

Philip Murton is Managing Director of Iceni Homes

"Iceni delivers around 250 homes per year for its shareholders"

Performance comparison and improvement

SPBM data provides smaller associations with a comparison between their peers and the rest of the sector. SPBM members compare favourably with the rest of the sector in key areas such as rent collection, arrears, voids and the cost and management of repairs, as the following tables for 2016-17 show.

There is a positive trend for costs. Housing Management costs per property and Overheads as a percentage of turnover are both down on the previous year.

Overall tenant satisfaction with the services provided by SPBM members is high, reflecting the ratings awarded for key services, value for money and listening to residents' views.

The following data provides an insight into the overall performance of SPBM members for the year April 2016 to March 2017 in a number of key areas.

About the data

Two sets of data are provided for each activity:

1. The median performance of all organisations submitting data to SPBM (referred to as 'SPBM') and the median performance of all organisations submitting data to HouseMark (referred to as 'All Providers').
2. Year on year performance data indicating the direction of travel in performance among SPBM members.

- We use a traffic light system indicating whether the median for SPBM members is higher, lower or the same as the median for all providers, and trend arrows indicating whether performance among SPBM members has improved, declined or stayed the same.
- The year-on-year trend is based on data from SPBM members which submitted figures for both 2015/16 and 2016/17. This balanced panel ensures that trend comparisons are robust and not adversely affected by changes in the sample between years. However, the SPBM overall medians given for 2016/17 may differ slightly from the medians used for the same year in the trend analysis.
- HouseMark data are median values drawn from HouseMark Core and Priority Performance Benchmarking (PPB), based on data from around 450 providers of all sizes not including data from SPBM. In the sections on resident satisfaction the HouseMark data are based on the HouseMark standard STAR methodology.
- All SPBM and HouseMark comparisons are based on identically defined performance indicators.

Voids and lettings

SPBM member performance on rent loss from voids and average re-let times during 2016/17 compares favourably with that of all providers, with SPBM members reporting shorter void times and lower void losses for general needs and sheltered housing, but higher void losses for supported housing.

Void losses usually map closely to void times and this is reflected in the year-on-year figures. For general needs, sheltered and supported properties void losses and void times have reduced since last year.

	All Providers	SPBM	
Percentage of rent lost due to void properties (GN)	0.61	0.48	●
Percentage of rent lost due to void properties (HfOP)	1.98	0.91	●
Percentage of rent lost due to void properties (Supported)	1.23	3.87	●
Average re-let time in days (GN)	19.73	17.00	●
Average re-let time in days (HfOP)	29	22.08	●
Average re-let time in days (Supported)	25.95	17.00	●

	2015/16	2016/17	
Percentage of rent lost due to void properties (GN)	0.45	0.44	↑
Percentage of rent lost due to void properties (HfOP)	1.01	0.97	↑
Percentage of rent lost due to void properties (Supported)	5.38	3.53	↑
Average re-let time in days (GN)	21.78	17.00	↑
Average re-let time in days (HfOP)	26.75	24.94	↑
Average re-let time in days (Supported)	28.00	17.00	↑

Rent collection and arrears

The average performance of SPBM members on rent collection was marginally below that of all providers.

Rent collection figures are significantly affected by the housing benefit (HB) payment cycle so for benchmarking purposes and comparing between organisations we focus more on arrears. We have introduced new measures that exclude arrears caused by late HB payments this year, to give a more accurate comparison of performance.

General needs and HfOP arrears were lower for SPBM members than all providers. For supported housing SPBM members have higher average arrears than all providers.

SPBM members' arrears have fallen for all general needs and supported housing since last year and increased for housing for older people.

> **"Making sure that we all report on the same basis has been important in the learning process. Working together with other housing professionals is also helpful."**

	All Providers	SPBM	
Rent collected as a percentage of rent owed (GN)	100.09	100.00	●
Rent collected as a percentage of rent owed (HfOP)	100.20	99.67	●
Rent collected as a percentage of rent owed (Supported)	100.10	99.17	●
Current tenant arrears (GN)	3.12	2.4	●
Current tenant arrears (HfOP)	1.34	0.98	●
Current tenant arrears (Supported)	2.61	4.98	●
Current tenant arrears (GN) new measure ex HB	2.23	1.51	●
Current tenant arrears (HfOP) new measure ex HB	0.54	0.32	●

	2015/16	2016/17	
Rent collected as a percentage of rent owed (GN)	100.00	100.00	⇔
Rent collected as a percentage of rent owed (HfOP)	99.67	99.51	↓
Rent collected as a percentage of rent owed (Supported)	96.62	99.17	↓
Current tenant arrears (GN)	2.57	2.41	↑
Current tenant arrears (HfOP)	0.64	0.84	↓
Current tenant arrears (Supported)	5.46	5.09	↑
Current tenant arrears (GN) new measure ex HB	1.85	1.51	↑
Current tenant arrears (HfOP) new measure ex HB	No data		

Repairs and maintenance

SPBM members' average performance was higher than all providers for average end-to-end time, repairs completed on the first visit and resident satisfaction with completed repairs.

The median performance of SPBM members and all providers on gas safety checks was identical.

However, performance has fallen for the percentage of repairs completed within target time, average end-to-end time for repair completion and resident satisfaction since last year. The percentage of repairs completed on the first visit has improved. Performance across the other two indicators (emergency repairs completed within target and percentage of properties with a valid gas safety certificate) has remained the same. All data are for general needs housing, supported housing and housing for older people combined.

	All Providers	SPBM	
Percentage of emergency repairs completed within target	N/A	100	
Percentage of all reactive repairs completed within target	N/A	96.15	
Average end-to-end time for all reactive repairs	9.11	6.60	●
Percentage of repairs completed at first visit	92.39	93.02	●
Percentage of residents satisfied with most recent repair (from repair completion survey)	94.15	96.36	●
Percentage of dwellings with a valid gas safety certificate	100	100	●

	2015/16	2016/17	
Percentage of emergency repairs completed within target	100.00	100.00	⇔
Percentage of all reactive repairs completed within target	97.32	96.15	↓
Average end-to-end time for all reactive repairs	6.4	6.6	↓
Percentage of repairs completed at first visit	91.54	93.02	↑
Percentage of residents satisfied with most recent repair (from repair completion survey)	96.63	96.50	↓
Percentage of dwellings with a valid gas safety certificate	100.00	100.00	⇔

> **"The quality of the reports we received together with benchmarked comparisons was welcomed by both our staff and Board"**

[3] HouseMark have stopped using PIs to measure repairs completion against target times and switched to more customer-focused indicators such as average end-to-end times, completion on the first visit, appointments kept and customer satisfaction

Resident satisfaction – General Needs

SPBM members reported high levels of satisfaction again this year, with an average of 89% satisfaction with overall service and similarly high levels of satisfaction with quality of home and neighbourhood as a place to live (both 89%). Satisfaction with repairs service and value for money (VFM) provided by rent (85% and 87% respectively) was slightly lower, and considerably lower for listening to tenants' views and acting on them (80%) and VFM of service charges (76%).

Compared with all providers, SPBM members reported higher levels of satisfaction among general needs residents across all seven STAR core satisfaction measures, with ratings between 2 and 11 percentage points higher.

Over the past year performance on overall satisfaction and repairs has fallen (both down 2%) while satisfaction with the home, neighbourhood and VFM has remained the same. Over the same period satisfaction with listening and acting on tenants' views has improved (+1%).

	All Providers	SPBM	
Satisfaction with the overall service provided by their landlord	87	89	●
Satisfaction with the overall quality of the home	84	89	●
Satisfaction with the neighbourhood as a place to live	86	89	●
Satisfaction with the value for money of rent	83	87	●
Satisfaction with the value for money of service charges	71	76	●
Satisfaction with the repairs and maintenance service	80	85	●
Satisfaction that landlord listens to / acts upon tenants' views	69	80	●

	2015/16	2016/17	
Satisfaction with the overall service provided by their landlord	91	89	↓
Satisfaction with the overall quality of the home	89	89	↔
Satisfaction with the neighbourhood as a place to live	90	90	↔
Satisfaction with the value for money of rent	87	87	↔
Satisfaction with the value for money of service charges	76	76	↔
Satisfaction with the repairs and maintenance service	87	85	↓
Satisfaction that landlord listens to / acts upon tenants' views	78	79	↑

Resident satisfaction – Housing for Older People

SPBM members reported very high levels of overall satisfaction for Housing for Older People with an average 93% satisfied with services overall and similarly high average ratings for the 'quality of home' and 'neighbourhood as a place to live' (both 95%). Satisfaction ratings were also high for 'repairs and maintenance' and for VFM rent (92% and 94% respectively). The average for VFM service charges was 89% while 'landlord listens to views and acts upon them' was lower (82%).

Compared with all providers, SPBM members reported higher levels of satisfaction among housing for older people residents across all seven STAR core satisfaction measures, achieving ratings between one and eight percentage points higher.

Since last year average performance for overall satisfaction has fallen by 1% while satisfaction with the neighbourhood and value for money of rent has risen (1% and 2% respectively). Average performance in the other four core areas has remained the same.

	All Providers	SPBM	
Satisfaction with the overall service provided by their landlord	91	93	●
Satisfaction with the overall quality of the home	94	95	●
Satisfaction with the neighbourhood as a place to live	93	95	●
Satisfaction with the value for money of rent	90	94	●
Satisfaction with the value for money of service charges	81	89	●
Satisfaction with the repairs and maintenance service	87	92	●
Satisfaction that landlord listens to / acts upon tenants' views	75	82	●

	2015/16	2016/17	
Satisfaction with the overall service provided by their landlord	95	94	↓
Satisfaction with the overall quality of the home	96	96	↔
Satisfaction with the neighbourhood as a place to live	95	96	↑
Satisfaction with the value for money of rent	92	94	↑
Satisfaction with the value for money of service charges	90	90	↔
Satisfaction with the repairs and maintenance service	92	92	↔
Satisfaction that landlord listens to / acts upon tenants' views	84	84	↔

> "The ability to discuss issues across the club becomes even more useful"

Residential satisfaction - Supported Housing

SPBM members reported high levels of overall satisfaction for Supported Housing tenants: an average 90% were satisfied with services overall, slightly more than the 89% for 'quality of home' and 'neighbourhood as a place to live'. VFM rent and service charges were on 86% and 81% respectively, while for 'repairs and maintenance' the average rating was 79%, with 'landlord listens to views and acts upon them' slightly lower at 78%.

Compared with all providers SPBM members reported higher levels of satisfaction among supported housing residents for five out of seven headline satisfaction measures. For 'quality of home' and repairs it was one percentage point lower.

Satisfaction with the overall service has remained constant at the same high level since last year, and improved by one percentage point for the home, neighbourhood and listens to/acts on views'. However average satisfaction with VFM and repairs fell by between one and three percentage points.

"Acuity has helped us identify and define critical PIs for our own use... They also provided access to excellent peer group comparators way beyond our own contacts. Really useful for the new Regulatory Framework and our reporting to tenants. Loading and accessing the data is easy and the support is quick and helpful. The broader benefits, links to HouseMark and Procurement for Housing are a real bonus."

	All Providers	SPBM	
Satisfaction with the overall service provided by their landlord	89	90	●
Satisfaction with the overall quality of the home	90	89	●
Satisfaction with the neighbourhood as a place to live	85	89	●
Satisfaction with the value for money of rent	81	86	●
Satisfaction with the value for money of service charges	74	81	●
Satisfaction with the repairs and maintenance service	80	79	●
Satisfaction that landlord listens to / acts upon tenants' views	73	78	●

	2015/16	2016/17	
Satisfaction with the overall service provided by their landlord	90	90	⇔
Satisfaction with the overall quality of the home	88	89	↑
Satisfaction with the neighbourhood as a place to live	87	88	↑
Satisfaction with the value for money of rent	87	84	↓
Satisfaction with the value for money of service charges	82	81	↓
Satisfaction with the repairs and maintenance service	82	80	↓
Satisfaction that landlord listens to / acts upon tenants' views	77	78	↑

Staff engagement

On average, SPBM members reported losing fewer working days to sickness absence than larger providers, and also fewer than last year.

	All Providers	SPBM	
Average number of working days lost due to sickness absence	9.33	5.40	●

	All Providers	SPBM	
Average number of working days lost due to sickness absence	6.55	5.57	↑

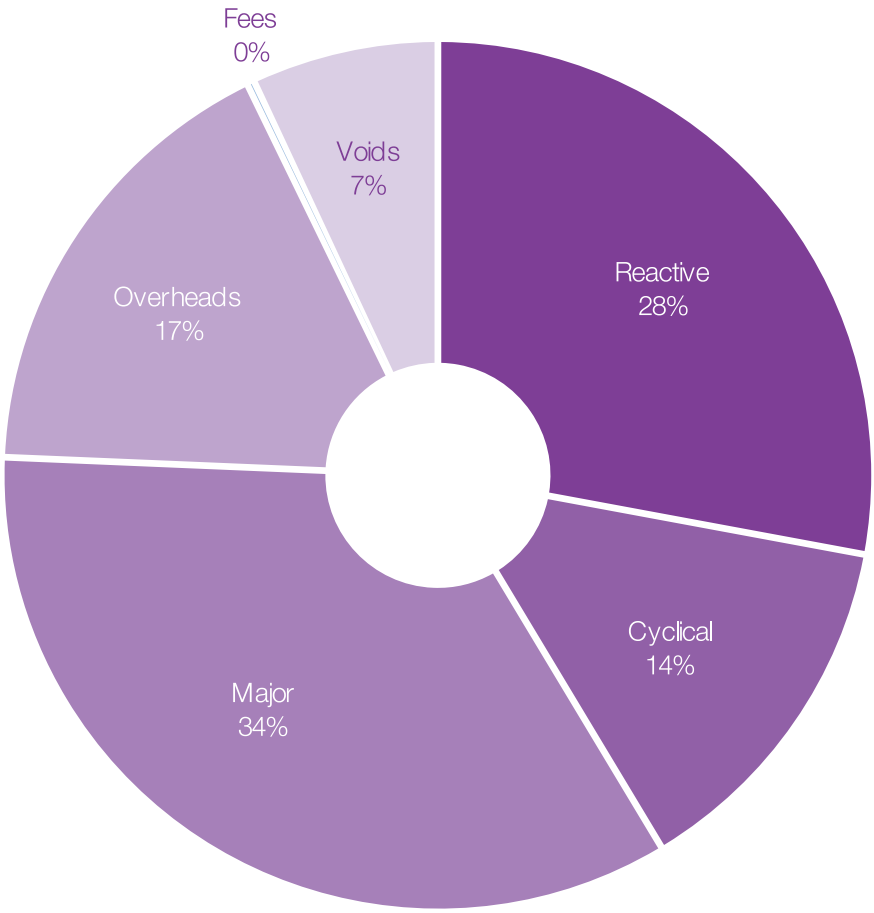
Repairs & Maintenance expenditure

These costs are taken from management accounts, enabling SPBM members to compare repairs and maintenance spending in a meaningful way.

The average weekly spend per property in 2016/17 was £32.39, or 32% of rent. This is lower than 2015/16, when it was £33.74, or 35% of rent.

This is one of many cost comparison exercises that we carry out with SPBM members.

Repairs spending per property per week (national SPBM median)



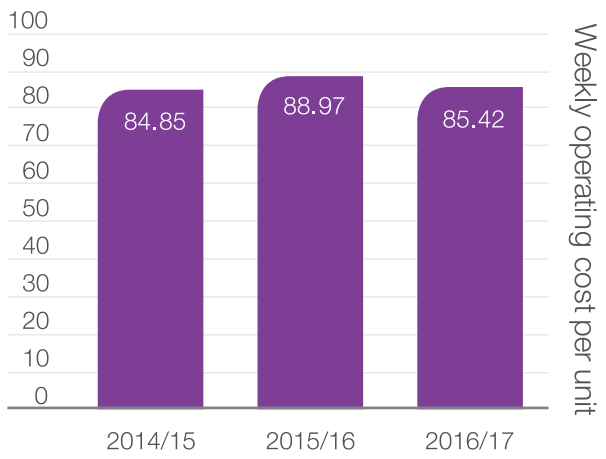
> **"The diversity of RSLs involved and the discussion at meetings on the benchmarking data helped me to report to the Board on how the Co-op's own data compares and what lessons can be learnt from this information. There is also much more that can be achieved"**

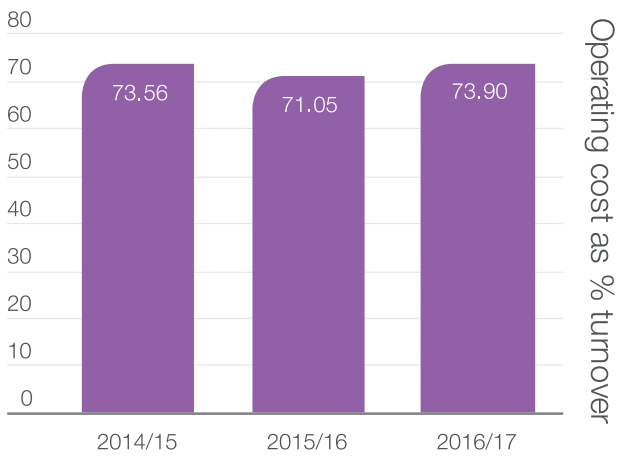
Costs & Investment

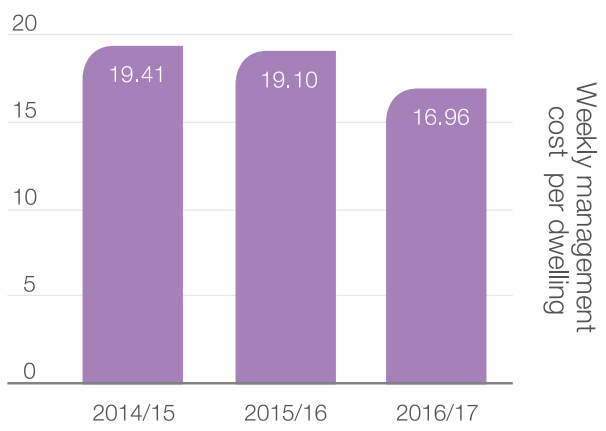
Operating costs per unit of SPBM members have decreased since last year, although operating costs rose as a percentage of turnover in the same period. Weekly management costs per home also increased, while weekly investment per unit fell.

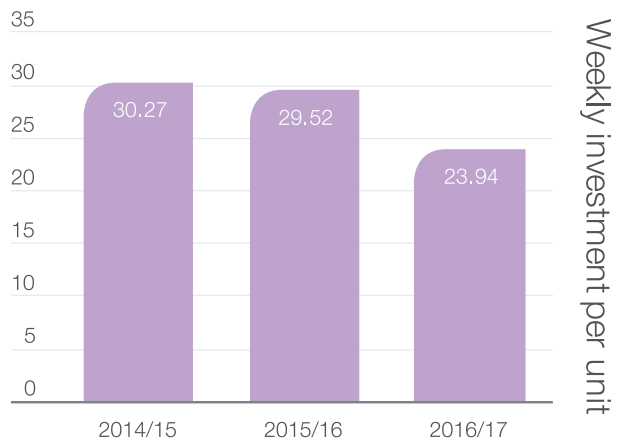
These cost figures are useful only for year-on-year comparisons because data is taken from statutory accounts. Each organisation prepares accounts differently, so figures for different organisations cannot be compared.

	2013/14	2015/16	2016/17
Weekly Operating Cost per unit	**84.85**	**88.97**	**85.42**
Operating costs as a percentage of turnover	**73.56**	**71.05**	**73.90**
Average weekly cost per dwelling on management	**19.41**	**19.10**	**16.96**
Weekly investment per unit	**30.27**	**29.52**	**23.94**









VFM / Cost measures

These cost PIs have been developed with HouseMark to enable sector comparisons and are more robust than those derived from statutory accounts because they require members to apportion costs using a consistent methodology. These metrics are derived from members' analysis of their management accounts, following clear guidance and definitions from HouseMark.

Compared with all providers SPBM members reported higher average cost per property of Housing Management and higher overheads as a percentage of turnover. A consideration here is the higher proportion of supported stock included in the smaller housing association figure for Housing Management. SPBM members cost per property of responsive repairs, void works, major and cyclical were lower than the average for all providers.

Since last year cost per property performance has improved for Housing Management, responsive repairs and void work, and for overhead costs as a percentage of turnover. Average performance on the cost per property of major and cyclical works has fallen over the same period. All data are for general needs housing, supported housing and housing for older people combined

	All Providers	SPBM	
Cost per property of Housing Management	275	393	●
Cost per property of responsive repairs and void works	706	659	●
Cost per property - Major and cyclical works	1405	908	●
Overhead costs as a percentage of turnover	11	15	●

	2015/16	2016/17	
Cost per property of Housing Management	407	393	↑
Cost per property of responsive repairs and void works	713	664	↑
Cost per property - Major and cyclical works	926	1045	↓
Overhead costs as a percentage of turnover	17	16	↑

> "Count us in for next year's salary survey - well worth the effort!"

[4] HouseMark data taken from RPI inflated 15/16 cost figures

SPBM Salaries Survey 2017

Acuity runs an annual survey comparing salaries and terms & conditions for smaller housing providers, which is free to SPBM subscribers.

More than fifty smaller housing providers participated in 2017 and the feedback has been excellent.

Participants receive a detailed report with a comparison and analysis of providers' salaries and other benefits. The report was developed with considerable input from SPBM subscribers and is intended to help them and their Boards judge how their pay and rewards compare with others.

Interested in seeing the detailed report? Please contact Acuity about taking part in the 2018 survey.

Main points

Staff turnover: Average staff turnover was 10.7%, two per cent lower than last year.

Salaries costs: Total salary costs are 20% of financial turnover on average, 2% lower than last year. For general needs providers, salary costs are 18% of turnover on average.

Salary increases: The average salary increase was 1.8%, higher than last year (1.2%). 88% of respondents reported an increase in salaries at the last review.

Staff numbers: General needs providers employ on average 2.25 FTE staff per 100 properties.

Pensions: The average cost of pensions to employers (including past deficit) was 9.25% of the total salaries bill. On average 70% of staff participate in pension schemes.

Pension contributions: The average employer contribution is 8.4% of salary while the average employee contribution is 5%.

Overtime & bonuses: 24% of organisations pay overtime. 29% pay bonuses.

Sickness benefits: 63% of organisations offer enhanced sickness absence entitlements.

Other benefits: All organisations provide a range of other benefits as part of their staff reward packages with the most common an appraisal scheme, payment of professional fees, time off in lieu (TOIL), provision of study time and personal development planning.

Boards & Board remuneration: The average Board has 9 members. Around one in six organisations remunerate Board members (16%).

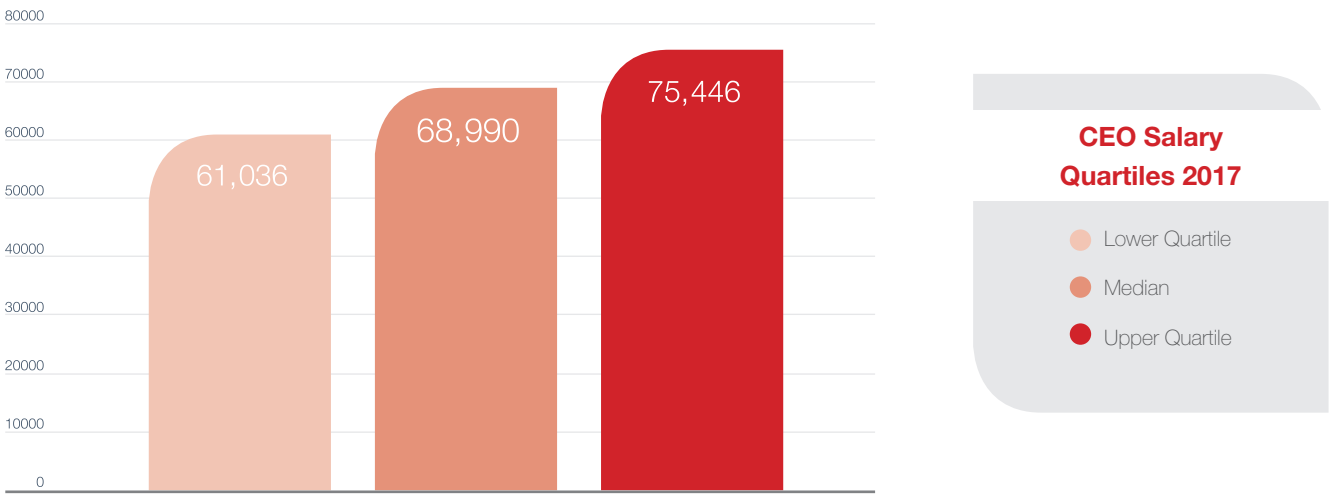
Salaries for key roles

Please note:

- More detailed breakdown and analysis is given in the full report for participants only
- Where we have included year-on-year comparisons they are based on the sample from each year and not on a balanced panel.

Chief Executives' salaries

The average salary for Chief Executives was £68,990, very marginally higher than last year.



Housing Management salaries

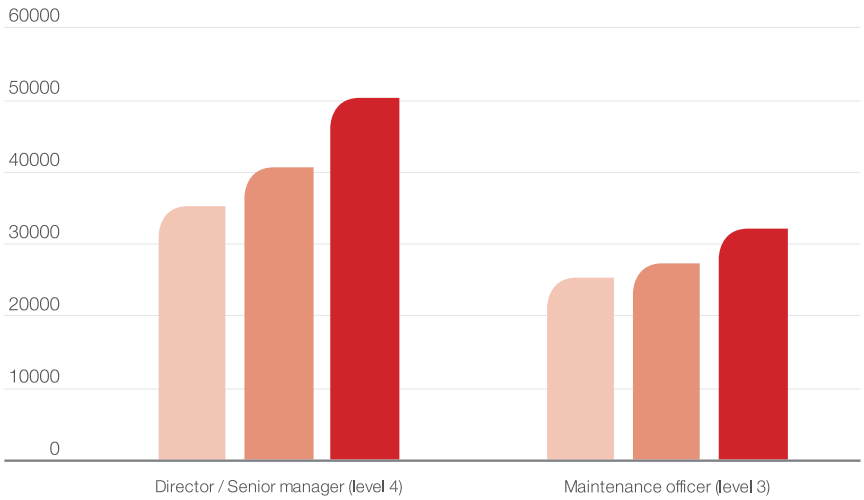
The median salary for a Housing Director was £54,300, 3.4% higher than in 2016. Over the same period the median salary for a Housing Manager or equivalent Level 4 role increased by 4.3% to £38,300. The median salary for a Housing Officer or equivalent role decreased by 2.9% to £27,100.

	No. job roles	Lower quartile	Median £000's	Upper quartile £000's
Housing Director	16	50.4	54.3	60.3
Housing Manager (Level 4)	23	34.9	38.3	40.6
Housing Officer and equivalent (Level 3)	80	24.0	27.1	30.0

Property Services and Maintenance salaries

The median salary for a Property Services Director or equivalent Level 4 role was £40,600, the same as in 2016 survey. Over the same period, the median salary for a Maintenance Officer or equivalent role has decreased by 3% to £27,300.

	No. job roles	Lower quartile	Median £000's	Upper quartile £000's
Senior Manager and equivalent (Level 4)	22	35.3	40.6	50.3
Officer and equivalent (Level 3)	53	25.3	27.3	32.3



Property Service & Maintenance Quartiles 2017

- Lower Quartile
- Median
- Upper Quartile

Finance salaries

The median salary for a Finance Director was £59,200, a 6% increase since the 2016 survey. Over the same period, the median salary for a Finance Manager or equivalent Level 4 role has increased by 7.6% to £47,700. The median salary for a Finance Officer (Level 3) was £29,800, 0.6% higher than in 2016.

	No. job roles	Lower quartile	Median £000's	Upper quartile £000's
Finance Director	18	50.1	59.2	64.0
Finance Manager and equivalent (level 4)	16	42.0	47.7	52.2
Finance Officer (level 3)	40	26.2	29.8	33.9

Finance Salary Quartiles 2017

- Lower Quartile
- Median
- Upper Quartile

“Thanks for the salary survey information. This is the first year we’ve participated. Having taken a quick look I think it will be very helpful in salary negotiations with our board. It answers so many of the questions they ask me about what other organisations do.”

Support and Care salaries

The median salary for Senior Support and Care Managers (Level 4) was £43,400, 8.4% higher than last year. The median salary for a Support Worker or Scheme Manager role at Level 3 was £23,400, 1.7% higher than last year. Please note that some Scheme Manager posts have accommodation provided: complete comparative data appears in our full report.

	No. job roles	Lower quartile	Median £000’s	Upper quartile £000’s
Support Services Manager (level 4)	20	37.2	43.4	50.2
Scheme Manager and equivalent (level 3)	23	19.8	23.4	26.0

“We have used data to play an important role in helping set the salary review for the coming year. I have also used it to help with job revaluations. The fact that we get raw data is very helpful as it allows me to filter by meaningful comparators.”

Who's listening?

Denise Raine considers whether smaller housing providers really are better at listening to residents.

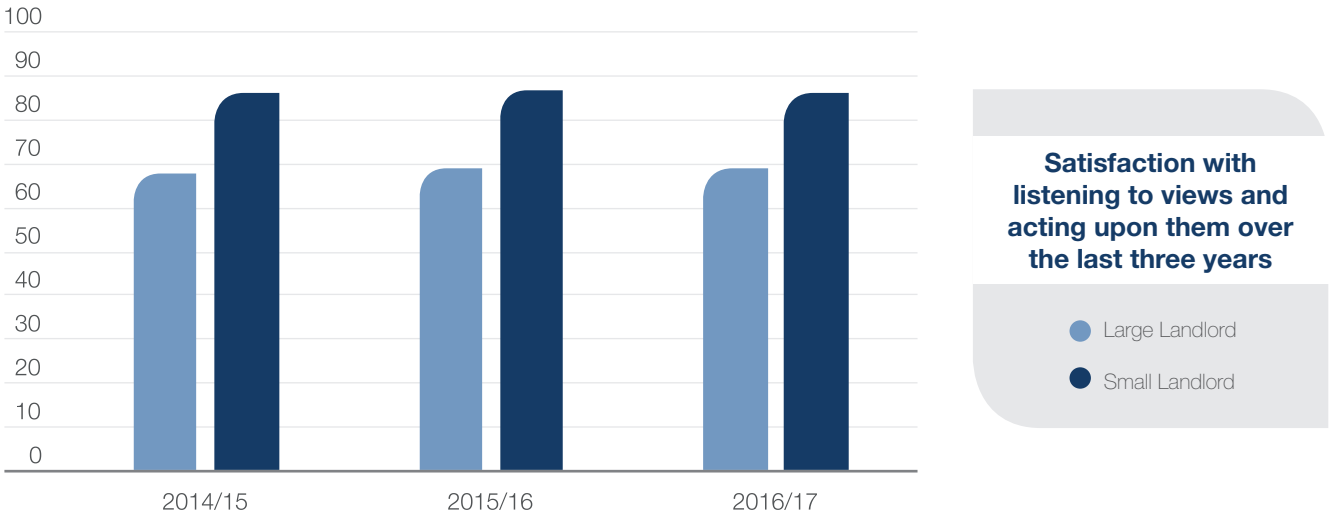
The tragic fire at Grenfell Tower has thrown a spotlight on listening to tenants. Although it hasn't been a priority for the government or its regulator since the Tenant Services Authority was disbanded in 2012, the vast majority of social landlords continue to appreciate its crucial role in understanding needs, preferences and the customer experience - the prerequisite to shaping services tenants want.

It's long been held that higher levels of satisfaction positively contribute to residents looking after their homes, not complaining, contributing to their communities and consequently being more cost effective to manage. Turning a deaf ear to tenants isn't just at odds with the sector's values, it doesn't make good business sense as critical actionable intelligence remains untapped. Because of the close, special relationship smaller associations have with their residents, they are particularly well-placed to listen, understand and act.

The message for those working in resident satisfaction is clear: alongside a good repairs service and a decent home, tenants need to feel their landlord listens to them. So for the past decade, we've asked: "How satisfied are you that your landlord listens and acts on your views?"

Is smaller really better?

Does the closer relationship between smaller organisations and their residents translate into higher satisfaction ratings for listening to their them? The short answer is yes: on average, smaller landlords outperform larger ones by 17% to 18% year on year for general needs tenants.



Although residents themselves rate landlords listening to their views and acting on them less highly than key services, analysis of SPBM members shows a strong correlation (0.70) between satisfaction with landlord services and listening to views. This demonstrates it is an important underlying factor, often just as important as performance on key services.

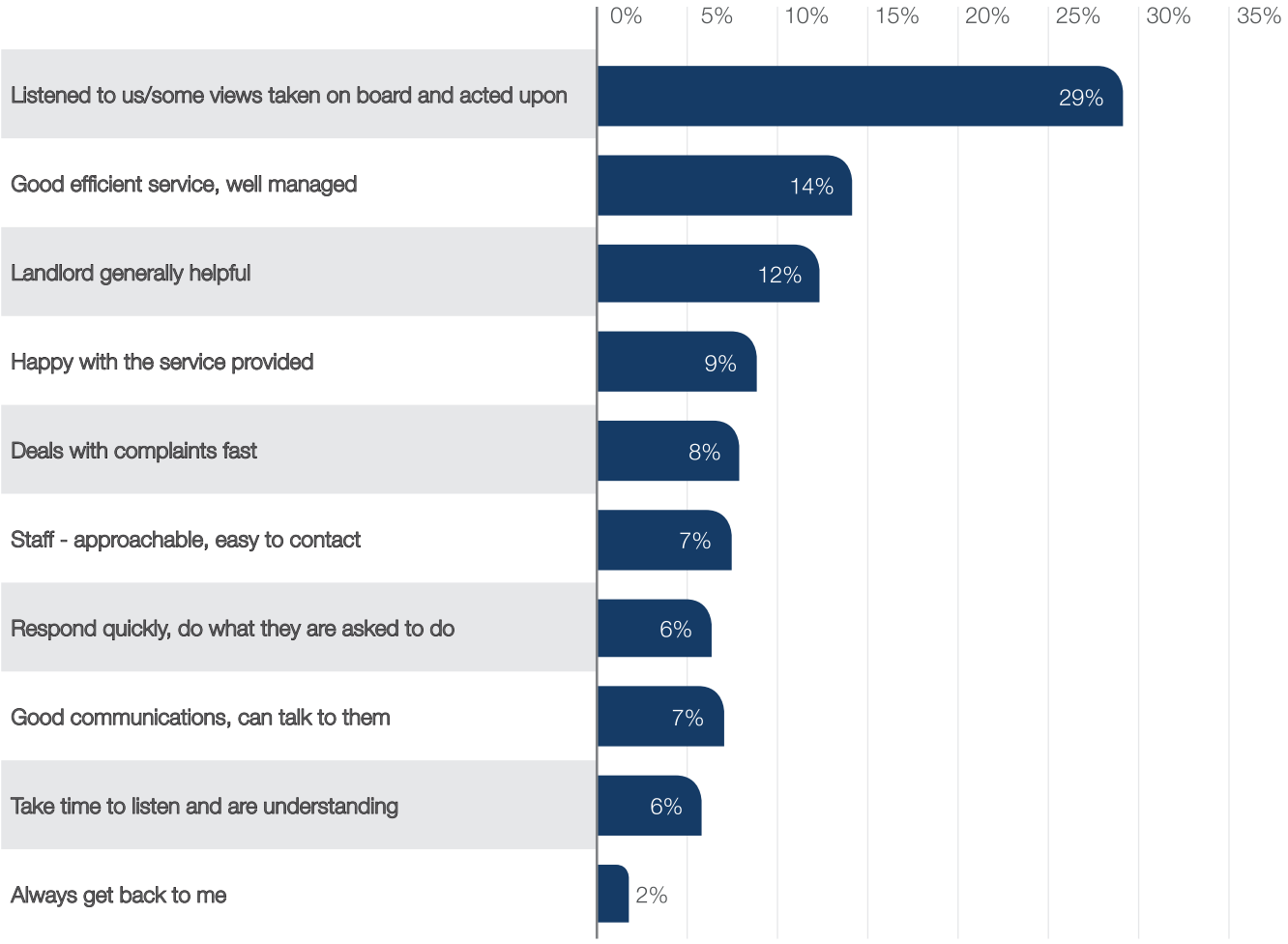
Are we getting any better at listening to residents?

Not really. The question has been asked since standardised satisfaction surveys began: the results have hardly changed, and are usually the lowest rated of all core satisfaction questions.

Engaging with residents can be frustrating: it takes time to put together a session which is meaningful, focuses on priorities and makes discussions relevant. Residents want their problems heard and to get relevant feedback: they don't want to hear a standard explanation that this can't be done because it's not the right time/we don't provide that service now/funding is no longer available.

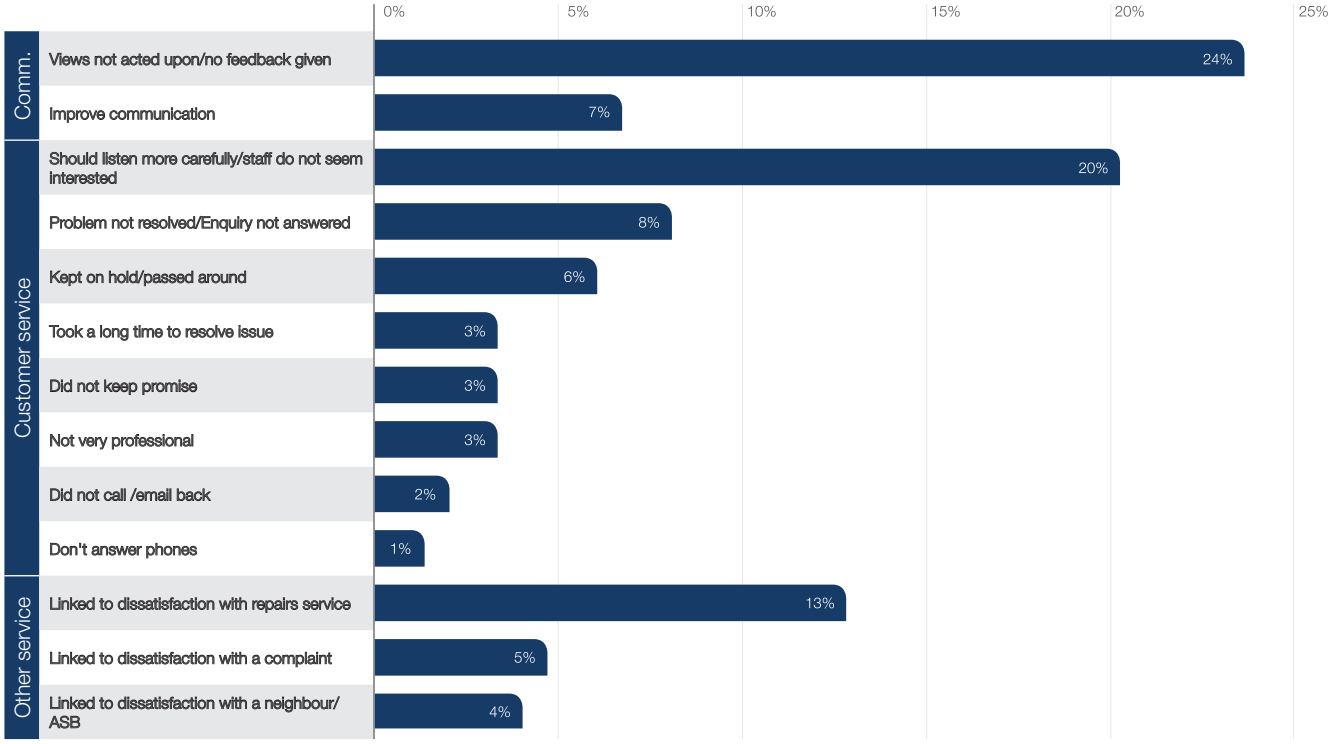
In a recent survey a client asked residents to explain why they felt their landlord was good or poor at listening to their views. They found that positive residents tended to factor in how good and efficient the service is and helpfulness.

Reasons why residents report positively on 'listens and acts'



When residents were not satisfied, the main background factors were that their views were not acted upon, that staff didn't listen carefully enough, and that their dissatisfaction was linked to service failure in a specific area (repairs, complaints, ASB). Significantly, half of the residents who did not feel their landlord listened to their views linked this to poor customer service.

Reasons why residents report negatively on 'listens and acts'



The recent introduction by some landlords of safety questions in surveys are highlighting interesting issues. Although there are mentions of fire safety worries and requests for smoke alarms, it has highlighted other areas of concern around anti-social behaviour, drug dealing, nuisance neighbours and the installation of CCTV cameras and estate lighting improvements, together with secure door entry systems and provision of locks and chains on front and back doors. Do you know how your residents would respond to this type of question?

The challenge ahead: ask the right questions, act on the answers

So, although small landlords consistently do better on this question than larger ones, there's no room for complacency. The challenge is to get it right.

Listening to your residents and acting on their feedback is the only way to really understand their concerns, needs and change perceptions. Online surveys, call centre reports and scrutiny panel feedback allow the landlord to pinpoint likes and dislikes and harness opinions on all aspects of housing provision. Using feedback is a valuable tool for continuous improvement and learning, and in today's climate is increasingly important.

The challenge is to get findings and in-depth insight on the reasons why residents do not feel their landlord listens or take stock of their views, and to use these to provide evidence from which to make business decisions to increase resident satisfaction.

Unless the information you garner is used positively to impact business decisions it is just information. Listening to views is all about understanding what matters to people and then working out what to do about it. You will be in a much better position to meet both consumer and economic standards if you do so – and perhaps even exceed your tenants' expectations.

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SPBM benchmarking clubs

Thanks & acknowledgements

We would like to thank David Orr (National Housing Federation), Colin Sales, Craig Glasper, Caroline Cooban, Clare Norton, Tracey Gore, Victoria Moffett, Peter Moore, Philip Murton and Susan Young for their contributions. We would also like to thank our colleagues at HouseMark (Stephen Russell, Jonathon Cox and John Wickenden) for their help with this report and throughout the year, Neale Brodie (One Digital), and all Chairs of the SPBM benchmarking groups.

About Acuity

Acuity provides a wide range of consultancy services to help social housing providers improve services and engage with their residents. We specialise in supporting the performance benchmarking activities of smaller housing providers in partnership with HouseMark, and in customer / resident satisfaction measurement and insight. We work with staff, Board members and residents to support their learning and development needs.

Our philosophy is to build relationships with clients that enable them to achieve performance and service improvements through access to the highest quality information and learning experiences. Our services are highly flexible, and always carefully tailored to the requirements and budgets of our customers. We have been providing consultancy services to the social housing sector since 1998.

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About HouseMark

HouseMark is the leading provider of business intelligence and value for money solutions to the social housing sector and is jointly owned by the Chartered Institute of Housing and the National Housing Federation; two not-for-profit organisations which reinvest their surpluses in the social housing sector.

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