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SPBM 2015 Annual Report for Smaller Housing Providers

As always, I am delighted to preface the SPBM annual report for smaller housing providers. The data presented here plays a crucial role both in transparently demonstrating the value for money (VFM) of the sector and as a business tool to measure and understand the social housing 'product' and to drive continuous improvement in cost and performance.

In the past I have said that, as diverse independent businesses with social purpose, it is incumbent on us to deliver as much social value as possible from available resources. This is particularly the case when those who rely on our services are suffering considerable hardship, whether they are aspiring to get on the housing ladder or simply get on with their lives with dignity, in communities that work (in every sense of the word).

The mood music for VFM has changed however. The government, via a range of policies that substantially changes the operating environment for the foreseeable future, has effectively overlaid a new VFM imperative. Bearing down on costs, efficiency and innovation will be critical to the ongoing viability of all associations, large and small.

To put the changes in perspective, just one of the government's policy announcements – the 1% annual rent reduction for four years – takes £3.9bn capacity out of the sector. To put it another way, the average housing association business plan will be around 13% adrift in 2020 from where Boards thought they would be under the previous rent settlement. Add in the effect of further welfare reform and the Right to Buy and the scale of the challenges are obvious.

For some, it may mean that the best chance of preserving the value of what they do is by joining forces and resources with similarly-minded organisations - collaborating on service delivery, entering a group structure or even merging. Clearly, it is imperative that Boards and Executives quickly appraise themselves of the implications of these changes to their business plans and work with their service users and other stakeholders on an appropriate strategic response.

That said, as ever, I am optimistic about what associations do and their ability to respond intelligently to the challenges ahead - recent HouseMark data, for instance, suggests that landlords have already stabilised the effects of the bedroom tax on voids and arrears. I also believe we can work productively with the government on our shared aspiration to end the housing crisis – what Greg Clark, the Secretary of State for Communities and Local Government, says is the 'defining test' for this generation of leaders. Our commitment to fixing a broken housing market has always drawn on a range of products with diverse price points. We are a natural partner to a government in need of creative ideas to help the hitherto excluded access sustainable homeownership as well as build for market sale. We also have a proven track record of getting people into work – another government priority.

The next 5-10 years will be about smart thinking based on business intelligence. Data, such as that found in this report, support an evidence-based understanding of business capacity: strengths, weaknesses and potential. It provides the basis, therefore, for intelligent decisions about the best way to deliver value and ambition going forward.

David Orr
Chief Executive
National Housing Federation

SPBM Review 2015

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 130 members owning / managing over 63,000 homes across eight English regions, the average (median) stock size is 320.

SPBM provides performance benchmarking data for our members, enabling them to compare 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 and inform decision making.

Perhaps more importantly, SPBM 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.

"An excellent tool to help smaller housing associations compare their performance with other similar organisations. Acuitys' work with the group has been a very productive working partnership."

We review and adjust the performance indicators (PIs) every year to ensure that they continue to be relevant and useful. This year we formally split the Star[1] satisfaction PIs into General Needs (GN), Older Persons (OP) and Supported Housing (SH) in line with many of the housing management PIs. We have also added 'Net Promoter Score®' to the satisfaction benchmarking measures to reflect its increased adoption by the sector.

Repairs and Maintenance benchmarking has been an area for increased activity; we have seen the increased use of customer focussed repairs PIs rather than targets, and we ran a national repairs cost benchmarking exercise that will be incorporated into main data collection for 2015/16.

Over the past year we have seen a shift away from quarterly data with many clubs preferring to use the main annual report as a can-opener for exploring differences rather than comparing performance data every quarter.

This shift has been driven by a move to more in-depth benchmarking projects, cost comparisons and more detailed benchmarking of processes as well as performance. This year we have run projects exploring voids, rent collection & arrears and sharing services. Once again one of the larger projects was our national comparison of salaries & rewards at smaller providers, which is summarised in this report.

[1] The Survey of Tenants And Residents (Star) framework introduced by HouseMark in 2011

HouseMark

Our close working relationship with HouseMark continues to play an essential part in ensuring that SPBM activity remains in sync with the rest of the sector and in enabling our ongoing work to develop and improve benchmarking services for smaller housing providers. 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 continue to encourage our members to use the wealth of searchable information and good practice available to them online through HouseMark's knowledge base.

"What has been particularly useful has been the networking and discussion of issues with others in similar roles who face similar challenges, particularly with similar sized organisations."

What's next?

The SPBM agenda will continue to be driven by its members.

Recent benchmarking meetings have included some speculation about how the new government's policies will be implemented, but we are certain that the operating environment is getting tougher and that we need to continue with more of the same: benchmarking performance, costs and processes and supporting members through networking & good practice exchange.

We will keep looking for ways to improve and adapt what we do, to help SPBM members meet the challenges of the operating environment. We have a unique role as the facilitator of this national network, and we will explore the development of new collaboration, services, workshops & events to respond to the needs of members.

This year's SPBM report

We have always got great feedback on our annual report and we hope this year is no exception. While comparative data remains its central focus, and probably the section that most readers turn to 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. We open with a thought-piece from Steve Smedley on the current operating environment and have included pieces from Denise Raine on the shifting landscape of customer satisfaction in the sector and Adrian Maunders on Social Return on Investment.

Mark Anderson
Director, Acuity

Looking ahead

Steve Smedley provides a view on the ever-shifting landscape

The new government is redefining the relationship between the individual and the state. An ambitious plan that started with the Coalition government is now freed from Liberal Democrat dissention. Housing associations will get caught up in this ideological shift as policies are implemented and government spending decisions made. It will undoubtedly have a significant adverse impact on revenue streams, raising serious questions about cash flow, covenant compliance, the sustainability of current organisational costs and development plans, access to finance and ultimately the viability of the organisation. The housing landscape may look remarkably different in five years with less social housing and less social housing providers.

Don't take it personally – this is about beliefs. According to the policy-makers, home-ownership is in and social housing is so last century. In the over-simplified, binary language of political rhetoric, home-ownership is about aspiration and social housing isn't.

"The housing landscape may look remarkably different in five years."

The government appears to be stepping in to assert its view on the as yet unanswered question posed by John Hills back in 2007: what is social housing for? I might be getting ahead of myself but I think the government's view is that it's a time-limited, rationed, welfare product[2] to be used only in the absence of other options. And since the preferred option – home-ownership – has fallen back markedly over the past decade, there is plenty of scope for changing the balance between state-supported social renting and home-ownership. Indeed, the ambition is to take home-ownership to new heights. The Right to Buy (RTB) kills two birds with one stone.

Regrettably, social housing does not have many friends amongst the decision-makers. And support from the wider public is vulnerable to a drip-fed narrative that doesn't let facts stand in the way of a good (read bad) story. If the sector wants to rehabilitate its principal product's public image, it will take concerted effort. And if it wants to work with the government, it needs a new offer that talks the government's language – 'buying in' to shared objectives as opposed to 'selling out' might be one way of looking at it.

[2] The budget document states, 'the government will review the use of lifetime tenancies in social housing to limit their use and ensure that households are offered tenancies that match their needs, and ensure the best use is made of the social housing stock.'

So what are the key features of the new 'new normal' you need to understand and plan for?

KEY FEATURES

- Reduction of rents in social housing by 1% a year for four years from 2016
- Reducing the household Benefit Cap to £20,000 (£23,000 in Greater London)
- Freezing most working age benefits for four years from April 2016. Child tax credits and working tax credit will also be frozen.
- Removing automatic entitlement to housing support for 18-21 year olds
- Restricting child tax credits to two children from April 2017
- Reducing the rate of Employment Support Allowance paid to new claimants in the work-related activity group
- Extension of the RTB to housing associations
- New 'pay to stay' arrangements for those earning more than £30,000 (£40,000 in London)

These are on top of changes the Coalition government already set in motion, notably the introduction of Universal Credit and the bedroom tax. Much of the detail associated with the main policy announcements will emerge from autumn onwards, necessitating what Julian Ashby, Chair of the HCA's Regulation Committee, describes as a 're-evaluation of long-term strategies and business models', but that should not stand in the way of responding now to 'interim measures to ensure continuing liquidity and covenant compliance'[3]. If you haven't already tested your business plan in light of the government's policy direction you need to do so fast.

It is difficult to survey what's coming over the hill without adopting the 1,000 yard stare of a GI who has seen too much action. Permutations of adverse variables are likely to keep you awake at night as social values jostle with the practical consideration of remaining viable: what are you going to cut, do you have a future as an independent entity and have you got what it takes (personally and as an organisation) to handle this?

For some time, the HCA has been urging the sector to up its game in terms of simulating multiple stresses on the business and has made it a key plank of its revised regulatory framework. It's almost as if they were preparing you for this government. So hopefully, you will have stress tested in readiness for the real thing – this is the real thing. It may not be the fabled black swan event HCA soothsayers foretold, but a number of ducks flying in formation might be enough to bring down the plane.

[3] 24.dash.com article, September 2015, http://tinyurl.com/pbndhtr

Accordingly, the HCA has given the 255 associations with 1000+ stock until the end of October to resubmit recently completed financial forecasts to reflect the impact of the changes. It also wrote to the Chairs of smaller associations on 31st July to make clear its expectation that their Boards should similarly be considering the impact – although there's no need to report anything to the regulator unless your modelling has exposed a problem you can't fix.

Whilst making it clear that it is for Boards to decide how they respond to the changed environment, the HCA anticipates that it's likely that most associations will want to look at their cost structure and consider areas where it is possible to re-prioritise expenditure. Some providers, the HCA suggests, may conclude that an independent future isn't possible and will need to seek a merger partner.

It's a sobering picture. But, as always, relatively few problems are insurmountable providing they are properly understood, the response considered and appropriate action executed. Arguably, challenges of a similar magnitude are encountered and overcome in the commercial sector on a reasonably frequent basis. Councils have already absorbed revenue cuts of around 20%.

Looking ahead, the government spending review in November will yield new challenges, opportunities and, hopefully, clarity. It is likely that the Department for Communities and Local Government's (DCLG) spending priorities will be focussed squarely on home-ownership, particularly low cost homeownership for first time buyers – products that sit well with the sector's sensibilities.

"If you haven't already tested your business plan in light of the government's policy direction you need to do so fast."

But how much will DCLG actually have to spend on housing? Along with other 'unprotected' Whitehall departments, it has been asked by George Osborne to come up with savings plans of 25% and 40% to feed into the spending review. And what does the overall spending envelope mean for the department's contribution to local authorities, which are still reeling from the last administration's cuts? Efficiency infers that you do existing things better. But, if passed on, that's not what these cuts require – this is about the radical re-thinking of what councils do. What does it mean for citizens and housing associations? In particular, how much will councils have to spend on care and support? For many associations, good service provision in these areas already looks more like a labour of love rather than a rational business decision, particularly if you factor-in the expectation of a National Living Wage.

With the last wave of local authority cuts, many associations stepped up to the plate, back-filling a range of gaps left by the exit of council services. But looking ahead, it's likely that the viability of core housing association services will have the first call on cash. This will place more responsibility on citizens and communities to sort themselves out, which of course is what the government wants if it's shrinking the state.

As for affordable housing grant, who knows what this might be after 2018? Logic suggests it might cease altogether given the focus on home-ownership and the ideological commitment to shrink the state, which infers less state-supported sub-market rental housing. I am of course deliberately ignoring the state-supported subsidy that goes straight into the pockets of private individuals through the proposed Starter Homes and RTB as that supports aspiration.

"looking ahead, it's likely that the viability of core housing association services will have the first call on cash"

Devolution, if taken up, should provide real opportunities as regions find expression for alternative ideas to the government. For example, the way Manchester, Sheffield or Leeds seek to balance local housing markets is likely to be less focussed on home-ownership than the default Westminster view. Similarly, local control of integrated health and social care budgets might well yield better opportunities for providers (and results for clients) than the current arrangements. Devolved approaches to employment and skills offer further opportunities. Of course devolution does not happen in a bubble – its expression will be limited by the financial settlement reached with HM Treasury.

It's difficult to consider the current operating environment without becoming somewhat tetchy. However, it's crucial that clear heads prevail and that leaders understand and respond appropriately to the new order. The biggest risk is denial – this really is happening and things will have to change.

Steve Smedley
Acuity & HouseMark Associate

The icing on the cake?

Far from just icing, resident satisfaction ratings can be key to improving performance. Denise Raine looks at recent developments & how smaller providers can make the most of them.

The landscape for social housing shifted seismically in 2015 and the sector is braced for more change. However, in terms of engaging with residents, the landscape has been in flux for a long-time.

Tracking & transactional surveys

Landlords have been changing how they conduct customer satisfaction surveys, finding ways of getting better value from the findings and from the process itself. While many continue to survey residents every two to three years, others have moved to more frequent annual surveys. A number of landlords, typically larger ones, have road-tested monthly, quarterly or six-monthly ***tracking*** surveys.

Most landlords are also using ***transactional*** surveys, triggered by the use of a particular service (such as a repair or a complaint) which are used to manage contract performance as well as measuring customer satisfaction.

"Compared with all providers SPBM members reported higher levels of satisfaction among general needs residents across six out of seven Star core satisfaction measures."

Smaller scale tracking and transactional surveys both bring the added advantage of 'customer recovery', enabling landlords to follow up dissatisfied residents and address individual concerns.

HouseMark recently carried out a review of satisfaction measurement in the sector which found that, while the Star framework remains hugely popular landlords are using an ever wider range of survey methods to collect data[4]. As a result of this HouseMark is introducing StarT, a new framework which gives social landlords the ability to benchmark transactional surveys. While these surveys are used internally to review where customers experience has not lived up to expectations, the ability to benchmark performance against peers will no doubt raise interesting comparisons and encourage even more sharing of good practice.

[4] Benchmarking Customer Experience, HouseMark, April 2015

Technology

Technology has played a significant part in changes to satisfaction measurement. It is quite usual these days for an online survey to run alongside traditional methods and we have run surveys where more than 30% of the responses were made online. Telephone surveys are also becoming more popular; while individual interview costs may be higher it is easier to achieve representative samples of high quality responses from fewer residents, often including those who are more difficult to reach. The development of dashboards and reporting tools has also had a powerful impact on how findings are used to monitor performance and drive improvement.

New measures

New measures are evolving in satisfaction surveys which provide an even greater understanding of the customer. The last few years has seen the introduction of the Net Promoter Score®[5] (NPS), which asks residents whether they would recommend their landlord. The results group residents into 'promoters', 'passives' and 'detractors'. After some initial healthy scepticism on the merits of introducing such a question, we have found NPS very useful for in-depth profiling of customers and identifying why some residents act as ambassadors for a landlord, enhancing their reputation while others are actively damaging it through negative word-of-mouth. This has become increasingly important with the extensive use of social media and indeed some landlords are considering the use of sentiment analysis: a complex linguistic analysis of text which can be used to monitor perceptions.

Some landlords have looked to measure and quantify how aspects of residents' lives impact on their satisfaction scores. The Office for National Statistics (ONS) national well-being measures include four personal well-being questions which have recently been introduced by HouseMark into the optional Star questions. These questions provide the ability to measure how outside influences impact on customer satisfaction scores. Results from a recent survey found satisfaction with landlord services was 25% to 30% lower for residents who scored low on satisfaction with life, who did not feel that the things they do in life are worthwhile or did not feel happy the day before completing the survey. Health also has an impact on overall landlord satisfaction scores – reducing them by 15% for those who are dissatisfied with their health. The findings add insight to those who are trying to provide a more holistic approach rather than just a home for residents.

That is not to say that all landlords have changed their process. Some of the best and most rewarding surveys we have run recently have been with clients who have carried out a traditional customer satisfaction survey, and in some cases have had to accept the hard evidence to back up fears around poor service delivery. Taking up the challenge, using the information from residents to help shape and inform service reviews is the hard part, but can be hugely rewarding when the survey is repeated and the evidence of improved ratings demonstrates that residents have noticed the difference.

[5] ®Net Promoter, Net Promoter Score and NPS are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld

So what does all this mean for smaller providers?

Customer satisfaction surveys are resource intensive and therefore relatively expensive for smaller landlords. They can produce significant benefits in terms of identifying and resolving issues, prioritising and driving improvements in service delivery. Therefore you have to extract the most out of each survey, and that only happens with good survey planning and question design, high quality fieldwork and the ability to maximise the survey findings.

We believe that it is well worth ensuring that your survey conforms to the Star framework, which gives you the flexibility to run a survey tailored to your specific interests and requirements while at the same time offering comparability with other providers. You can also run it at a frequency that works for you.

"We now have a 'customer recovery' process, contacting the most dissatisfied customers within 24-48hrs of them receiving the tracker survey. This is manageable because we are surveying less customers each tracker"

In order to get the most out of your survey you should produce high level findings for board and management which track changes over time, where the findings produce unexpected results you need to discuss and explore these further with staff involved to try and understand the reasons. Detailed analysis by geography, resident diversity and of any open comments should provide more insight and if possible take the results back to residents to have an open debate.

Customer recovery can be built into any survey if you ask your customers to waive anonymity and capture permission to re-contact. Reviewing the results with dissatisfied residents addressing any points raised in the survey can result in benefits on both sides. Time should be set aside to draw up action plans with residents and staff with measureable targets and set a timeframe.

Transactional surveys can be very valuable, and most landlords run a repairs satisfaction survey of some sort. If response rates are low, find ways to boost them, and use rolling averages so your findings are meaningful.

Technology is making things cheaper and easier: many residents like to engage online and using texts. It doesn't work for everyone but it can make things more cost-effective.

Finally after everything is over, don't forget to thank those who took the time to respond. If someone provided feedback that you went on to use to update your service thank them personally. Customers love to know that they were heard and that they made a difference.

Denise Raine - *Director, Acuity*

Too hard to measure? SROI - the English Rural Housing Association experience

With a name like English Rural Housing Association, you'd expect us to believe in the beneficial impact of enabling people to live in their own village. But belief's not enough. To convince ourselves, and others, of the value of investing in the expensive and challenging objective of delivering affordable rural homes, we needed to prove it. The findings from our Social Return on Investment (SROI) analysis not only does this but feeds into our VFM self-assessment too.

The whole family now have a much better quality of life. We are in a home we love, close to our family and friends and no longer feel isolated from the community we grew up in.

Critical to the survival of the shop/post office, butcher's and two pubs is the support and regular use by local people. Dadson Court residents spend around £14,248 per annum on these facilities.

Smarden primary school had previously reported a falling roll which threatened the school's viability. Attracting £4,000 per child, per annum, the seven children at Dadson Court make a substantial contribution to the school's income.

Our staff undertook a SROI analysis in accordance with UK Government Cabinet Office guidance and with support from the Board Development Agency (BDA). The analysis focussed on our development in Smarden in Kent. Dadson Court is a mixed housing scheme with 12 properties for rent and shared ownership; it has enabled 28 people to remain in the local community and contribute to the sustainability of local services.

The process

The tenets of SROI focus you on the material, tangible changes as experienced by the key stakeholder beneficiaries. Stakeholder consultation about what changed is therefore a critical part of the method. The next step is to attribute credible financial proxies to each of the material changes as it affects each stakeholder to create an impact map. Impact maps typically contain a lot of data and are difficult to reproduce without resorting to an Excel spreadsheet. However, the table provides a flavour in that it identifies key stakeholders, what changed and the basis for the financial proxy.

The full impact map also captures input costs and quantified outputs, such as the number of households benefiting from the new homes and the number of additional children attending the local school. The financial proxies associated with each of the changes are then multiplied by the associated output to provide an impact value which is then adjusted for what would have happened anyway, the contribution of others and the length of time the outcomes last. Each of these adjusted impact scores can then be added together to provide an overall impact figure for the initiative or

Stakeholders	Intended/ unintended changes	The Outcomes (what changes)		
Who will we have an effect on? Who will have an effect on us?	What do we think will change for them?	Description	Indicator	Financial Proxy
		How would we describe the change?	How would we measure it?	What proxy did we use to value the change?
Residents	Family return to the village(or remaining)	People staying as opposed to leaving	Asking Residents	Disturbance and Home loss statutory payments
	Staying close to family	Improved Well being	Asking residents	What this was worth to residents in financial terms
	Security of tenure	Improved Well being	Asking residents	What this was worth to residents in financial terms
	Improved quality of home	Improved Well being	Asking residents	What this was worth to residents in financial terms
	Close to employment	Less travel, easier to get a local job	Asking residents	What this was worth to residents in financial terms
	More affordable	Saving compared to private rental	Asking residents	What this was worth to residents in financial terms
Schools	Children for school	Keeping school viable	Survey of school	Government fee per pupil
Local Community	Support network	1 person not needing care	Attendance Allowance	Attendance Allowance
	More trade Post office and 4 shops	Local people shopping locally	Residents survey	Average monthly spend
	Pool of helpers in village	3 people help out in the community	Survey	Minimum Wage
Local Authority	Council tax retention	Additional income	LA Data	LA Figures

intervention. In our case the overall value created over a period of five years was £30.48 for every £1 invested.

This overall SROI multiplier often raises sceptical eyebrows but is not so important as the process of identifying and understanding the component costs and benefits of a story of change as set out in the impact map. It is this understanding of the difference made that convinces us, and we hope others too, that investment in rural housing is worth every penny.

Four more rural housing providers have since completed an SROI study following English Rural's lead and the Rural Housing Alliance (a network of 40 specialist rural Housing Associations across England) is using it as the basis for further guidance for their members. Acuity is contributing to this guidance, which will include common definitions of impacts, guidance on research and data collection and available sources of financial proxies.

Adrian Maunders - *CEO, English Rural Housing Association*

The need to demonstrate the sector's value has never been more pressing.

You can get quite far in terms of measuring social value (and VFM) by using existing data sources such as Acuity and HouseMark benchmarking, annual accounts and local indicators. For example, tried and tested measures associated with the quality of landlord services and the increase in stock tell us about value creation in the typical key areas of spend. This is essential if associations are to keep things proportionate and avoid making an industry out of measurement.

More tricky, however, is quantifying the value of housing support and community investment, including the savings falling to partner organisations, for example, through prevention. This is where targeted use of impact evaluation helps - it is difficult to imagine a way of properly understanding the association's cause and effect in such interventions without it.

An increasing number of social landlords (big and small) see a business case for developing this deeper perspective on social value. Typical drivers include the need to understand if key objectives are being met, to inform future plans and resource allocation and as vital evidence for winning business or securing funds.

There is no specific regulatory requirement to adopt social impact methodologies; it is for landlords to decide how far they wish to take this and which methods to adopt.

Performance comparison & improvement

Here we provide an insight into the overall performance of SPBM members for the year April 2014 to March 2015 in a number of key areas with two sets of data being 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.

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

In doing so, 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 figures are based on data from SPBM members who submitted data for both 2013/14 and 2014/15. This ensures that the comparisons are as robust as they can be while providing trend analysis based on the performance of a balanced panel of smaller housing providers. Being drawn from two different data sets, it means that trend data in this report are sometimes different to the median performance figures.

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 drawn from HouseMark Star benchmarking data published in April 2015.[6]

All SPBM and HouseMark comparisons are based on identically defined performance indicators.

[6] HouseMark Star 2013/14 Report http://www.housemark.co.uk/Star

Voids and lettings

The performance of SPBM members on rent loss from voids and average relet times during 2014/15 compares favourably with that of all providers, with SPBM members reporting shorter void times and lower void losses across general needs, sheltered and supported housing.

Typically void rent losses map closely to void times and this is reflected in the year-on-year figures. For general needs properties void losses and void times have increased slightly since last year. There have been larger increases in void losses and void times for sheltered and supported housing properties.

	All Providers	SPBM	
Percentage of rent lost due to void properties (GN)	0.88	0.48	●
Percentage of rent lost due to void properties (OP)	1.96	1.01	●
Percentage of rent lost due to void properties (SH)	3.99	3.67	●
Average relet time in days (GN)	23.64	22.50	●
Average relet time in days (OP)	31.92	24.54	●
Average relet time in days (SH)	30.55	23.00	●

	2013/14	2014/15	
Percentage of rent lost due to void properties (GN)	0.49	0.50	↓
Percentage of rent lost due to void properties (OP)	0.94	1.24	↓
Percentage of rent lost due to void properties (SH)	2.68	3.17	↓
Average relet time in days (GN)	21	22	↓
Average relet time in days (OP)	28	35	↓
Average relet time in days (SH)	20	23	↓

Rent collection & arrears

The average performance of SPBM members on rent collection for general needs housing was marginally above that of all providers, while for OP it was marginally lower and supported scored the same.

Rent collection figures are significantly impacted by the housing benefit payment cycle so for benchmarking purposes and comparing between organisations we focus more on arrears.

General needs and OP 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 general needs housing and increased for both OP and supported housing since last year.

	All Providers	SPBM	
Rent collected as a percentage of rent owed (GN)	99.76	99.96	
Rent collected as a percentage of rent owed (SH)	99.94	99.94	
Rent collected as a percentage of rent owed (OP)	99.99	99.60	
Current tenant arrears (GN)	3.49	2.97	
Current tenant arrears (SH)	3.17	5.06	
Current tenant arrears (OP)	1.46	1.30	

	2013/14	2014/15	
Rent collected as a percentage of rent owed (GN)	100.70	99.96	
Rent collected as a percentage of rent owed (SH)	95.9	96.24	
Rent collected as a percentage of rent owed (OP)	99.65	98.70	
Current tenant arrears (GN)	3.3	2.91	
Current tenant arrears (SH)	5.23	5.73	
Current tenant arrears (OP)	1.24	1.36	

Repairs & maintenance

SPBM members' average performance was higher than all providers for the percentage of repairs completed on the first visit and the resident satisfaction with completed repairs.

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

Since last year performance has improved for the percentage of repairs completed within the target time and repairs completed on the first visit. The average end-to-end time for repair completion has increased slightly. Performance across the other three indicators (emergency repairs, gas safety certificates and resident satisfaction) 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[7]	100	
Percentage of all reactive repairs completed within target	N/A	97.82	
Average end-to-end time for all reactive repairs	8.72	6.15	●
Percentage of repairs completed at first visit	91.73	95.00	●
Percentage of residents satisfied with most recent repair (from repair completion survey)	94	98	●
Percentage of dwellings with a valid gas safety certificate	100	100	●

	2013/14	2014/15	
Percentage of emergency repairs completed within target	100	100	↔
Percentage of all reactive repairs completed within target	97.38	97.92	↑
Average end-to-end time for all reactive repairs	6.0	6.2	↓
Percentage of repairs completed at first visit	92.7	93	↑
Percentage of residents satisfied with most recent repair (from repair completion survey)	98	98	↔
Percentage of dwellings with a valid gas safety certificate	100	100	↔

[7] HouseMark has stopped using PIs to measure repairs completion against target times and switched to more customer focussed 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 90% satisfaction with overall service and similar high levels of satisfaction with quality of the home (87%) and neighbourhood as a place to live (88%). Satisfaction was slightly lower with repairs and the value for money (VFM) provided by rent (84% and 83% respectively) and considerably lower for listening to tenants' views and acting on them (73%) and VFM provided by service charges (67%).

Compared with all providers SPBM members reported higher levels of satisfaction among general needs residents across six out of seven Star core satisfaction measures, with average ratings two to five percentage points higher. Satisfaction that service charges represent value for money was two percentage points lower.

Over the past year performance on 'overall satisfaction', 'neighbourhood', repairs and VFM service charges has fallen. Over the same period performance on 'quality of home', 'VFM rent' and 'listening and acting on tenants' views' has remained the same.

	All Providers	SPBM	
Satisfaction with the overall service provided by their landlord	86	90	●
Satisfaction with the overall quality of the home	83	87	●
Satisfaction with the neighbourhood as a place to live	84	88	●
Satisfaction with the value for money of rent	81	83	●
Satisfaction with the value for money of service charges	69	67	●
Satisfaction with the repairs and maintenance service	79	84	●
Satisfaction that landlord listens to / acts upon tenants' views	68	73	●

	2013/14	2014/15	
Satisfaction with the overall service provided by their landlord	92	90	↓
Satisfaction with the overall quality of the home	88	88	↔
Satisfaction with the neighbourhood as a place to live	89	87	↓
Satisfaction with the value for money of rent	83	83	↔
Satisfaction with the value for money of service charges	70	68	↓
Satisfaction with the repairs and maintenance service	87	86	↓
Satisfaction that landlord listens to / acts upon tenants' views	69	69	↔

Resident satisfaction – Housing for Older People

SPBM members reported very high levels of overall satisfaction for Housing for Older People with an average 95% satisfied with services overall and similarly high average ratings for the 'quality of home' (95%) and 'neighbourhood as a place to live' (94%). Satisfaction ratings were also high for 'repairs and maintenance' (93%) and for VFM rent (92%). The average for VFM service charges was 86% while 'landlord listens to views and acts upon them' was lower (79%).

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 five percentage points higher.

Since last year average performance has improved in the areas quality of home, and value for money. 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	95	●
Satisfaction with the overall quality of the home	93	95	●
Satisfaction with the neighbourhood as a place to live	92	94	●
Satisfaction with the value for money of rent	90	92	●
Satisfaction with the value for money of service charges	82	86	●
Satisfaction with the repairs and maintenance service	88	93	●
Satisfaction that landlord listens to / acts upon tenants' views	75	79	●

	2013/14	2014/15	
Satisfaction with the overall service provided by their landlord	94	94	↔
Satisfaction with the overall quality of the home	95	96	↑
Satisfaction with the neighbourhood as a place to live	94	94	↔
Satisfaction with the value for money of rent	90	92	↑
Satisfaction with the value for money of service charges	85	86	↑
Satisfaction with the repairs and maintenance service	92	92	↔
Satisfaction that landlord listens to / acts upon tenants' views	77	77	↔

Resident satisfaction – Supported Housing

SPBM members reported high levels of overall satisfaction for Supported Housing tenants, with an average 92% satisfied with services overall and high average ratings for 'quality of home' and 'neighbourhood as a place to live' (both 91%). VFM rent and service charges were 87% and 86% respectively, while for 'repairs and maintenance' the average rating was 85%. The average for 'landlord listens to views and acts upon them' was lower (71%).

Compared with all providers SPBM members reported higher levels of satisfaction among supported housing residents for six out of seven headline satisfaction measures. For 'listening to views' it was three percentage points lower.

Since last year average performance has improved in four areas; satisfaction overall, quality of home, neighbourhood and VFM service charges. Performance has remained the same on VFM rent and fallen on and 'listens to / acts on views' and repairs and maintenance.

	All Providers	SPBM	
Satisfaction with the overall service provided by their landlord	90	92	●
Satisfaction with the overall quality of the home	90	91	●
Satisfaction with the neighbourhood as a place to live	87	91	●
Satisfaction with the value for money of rent	82	86	●
Satisfaction with the value for money of service charges	80	87	●
Satisfaction with the repairs and maintenance service	84	85	●
Satisfaction that landlord listens to / acts upon tenants' views	74	71	●

	2013/14	2014/15	
Satisfaction with the overall service provided by their landlord	90	94	↑
Satisfaction with the overall quality of the home	89	93	↑
Satisfaction with the neighbourhood as a place to live	88	90	↑
Satisfaction with the value for money of rent	87	87	↔
Satisfaction with the value for money of service charges	86	87	↑
Satisfaction with the repairs and maintenance service	88	86	↓
Satisfaction that landlord listens to / acts upon tenants' views	79	74	↓

Staff engagement

SPBM members reported that on average they lost fewer working days to sickness absence than larger providers. SPBM members are losing fewer days to sickness absence than they did during the previous year.

	All Providers	SPBM
Average number of working days lost due to sickness absence	9.2	4.36

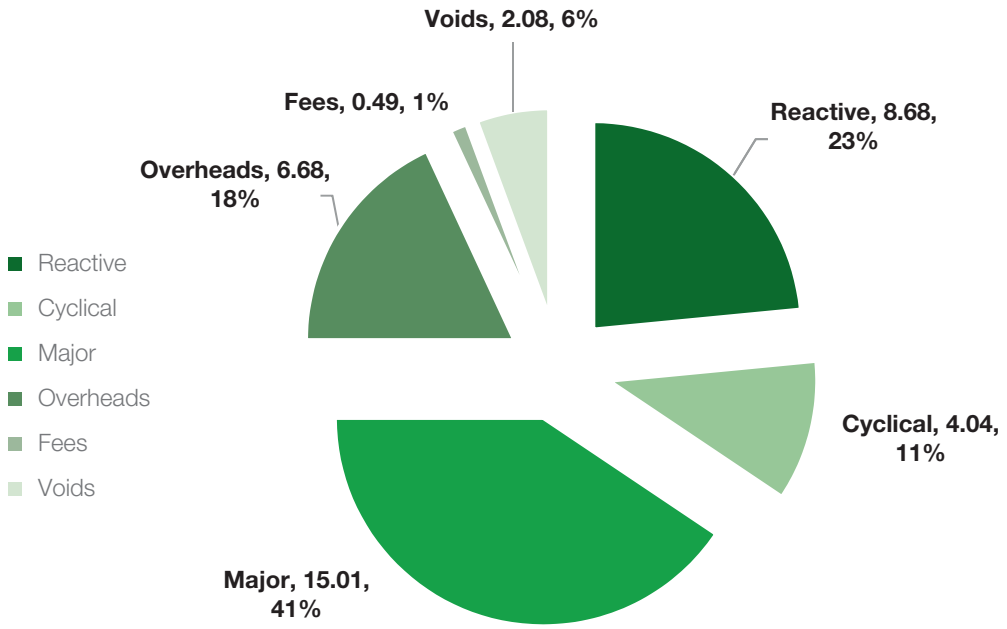
	2013/14	2014/15
Average number of working days lost due to sickness absence	4.84	4.05

Repairs & Maintenance expenditure

The average spending figures below are based on data from 64 smaller associations, collected as one of many SPBM cost comparison exercises that we carry out. We used data from members' management accounts to compare actual spending on repairs and maintenance in a meaningful way.

The average weekly spend per property in 2014/15 was £38.87, or 38% of rent.

SPBM repairs spending per property per week 2015

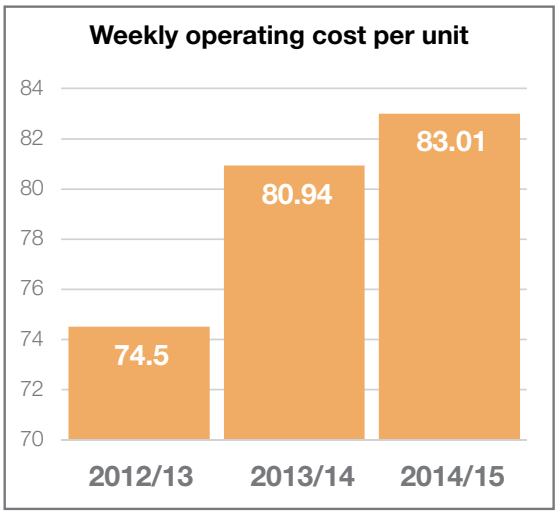


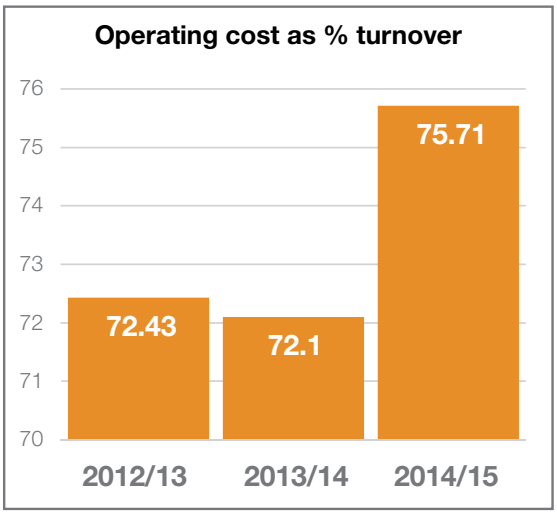
Costs & Investment

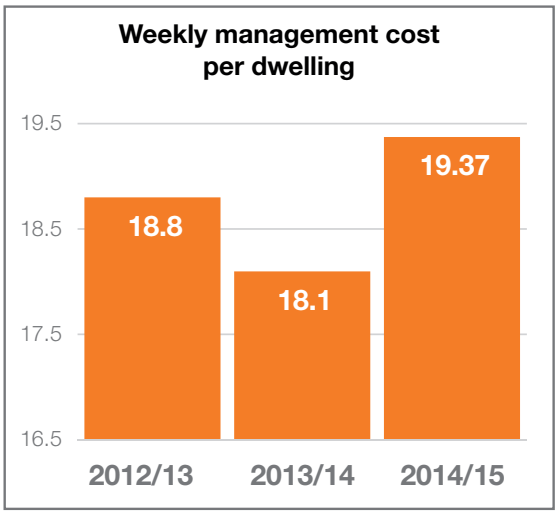
Operating costs of SPBM members have increased, both per unit and as a percentage of turnover. Weekly management costs per dwelling and weekly investment per unit have also increased.

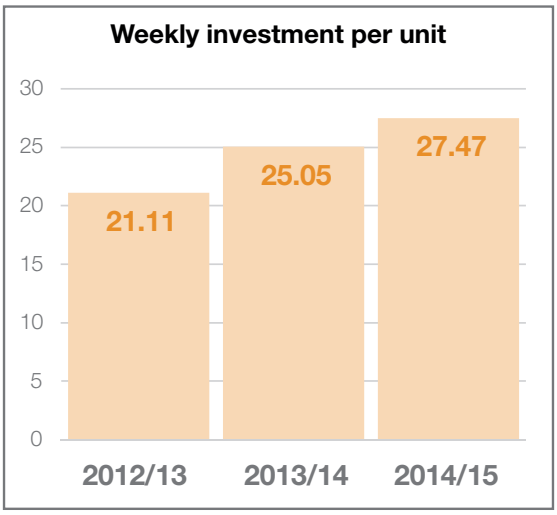
It should be noted that noted that these cost figures are useful only for year-on-year comparisons. The data is taken from statutory accounts and, as each organisation will prepare its accounts differently the figures are not useful for comparisons between organisations.

	2012/13	2013/14	2014/15
Weekly Operating Cost per unit (£)	74.50	80.94	83.01
Operating costs as a percentage of turnover	72.43	72.10	75.71
Average weekly cost per dwelling on management (£)	18.80	18.10	19.37
Weekly investment per unit (£)	21.11	25.05	27.47









SPBM Salaries survey 2015

75 landlords took part this year in our sixth annual survey of the salaries, terms and conditions at smaller housing providers.

Main findings

- **Staff turnover:** Average staff turnover was 12%, the same as in 2014
- **Salaries costs:** Total salaries costs are 22% of financial turnover on average, slightly lower than last year (23%).
- **Salary increases:** The average salary increase was 2%. 89% of respondents reported an increase in salaries at the last review compared with 90% in 2014.
- **Median salary:** The average salary across all jobs / participants was £36,420, 2.6% higher than last year (£35,500).
- **CEO salaries:** The average salary for Chief Executives was £66,000, higher than last year (£63,400).
- **Staff numbers:** Organisations employ on average 2.8 FTE staff per 100 properties, fewer than in 2013 (3.1)
- **Pensions:** The average cost of pensions to employers (including past deficit) was 8.95% of the total salaries bill, slightly higher than in 2014 (8.5%). On average 50% of staff participate in pension schemes.
- **Pension contributions:** On average employers contribute 9.6% of salary. Employees contribute 6.1%.
- **Overtime & bonuses:** 21% of organisations pay overtime. 20% pay bonuses.
- **Sickness benefits:** 57% of organisations offer enhanced sickness absence entitlements.
- **Other benefits packages:** Most organisations (96%) provide a range of other benefits as part of their reward packages with the most frequent benefits being provision of an appraisal scheme, payment of professional fees, time off in lieu (TOIL), provision of study time and flexi-time.
- **Boards & Board remuneration:** The average Board has 10 Board members. Few organisations remunerate Board members (9%). The majority of participants (85%) have no plan to remunerate board members.

In addition to total salaries costs, average salaries, job role salaries and salary increases, our 2015 report provides a wealth of detail on the reward packages provided by participating organisations - pensions, bonuses, overtime, leave and a range of other entitlements and allowances[8]. Alongside the main findings report, we provide a profile of each organisation and details of the job roles within the participating organisations (762 job roles this year).

[8] Acuity Salaries Survey for Smaller Housing Providers 2015, September 2015

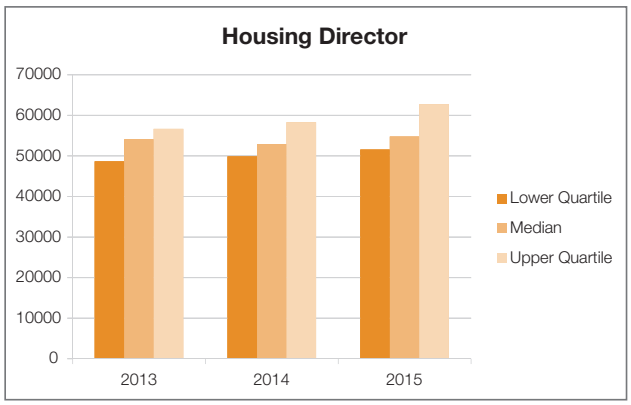
The 75 organisations who participated in this year's survey own and / or manage 80 to over 1,000 homes. In total, they own and / or manage 22,456 homes across eight English regions and employ over 2,200 staff.

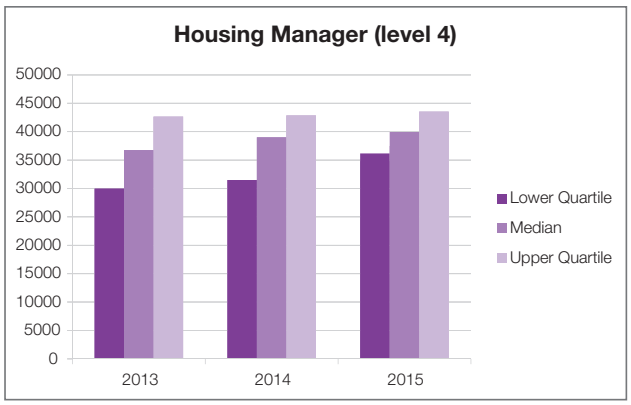
Salaries for key roles

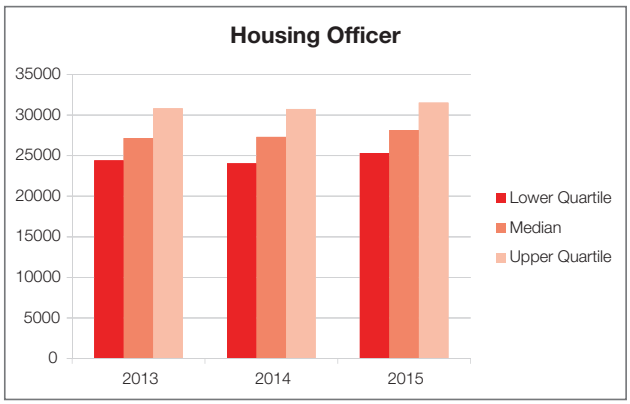
Housing Management

The median salary for a Housing Director was £54,800, 3.5% higher than in 2014. Over the same period the median salary for a Housing Manager or equivalent Level 4 role has increased by 2.5% to £40,000. The median salary for a Housing Officer or equivalent role has increased by 3.1% to £28,200.

	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Housing Director	21	51.5	54.8	62.8
Housing Manager (Level 4)	25	36.2	40.0	43.5
Housing Officer and equivalent (Level 3)	88	25.3	28.2	31.5



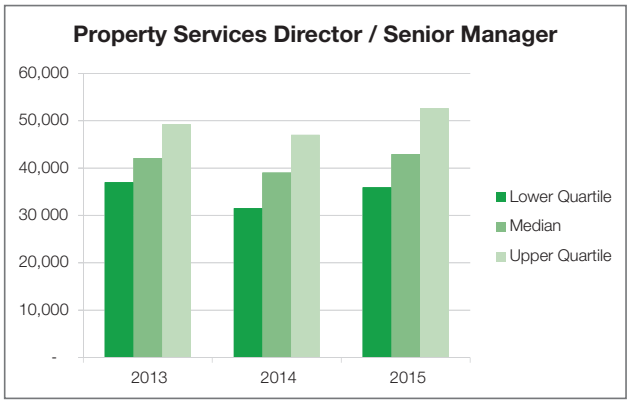


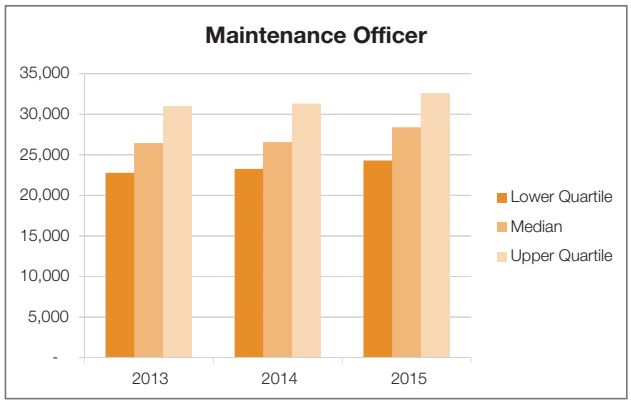


Property Services and Maintenance

The median salary for a Property Services Director or equivalent Level 4 role was £42,900, a 10% increase since the 2014 survey[9]. Over the same period, the median salary for a Maintenance Officer or equivalent role has increased by 6.8% to £28,300.

	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Senior Manager and equivalent (Level 4)	46	35.9	42.9	52.6
Officer and equivalent (Level 3)	39	24.3	28.3	32.6

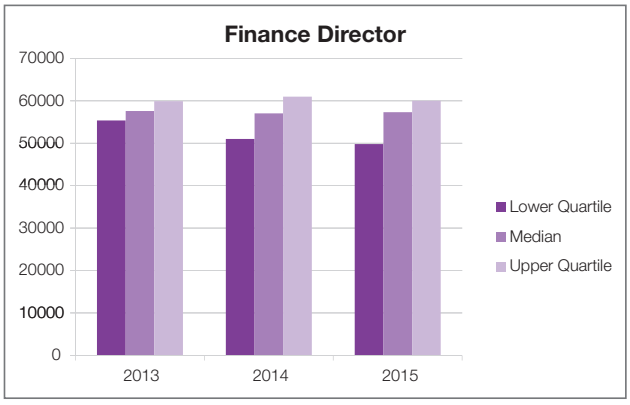


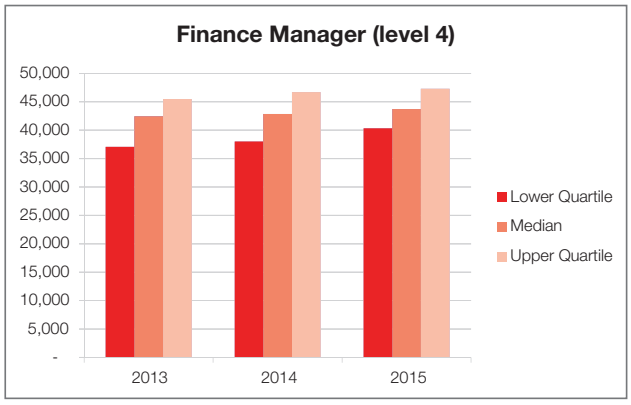


Finance

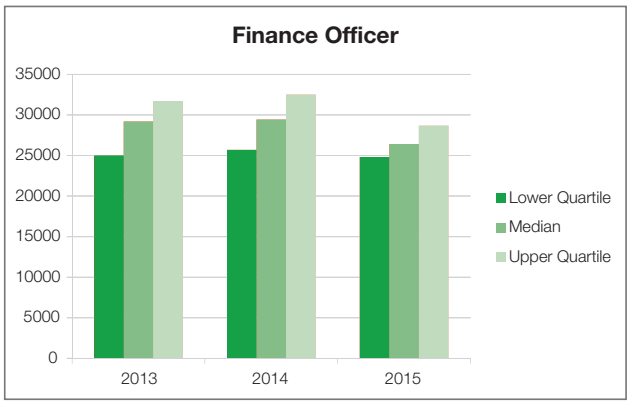
The median salary for a Finance Director was £57,300, a 0.5% decrease since the 2014 survey. Over the same period, the median salary for a Finance Manager or equivalent Level 4 role has increased by 2% to £43,700. The median salary for a Finance Officer (Level 3) was £26,400, 10% lower than in 2014.

	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Finance Director	31	49.8	57.3	60.0
Finance Manager and equivalent (level 4)	15	40.3	43.7	47.3
Finance Officer and equivalent (level 3)	22	24.8	26.4	28.7





[9] NB the salaries reported for these roles in 2014 were unusually low as can be seen in the chart

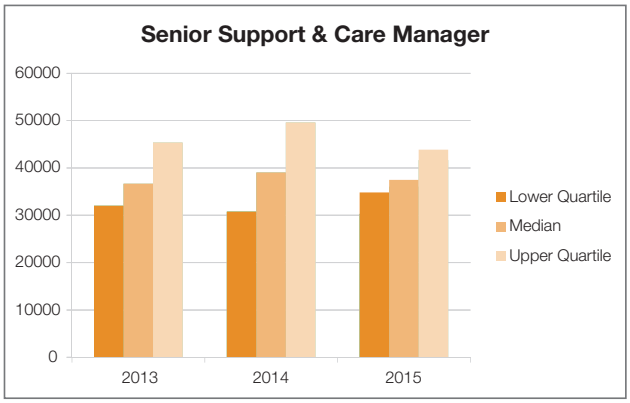


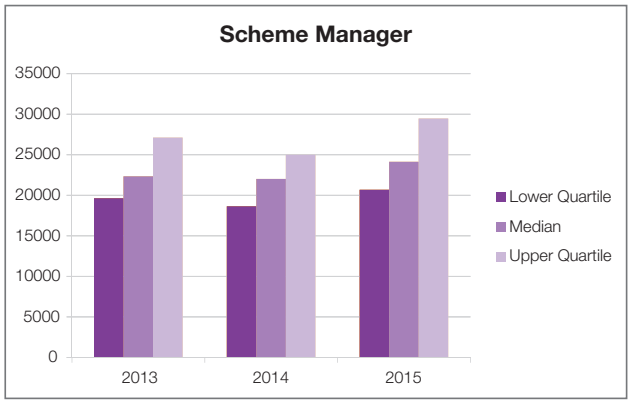
"Thanks for the salary survey information. This is the first year we've participated. Having taken a quick look I think it will be very helpful in salary negotiations with our board. It answers so many of the questions they ask me about what other organisations do."

Support & Care

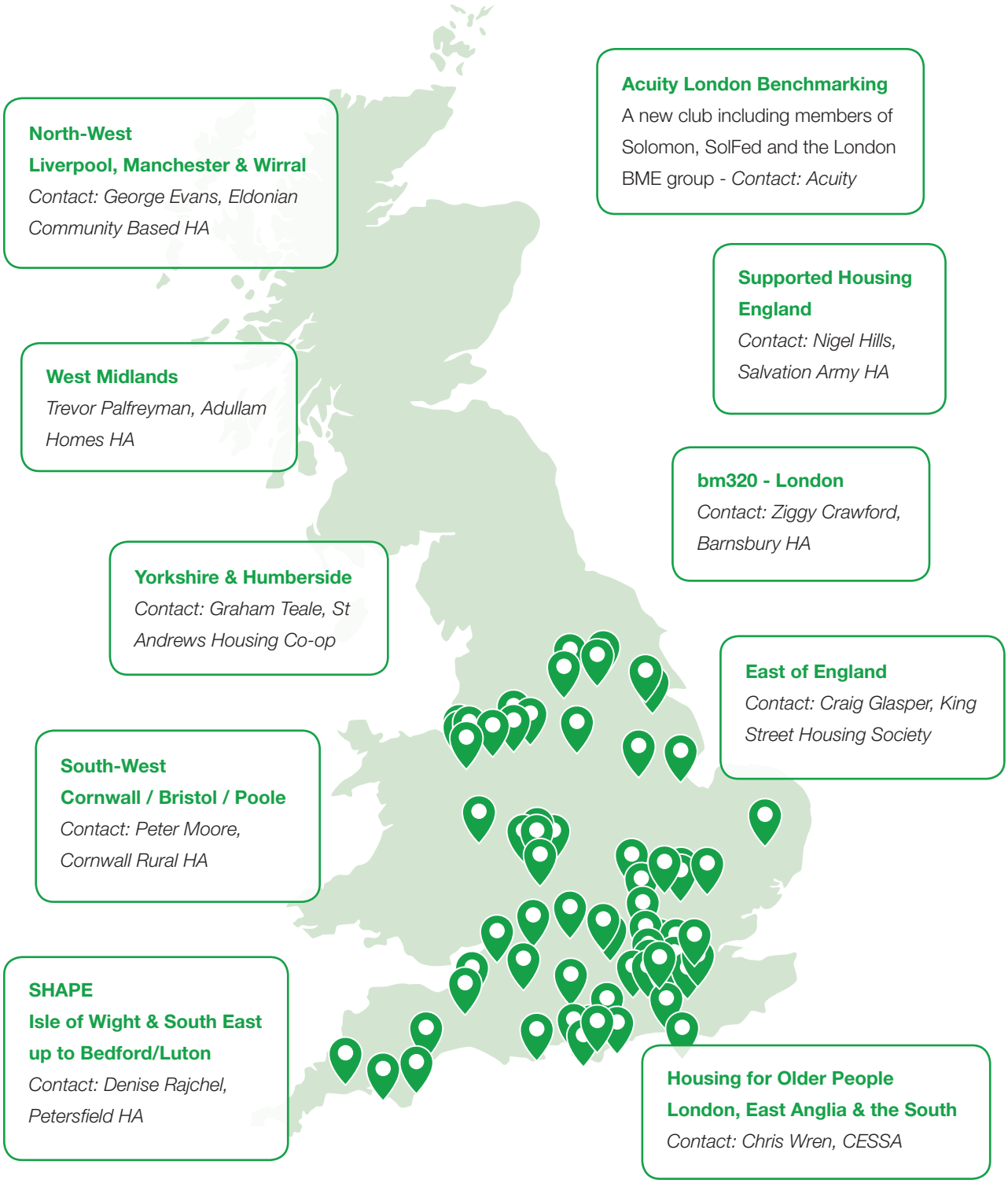
The median salary for Senior Support and Care Managers (Level 4) was £37,500, 3.9% lower than last year. The median salary for a Support Worker or Scheme Manager role at Level 3 was £24,100, 9.6% higher than last year. It should be noted that that some Scheme Manager posts have accommodation provided and full comparative data may be found in the report.

	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Support Services Manager (level 4)	9	34.8	37.5	44.0
Scheme Manager and equivalent (level 3)	30	20.7	24.1	29.5





SPBM benchmarking clubs



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About Acuity

We provide 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 over 130 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 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 for over 15 years.

For further information visit **www.arap.co.uk**
You can contact us on **01273 287114** or **acuity@arap.co.uk**
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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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