

Acuity benchmarking

Guide to the metrics for approved housing bodies

August 2019



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1 Introduction

Acuity has run benchmarking services for social landlords in England since 2007. The service provides high quality performance and cost data for Housing Associations to compare themselves against similar organisations giving Boards, Execs and tenants a view of what 'good', 'average' and 'poor' look like and where their services sit on the spectrum.

Acuity also brings Housing Associations together in benchmarking clubs, using the comparative reports to identify areas where members can learn from each other, share good practice and drive improvement.

The Housing Alliance group of AHBs has commissioned Acuity to develop a benchmarking service that will help its members to comply with the regulatory framework as well as generating wider benefits associated with the Acuity benchmarking model: performance improvement, sharing best practice, networking and collaboration.

This guidance describes the metrics to be used for the first round of benchmarking, in August/September 2019. When inputting benchmarking data we would recommend that members refer to the online definitions in the benchmarking system as these are continuously improved and updated.

2 Summary of the metrics

The metrics use a balanced scorecard model of benchmarking measures based on the regulatory standards for Governance, Finance and Performance in Ireland. This Value for Money (VFM) based model was refined by a working group of representatives from Housing Alliance members. Indicators for measuring efficiency within the sector have been developed for the following areas:

1. Financial health
2. People
3. Business processes
4. Values

The Governance standard does not lend itself to performance benchmarking using quantitative metrics. However, the Alliance may wish to take a shared approach to standards of governance at some point in the future.

Some contextual information will also be collected. Background such as turnover and stock profile may be useful for Acuity in producing reports. However, contextual data will not be visible to other members as this might compromise the anonymity of organisations.



2.1 Financial health

- Operating margin (overall)
- Operating margin (social housing lettings)
- EBITDA MRI (as % interest)
- Gearing
- Headline Social Housing expenditure per unit

2.2 People

- Average days lost due to sickness absence
- Total staff turnover
- Net Promoter Score for staff

2.3 Business processes

- % rent collected
- Current tenant arrears
- % void losses
- Average re-let time (routine)
- Average ready to let time (routine)
- Average re-let time (where major works required)
- Average let time for new lettings
- Average end-to-end time for all reactive repairs
- Average number of responsive repairs per property
- Ratio of responsive repairs to planned
- % dwellings with a valid gas safety cert

2.4 Value

- Satisfaction - overall services
- Net Promoter Score (NPS) - tenants
- Satisfied with last repair
- Satisfaction - quality of home
- Satisfaction - neighbourhood
- Satisfaction - listens to views and acts
- Satisfaction with complaint handling
- New supply delivered (Social housing units)



3 Definitions: Financial health

All the definitions in this section are driven by the Housing Agency regulatory definitions for Tier 3 organisations.

3.1 AHB 101 - Operating margin (overall)

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are an indicator of improving financial efficiency. When the Housing Agency assesses this ratio, consideration is given to the AHB's purpose and objectives (including their social objectives). Further consideration is also given to specialist providers who tend to have lower margins than average.

$$\text{Operating margin (overall)} = (A \div B) \times 100$$

A = Overall operating surplus/(deficit), not including any Gain/(loss) on disposal of fixed assets (housing properties). Similarly, results of joint ventures (JVs) are not included in either turnover or operating surplus.

B = Turnover (overall)

Turnover as stated in the Annual Financial Return

Operating surplus is calculated by subtracting expenditure from income as per the regulatory Annual Financial Return & Business Stream Analysis

Income

- Rents
- Service Charges
- Void Loss
- Revenue Grants and Availability Payments
- Other Income

Expenditure

- Management
- Service Charge payments to superior landlords such as management companies
- Bad debts
- Planned maintenance
- Reactive maintenance
- Direct Labour



3.2 AHB 102 Operating margin (social housing lettings) *

This metric is intended to demonstrate the financial efficiency for the social housing activity of the organisation.

Operating surplus is calculated by subtracting expenditure from income as above for activity relating to social housing lettings only.

Operating margin (social housing lettings) = $(A \div B) \times 100$

A = Operating surplus/(deficit) on social housing lettings as stated in the Annual Financial Return (AFR).

B = Turnover from social housing lettings as stated in the AFR

3.3 AHB 103 EBITDA MRI (as % interest) *

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that the AHB generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

We understand that this measure is widely used in Ireland as it is in the UK.

EBITDA MRI (as % interest) = $(\text{EBITDA MRI} \div \text{Gross interest payable}) \times 100$

EBITDA MRI = [Overall operating surplus / (deficit)

- Gain/(loss) on disposal of assets
- Amortised grant
- Grant taken to income
- + Interest receivable
- Capitalised major repairs expenditure for period
- + Total depreciation charge for period]

Gross interest payable = [Interest capitalised + Interest payable and financing costs]



3.4 AHB 203 – Gearing

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. There are various different methods of calculating gearing so we need to select the definition used by the regulator: Ratio of Loans to Reserves including Capital Grants

$$\text{Gearing} = (\text{Loans} \div \text{Reserves})$$

$$\text{Loans} = \text{Loans} - \text{HFA}$$

- + Loans – other funders
- + Loans – current funding
- + Undrawn committed funds
- + Fixed and Variable
- + Derivatives

(note – while CALF is a loan for the purposes of this gearing ratio it should be excluded)

Reserves should be as stated in AHBs latest Financial Statements for the year

3.5 AHB 501 Headline social housing cost per unit

The unit cost metric assesses the sum of social housing expenditure as defined by the regulator. The source for the data should be the business stream analysis from the latest AFR.

$$\text{Headline social housing cost per unit} =$$

$$\text{Social housing costs} \div \text{Social housing units}$$

$$\text{Social housing costs} = \text{Management costs}$$

- + Service charge payments
- + Bad debts
- + Reactive maintenance costs
- + Planned maintenance costs
- + Direct labour costs

NB. Use actual expenditure rather than £000s in this and all related cost per unit measures.

Divided by

$$\text{Social housing units} = \text{Total social housing units owned and/or managed at period end}$$



4 Definitions: People

4.1 AHBV 12 - Average working days lost due to sickness absence - per FTE

Rationale

To monitor the level of sickness absence in AHBs.

Definition

The number of working days/shifts lost to the AHB due to sickness absence. This indicator measures the average number of working days lost to sickness absence, per employee.

All permanent employees should be included, including direct labour organisation (DLO) staff. Agency staff and staff on maternity/paternity leave should be excluded. Temporary staff or staff on fixed-term contracts who have been employed by the organisation for over a year should be considered permanent.

Working days/shifts means days/shifts scheduled for work after holidays/leave days have been excluded. Where an employee reports sick part way through a working day, the information should be recorded to the nearest half-day / shift.

Include all days lost due to sickness absence, including industrial injury, self-certified sickness, or certified by a GP. Days lost through sickness due to disability or long-term sickness should be included even if the employee is not paid.

Staff numbers are calculated as full time equivalents (FTEs). An individual's FTE is calculated by dividing the number of basic hours that the individual is contracted to work by the standard basic hours for a full-time member of staff. For example, an employee who works 3 days a week (out of 5) has a FTE of $3/5 = 0.6$.

For part-time employees, the numerator and the denominator must be calculated on a consistent basis. If a person working 2 days per week misses a whole week, the numerator = 2 days. As shown above, an adjustment also needs to be made to the denominator and a person working 2 days per week has a FTE of 0.4.

Note that as the numerator can only increase over time, and the denominator is expected to remain relatively stable, this figure is 'cumulative incremental'. This means that the figure is expected to increase over the course of the year.

The Numerator

The numerator is defined as the total number of working days lost due to sickness absence, including industrial injury, irrespective of whether this is self-certified, certified by a GP or long term.

For part-time staff, the landlord should calculate the FTE for both the numerator and



denominator on a consistent basis.

This PI is calculated as average days per employee, not as a percentage.

Include all permanent landlord employees, including staff employed in DLOs and DSOs. Exclude agency staff and staff on maternity or paternity leave. However, temporary staff or staff on fixed term contracts who have been employed by the landlord for over a year should be considered permanent.

The Denominator

The denominator is the average number of FTE employed during the period.

"Working days/shifts", means days/shifts scheduled for work after holidays/ leave days have been excluded.

In the instance of an employee reporting, sick part way through a working day/shift landlords/agents should record the information to the nearest half-day/shift.

Include days lost through sickness due to disability or long-term sickness even if the staff are not paid.

Formula

The denominator is the average number of FTE staff calculated by reference to the current period [i.e. $\text{FTE start of period} + (\text{FTE end of period}) / 2$]

Dealing with sickness absence for part-time staff: If a person works 5 half days and misses 10 days, the numerator = $10 \times 0.5 = 5$ days

If a person works 2 full days a week and misses a week, the numerator = 2 days

Adjustments also need to be made in the denominator, staff working a half a day every day counts as 0.5 of a person, and staff working 2 days a week counts as 2/5ths (or 0.4) of a person.

Worked example 1

If there were 70 full-time staff 20 part-time staff working 2 days per week, number of FTE employees would be $70 + (20 \times 0.4) = 78$

During the period 4 full-time staff were away for a total of 20 days and 2 part-time (2 days per week) staff were away for 2 weeks, the total days lost due to sickness would 28.00 days.

Average number of working days lost to sickness absence = $28 / 78 = 0.36$ days

Worked example 2

At the beginning of the year, there were 100 FTE employees. In the first six months of the year, 400 days were lost to sickness absence across all of these employees. As at the



end of September there were 102 FTE employees.

Average number of working days lost to sickness absence = $400 / 101 = 3.96$ days

Further Guidance

Please pay particular attention to how you calculate the numerator and denominator. The numerator is the number of working days/shifts lost to the landlord due to sickness absence over the period. The denominator is the average number of FTE staff calculated by reference to the current period i.e. the denominator is calculated by taking the sum of the number of staff at the start and end of the period and dividing by two.

4.2 HMPI 360 - Total staff turnover

Rationale

This indicator allows organisations to compare staff turnover over time and with other landlords. High staff turnover can impact significantly on costs and performance and there may be important efficiency gains to be realised in improving staff retention.

Definition

This measure illustrates the number of leavers year-to-date as a percentage of the average number of staff employed over that period. This includes both voluntary leavers (resignations) and involuntary leavers (redundancy, retirement, dismissal, death).

Calculate the average number of permanent staff employed over that period by adding the total number of permanent employees at the beginning of the period with the total number of permanent employees at the end of the period, and divide the total by two.

Both the number of leavers and the number of employees relate to real numbers and not full time equivalents (FTEs). All permanent employees in the entity being benchmarked should be included. Agency staff and staff on maternity or paternity leave should be excluded. However, temporary staff or staff on fixed term contracts who have been employed by the organisation for over a year should be considered permanent.

Note that as the numerator must increase over time (or remain static if there are no leavers in a given period) and the denominator is expected to remain relatively stable, this indicator is 'cumulative incremental'. It is expected that the figure will go up over the course of the year.

Formula

$$(A / B) * 100$$

A = Total number of leavers in the year.

B = The average number of permanent employees.



Worked example

During the year, 15 employees left the organisation. At the beginning of the year there were 200 permanent employees, and at the end of the year there were 210.

Total staff turnover = $(15 / 205) * 100 = 7.31\%$

4.3 Net Promoter Score – Staff Engagement

Rationale

This metric is intended to monitor staff motivation and engagement through the use of a metric which can be relatively easily collected by an AHB, either as a one-off exercise or as part of a wider staff survey. It is recognised that not all AHBs may currently be collecting this measure but the steering group considered that the measure should be included - even if it is aspirational - because the regulator views staff engagement as a key part of the delivery of an AHBs mission.

Definition

The Net Promoter Score, or NPS, is based on the view that every company's customers or staff can be divided into three categories: Promoters, Passives, and Detractors.

By asking one simple question, 'How likely is it that you would recommend your employer to a friend or family?' it is possible to then track these groups and get a clear measure of an organisation through employees' eyes. Residents respond on a 0-to-10 point rating scale and are categorised as follows:

- **Promoters** (score 9-10) are loyal enthusiasts who will promote and support the landlord, increasing their reputation.
- **Passives** (score 7-8) are satisfied but unenthusiastic staff who can easily become detractors depending on circumstances.
- **Detractors** (score 0-6) are unhappy staff who can damage your organisation and hold back development and growth through negative word-of-mouth.

Calculation

The NPS is calculated by taking the percentage of staff who are Promoters and subtracting the percentage who are Detractors. The result is known as the net promoter score and it is not a percentage.

In order to be of use to the association, the net promoter score needs to be put into context. In the commercial sector it is reported that companies with the most efficient growth operate with an NPS of 50 to 80. The average company often has an NPS of only 5 to 10 - in other words their Promoters barely outnumber their Detractors. Many companies have negative NPS scores which means that they are creating more Detractors



than Promoters.

Question wording

How likely would you be to recommend [organisation name] to family or friends on a scale of 10 to 0, where 10 is extremely likely and 0 is not at all likely?

Worked example

100 staff were surveyed and answered the question, responses were as follows

Promoters (score 9 - 10)	65
Passives (score (7 - 8)	30
Detractors (Score 0 -6)	5

$$\text{NPS} = \text{Promoters} - \text{Detractors} = 65 - 5 = 60$$



5 Definitions: Business processes

NB: The working group recognised that it might not be possible for AHBs to separate out the figures for different housing types so the metrics in this section are for aggregated figures including General Needs, Supported and Older person's housing. In the longer term we may benchmark some of the business process metrics separately for General Needs, Supported and Older person's housing.

5.1 AHB 210 Percentage of rent collected

Rationale

This indicator is a key measure of the effectiveness and efficiency of a social landlord's rent collection service. An efficient rent collection service is important to ensuring that as much of the rent due, and thus potential income due to the landlord, is collected and received.

Definition

This indicator is designed to measure the rent collected as a percentage of the rent due, for all current [GN/OP/Supp] tenancies.

The social landlord should derive its rent collected figure (numerator) from its rent accounting systems. It should be taken at month-end so that no technical adjustments are necessary for payment of rent supplement, HAP etc.

The rent due (denominator) should exclude rent lost due to properties being vacant, and should also exclude current tenant arrears brought forward at the beginning of the year. Hence should some arrears from the previous year be recuperated, this PI can often exceed 100%.

Items collected by the landlord as an agent such as water rates, those not directly part of the rent such as court costs and repairs recharges, and recovery of overpaid benefits through the rent collection system should be excluded wherever possible. However, if you are not able to split out these charges from your rent collected figure because of your IT systems, you may include them in your calculation so long as they are included in both the numerator and the denominator.

Formula

$$(A / B) * 100$$

Where A = The actual rent and service charges collected at the relevant month-end on current tenancies (excluding garages).

And where B = The actual rent and service charges due year-to-date for all tenanted properties (excluding garages).



Worked example

At month-end 470,000 of rent and service charges had been received by the organisation from current tenants. The year-to date actual rent and service charges due is 500,000.

Rent collected as a percentage of rent owed = $(470,000 / 500,000) * 100 = 94.0\%$

5.2 AHB 220 Current tenant arrears

Rationale

This indicator is a key measure of the effectiveness and efficiency of a social landlord's rent arrears collection service. An efficient rent collection service is important to ensuring that as much of the rent due, and thus potential income due to the landlord, is collected and received.

Definition

This indicator calculates the rent arrears of all current [GN/OP/Supp] tenants at the end of the period as a percentage of the annual rent debit (for the current financial year). This figure should be taken at month-end.

This covers all [GN/OP/Supp] rented stock (excluding garages).

Court costs are separate sundry debts and should not be included in the calculation.

Former tenant debts (even those which have followed a tenant to their current tenancy) are separate and should not be included in this calculation.

Advance payments on some properties should not be used to offset arrears on other properties (technically, these overpayers could ask for their money back).

Formula

$$(A / B) * 100$$

A = The actual value of current tenant rent and service charge arrears at month-end

B = The annual rent debit for the current financial year. This is the net rent debit after deduction of rent loss due to voids.

Worked example

At month-end there were 85,000 rent and service charge arrears owed by current tenants. The annual rent debit for this year is 1,000,000.

Current tenant arrears as a percentage of the annual rent debit = $(85,000 / 1,000,000) * 100 = 8.5\%$



5.3 Average letting times

General note on lettings metrics

The purpose of these metrics is to ensure that empty homes are made available to tenants in a timely and efficient manner to ensure the organisation is achieving the key regulatory objective of delivering homes and alleviating homelessness.

All metrics are measured in calendar days

The metrics set out below are intended to capture the average times for:

- Re-lets (routine)
- Average ready to let time (routine)
- Re-lets (where major works required)
- New lets

It was also suggested that it would be useful to monitor the average time it takes to receive nominations from local authorities. The difference between the average routine re-let time (AHB36) and the average ready to let time (AHB 40) should give an indication of nomination times. We will explore this further with the Housing Management sub-group after the first round of data-collection to establish whether it is possible to measure average nomination times more specifically.

5.4 Ave re-let time: Standard re-lets (AHB 36)

Rationale

This is an important efficiency measure. It is used to monitor AHB performance at keeping re-let times to a minimum.

Definition

This indicator measures the average time (in calendar days) to re-let vacant [GN/OP/Supp] properties during the period benchmarked. A 'standard' re-let is one where major works are not required, and this metric seeks to isolate the vast majority of voids which are routine and provide an overview on the efficiency of the lettings process. It is calculated by dividing the total number of days re-let properties were vacant in the period, by the number of applicable lettings in the period.

The number of days vacant of a standard re-let is the number of days between the tenancy end date and the tenancy start date. Note that the day the property goes vacant does not count as one day. Hence if a tenancy ends on a Sunday and is let the following day, this counts as a 0 day re-let time. Negative re-let times cannot exist.

Note that first / new lets; mutual exchanges; successions; and other lettings are excluded from this indicator. Re-lets that have previously undergone major works are also



EXCLUDED from this calculation. Only include a void time in this calculation once it has been finally let. Once a void has been let, its void days are included in the PI for the year of letting, regardless of when the void days started to accrue.

The 'Average Re-let time indicators' (36 series) are about capturing 'standard' re-lets in order to tell us something about how efficient the routine void process is. The definition therefore seeks to exclude voids that may be regarded as non-standard. So successions and mutual exchanges are not counted at all as the new tenant is effectively stepping into the previous person's shoes (with no gap). Neither are new lets and voids that have been subject to major works counted because in most cases you would be effectively just measuring the lettings stage of the process for a high quality home.

So it all comes down to what constitutes 'major works', and the key test is whether the works could be reasonably carried out with the person in occupation. In other words, it is the kind of work you might decant the tenant for. Other relevant pointers include 'works necessary for the property to remain habitable' and any works that 'significantly improve the dwellings'.

The definition of what constitutes Major Works is included here for clarity:

Major repairs are works which could not reasonably be carried out with a tenant in occupation, and which need to be carried out in a property while it is vacant. They involve remedial works that are necessary for the property to remain habitable; they would include structural repairs, site works and service installations. If a tenant has been permanently decanted in order for works to be carried out, then these are major repairs.

Major repair works include:

- Structural repairs - these are works that are essential to maintain stability and weather resistance in the main structural elements of a dwelling, i.e. floors, walls and roofs. Major works to these elements will involve replacement or substantial reconstruction of the component or element.
- Site works - this is work to the area around, and specific to, the dwellings involved and is essential to the safety, security and protection of tenants (e.g. Asbestos removal, or the replacement or substantial reconstruction of unstable boundary walls, footpaths etc.)
- Services installations - this is work to building services, where deterioration is such that the basic amenities in a dwelling could be seriously impaired. For example: renewal of installations such as gas, electricity and water supplies; heating and ventilation; and lifts.
- Consequential and other works - these are works required as a consequence of major repairs such as reinstatement or making good finishes and fittings.
- Any works that significantly improve the dwellings should be classified as major repairs.

For the purposes of calculating this PI, please also exclude the period:

- During which the void is squatted (count from when property is repossessed)



- When a property is taken over by another landlord, the police or other agency. The void period after the dwelling is handed back should be counted provided the dwelling is not subject to major works

Formula

(A / B)

A = The total days vacant of all applicable re-lets in the period

B = The total number of applicable lettings in the period (that were counted in the numerator)

Worked example

By the end of December, 12 lettings have been carried out. Added together they go up to 200 days vacant.

Average re-let time = $200 / 12 = 16.7$ calendar days

5.5 Average ready to let time: Standard re-lets (AHB 40)

Rationale

This is an important efficiency measure. It is used to monitor the time from tenancy end date to when the property is ready to let (eg handover of keys from the repairs contractor for a 'ready to let' property).

Definition

This indicator measures the average time (in calendar days) from between tenancy-end and the property being ready to let for standard re-lets during the period benchmarked. A 'standard' re-let is one where major works are not required, and this metric seeks to isolate the vast majority of voids which are routine and provide an overview of the efficiency of the void process over which the AHB has control. The difference between this indicator and Ave re-let time: Standard re-lets (AHB 36) serves as an additional indicator of the average time of that part of the lettings process most sensitive to local authority nominations. It is calculated by dividing the total number of days re-let properties were vacant but not ready to let in the period, by the number of applicable lettings in the period.

The number of days vacant but not ready to let of a standard re-let is the number of days between the tenancy end date and the property being accepted as 'ready'. Note that the day the property goes vacant does not count as one day. Hence if a tenancy ends on a Sunday and is ready to let the following day, this counts as a 0 day re-let time. Negative re-let times cannot exist.

Note that first / new lets; mutual exchanges; successions; and other lettings are excluded



from this indicator. Re-lets that have previously undergone major works are also EXCLUDED from this calculation. Only include a void time in this calculation once it has been finally let. Once a void has been let, its void days are included in the PI for the year of letting, regardless of when the void days started to accrue.

This metric is about capturing 'standard' re-lets in order to tell us something about how efficient the routine void process is. The definition therefore seeks to exclude voids that may be regarded as non-standard. So successions and mutual exchanges are not counted at all as the new tenant is effectively stepping into the previous person's shoes (with no gap). Neither are new lets and voids that have been subject to major works counted because in most cases you would be effectively just measuring the lettings stage of the process for a high quality home.

So it all comes down to what constitutes 'major works', and the key test is whether the works could be reasonably carried out with the person in occupation. In other words, it is the kind of work you might decant the tenant for. Other relevant pointers include 'works necessary for the property to remain habitable' and any works that 'significantly improve the dwellings'.

The definition of what constitutes Major Works is included here for clarity:

Major repairs are works which could not reasonably be carried out with a tenant in occupation, and which need to be carried out in a property while it is vacant. They involve remedial works that are necessary for the property to remain habitable; they would include structural repairs, site works and service installations. If a tenant has been permanently decanted in order for works to be carried out, then these are major repairs.

Major repair works include:

- Structural repairs - these are works that are essential to maintain stability and weather resistance in the main structural elements of a dwelling, i.e. floors, walls and roofs. Major works to these elements will involve replacement or substantial reconstruction of the component or element.
- Site works - this is work to the area around, and specific to, the dwellings involved and is essential to the safety, security and protection of tenants (e.g. Asbestos removal, or the replacement or substantial reconstruction of unstable boundary walls, footpaths etc.)
- Services installations - this is work to building services, where deterioration is such that the basic amenities in a dwelling could be seriously impaired. For example: renewal of installations such as gas, electricity and water supplies; heating and ventilation; and lifts.
- Consequential and other works - these are works required as a consequence of major repairs such as reinstatement or making good finishes and fittings.
- Any works that significantly improve the dwellings should be classified as major repairs.



For the purposes of calculating this PI, please also exclude the period:

- During which the void is squatted (count from when property is repossessed)
- When a property is taken over by another landlord, the police or other agency.
The void period after the dwelling is handed back should be counted provided the dwelling is not subject to major works

Formula

(A / B)

A = The total days vacant but not ready to let of all applicable re-lets in the period

B = The total number of applicable lettings in the period (that were counted in the numerator)

Worked example

By the end of December, 12 lettings have been carried out. Added together they go up to 120 days when properties were vacant but not ready to let.

Average ready to let time = $120 / 12 = 10$ calendar days

5.6 Ave re-let time: Major Works (AHB 37)

Rationale

This is an important efficiency measure. It is used to monitor performance at keeping re-let times to a minimum for properties that require major works.

Definition

This indicator measures the average time (in calendar days) to re-let vacant [GN/OP/Supp] properties that require major works during the period benchmarked. It is calculated by dividing the total number of days re-let properties were vacant in the period, by the number of applicable lettings in the period.

The number of days vacant is the number of days between the tenancy end date and the tenancy start date, **including the time spent in works**. Note that the day the property goes vacant does not count as one day. Hence if a tenancy ends on a Sunday and is let the following day, this counts as a 0 day re-let time. Negative re-let times cannot exist.

Note that first / new lets; mutual exchanges; successions; and other lettings are excluded. Only include a void time in this calculation once it has been finally let. Once a void has been let, its void days are included in the PI for the year of letting, regardless of when the void days started to accrue.

The definition of what constitutes Major Works is included here for clarity.

Major repairs are works which could not reasonably be carried out with a tenant in occupation, and which need to be carried out in a property while it is vacant. They involve



remedial works that are necessary for the property to remain habitable; they would include structural repairs, site works and service installations. If a tenant has been permanently decanted in order for works to be carried out, then these are major repairs.

Major repair works include:

- Structural repairs - these are works that are essential to maintain stability and weather resistance in the main structural elements of a dwelling, i.e. floors, walls and roofs. Major works to these elements will involve replacement or substantial reconstruction of the component or element.
- Site works - this is work to the area around, and specific to, the dwellings involved and is essential to the safety, security and protection of tenants (e.g. Asbestos removal, or the replacement or substantial reconstruction of unstable boundary walls, footpaths etc.)
- Services installations - this is work to building services, where deterioration is such that the basic amenities in a dwelling could be seriously impaired. For example: renewal of installations such as gas, electricity and water supplies; heating and ventilation; and lifts.
- Consequential and other works - these are works required as a consequence of major repairs such as reinstatement or making good finishes and fittings.
- Any works that significantly improve the dwellings should be classified as major repairs.

For the purposes of calculating this PI, please also exclude the period:

- During which the void is squatted (count from when property is repossessed)
- When a property is due to be handed over to the police, and when it is in use by the police. The void period after the dwelling is handed back should be counted provided the dwelling is not subject to major works

Formula

(A / B)

A = The total days vacant of all applicable re-lets in the period

B = The total number of applicable lettings in the period (that were counted in the numerator)

Worked example

By the end of December, 15 lettings have been carried out that required major works.

Added together they go up to 330 days vacant.

Average re-let time = $330 / 15 = 22$ calendar days



5.7 Ave letting time for new lets (AHB 41)

Rationale

This is an important efficiency measure. It is used to monitor performance at keeping lettings times to a minimum on new properties.

Definition

This indicator measures the average time (in calendar days) to let new [GN/OP/Supp] properties during the period benchmarked. It is calculated by dividing the total number of days new properties were vacant in the period, by the number of applicable new lettings in the period.

The number of days vacant is the number of days between the date when the property is accepted into Housing Management and the tenancy start date. Note that the day the property becomes lettable and is accepted into HM does not count as one day. Hence if a property becomes lettable on a Monday and is let the following day, this counts as a 0 day new-let time. Negative new-let times cannot exist.

Only include a void time in this calculation once the property has been let. Once a new property has been let, its void days are included in the PI for the year of letting, regardless of when the void days started to accrue.

Formula

(A / B)

A = The total days vacant of all applicable new lets in the period

B = The total number of applicable new lettings in the period (that were counted in the numerator)

Worked example

By the end of December, 12 new lettings have been carried out. Added together they go up to 120 days vacant.

Average letting time for new lets = $120 / 12 = 10$ calendar days



5.8 Average end-to-end time for all reactive repairs (HMPI 90)

Rationale

This measure reflects the amount of time tenants have been actually waiting for the work to be completed and will allow tenants to see if they are receiving a quick service in comparison to others.

Definition

This is defined as the average number of (calendar) days between the responsive repair being requested and its satisfactory completion including the day of request and the day of completion.

Ultimately the date of satisfactory completion is decided by the landlord or its agent. All responsive repairs completed during the benchmarked period should be included.

Formula

A / B

A = the sum of the total number of calendar days taken to complete responsive repairs in the period

B = the total number of responsive repairs completed in the period.

5.9 SWBM 201 - Average number of responsive repairs per property

Taken from your repair records for properties you manage.

Reactive or Responsive repairs refers to all minor, ad hoc/unplanned repairs that are reported by tenants, or arise from damage/wear and tear to communal areas and common parts.

This does not include repairs undertaken as part of a planned or cyclical maintenance programme, or those undertaken to empty properties. It is repairs which cannot be planned or included in a repair programme (i.e. day to day single jobs, grouped non-urgent repairs, minor works to rectify flood or fire damage).

Formula

A / B

A = the total number of responsive repairs completed during the e period

B = the total number of properties where the landlord is responsible for responsive repairs



5.10 Ratio of responsive repairs to planned maintenance (AHB 403)

Rationale

Effective planning based on detailed stock condition surveys should allow the sector to reduce spend on responsive repairs in favour of planned maintenance.

It should be noted that the level of spend may vary from year to year depending on the timing of planned maintenance programmes, and it may be necessary to present a trend or average for context.

Definition

Source = Annual Financial Return business stream analysis

Formula

(A / B)

A = Reactive maintenance

B = Planned maintenance

5.11 Percentage of gas safety checks completed within target (AHB GC)

Rationale

This performance indicator allows both the landlord and its customers to be assured that the landlord is complying (or otherwise) with the legal requirement to check and service all landlord owned gas appliances in their properties.

Definition

This measures whether a landlord has completed its the annual safety checks within the anniversary date.

The denominator should be the number of rented dwellings in ownership which were due an annual gas safety check during the period. Where a gas supply has been disconnected, these units are excluded from the denominator, but the landlord must hold an appropriate record confirming disconnection. Tenanted properties with disconnected gas pipework should only be excluded if there is a record of annual checks to verify the gas supply is still disconnected (having regard for regulation 33(2)).

Formula

$(A / B) * 100$

A = The number of dwellings where a gas safety check was completed within its anniversary date.

B = The number of dwellings where a gas safety check was due under the Gas Safety (Installations and Use) Regulations 1998.



Worked example

During the period gas safety checks were due on 300 properties for which the Landlord had a gas safety responsibility. 297 of these properties were checked before the anniversary date.

Percentage of gas safety checks completed within target = $(297 / 300) * 100 = 99.00\%$



6 Definitions: Value

NB: As with business process metrics above, the definitions in this section are for aggregated data for all housing types. In the longer term it is envisaged that AHBs may wish to benchmark this metric separately for General Needs, Supported and Older person's housing.

6.1 General note on tenant satisfaction and Star

The performance standard is clear that AHBs must monitor tenant satisfaction with the delivery of key services. In order for the Housing Alliance to benchmark tenant satisfaction we need to adopt a standard methodology and the steering group recommends that AHBs follow the Standard Tenant and Resident (Star) guidelines. Star is a voluntary customer satisfaction framework for social housing used by around 90% of social landlords in England, Scotland and Wales. It is very flexible, providing guidance and good practice on customer research adapted for the social housing sector, without restricting how landlords assess tenant satisfaction. It therefore offers a ready-made framework for AHBs to collect tenant satisfaction data in a comparable way.

6.2 STA 001 AHB Satisfaction - overall services

To encourage delivery of good housing management services by social landlords. This will help make sure social landlords and management organisations focus on effective delivery of those core services which matter most to tenants (customer services, responsiveness, involvement opportunities and quality of service, including performance on lettings, repairs, rent collection and tenancy & estate management).

Definition

This indicator is to measure the percentage of tenants who say they are very satisfied or fairly satisfied. The data source will be the tenant satisfaction survey, which should ask the question:

"Taking everything into account, how satisfied or dissatisfied are you with the services provided by your housing association?"

"Tenants" are defined as [GN/OP/Supp] tenants of the landlord, but excludes leaseholders, shared owners and commercial tenants. Respondents will have the choice of five response categories. These are very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied and very dissatisfied. Use of a Five point numeric scale may be used as an alternative.

In years when there is no survey, the most recent available years result should be reported with a note highlighting the date of the survey.



Numerator

The number of tenants who say that they are very satisfied or fairly satisfied.

Denominator

The number of tenants answering the question who gave valid answers: very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied, very dissatisfied.

Formula

$$X = (Z + Y) * 100/N \quad \text{Where:}$$

Z = the number of respondents who are very satisfied with the overall service / services provided

Y = the number of respondents who are fairly satisfied with the overall service / services provided

N = the total number of respondents to the question

Worked example

1,092 people answer the question. Of the total, 233 responded that they were very satisfied, 513 that they were fairly satisfied, 110 neither satisfied nor dissatisfied, 134 fairly dissatisfied and 102 very dissatisfied.

The percentage would therefore be calculated as:

$$X = (Z + Y) * 100/N$$

Or in this case:

$$X = (233 + 513) * 100 / 1092$$

$$X = 68.31$$

6.3 Net Promoter Score Tenants

The Net Promoter Score, or NPS, is based on the concept that every company's customers can be divided into three categories: Promoters, Passives, and Detractors.

Definition

By asking one question, 'How likely is it that you would recommend your landlord to a friend or family?' it is possible to then track these groups and get a clear measure of an organisation's performance through residents' eyes. Residents respond on a 0-to-10 point rating scale and are categorised as follows:

- **Promoters (score 9-10)** are loyal enthusiasts who will promote and support the landlord, increasing their reputation.
- **Passives (score 7-8)** are satisfied but unenthusiastic tenants who can easily become detractors depending on circumstances.
- **Detractors (score 0-6)** are unhappy customers who can damage your organisation and hold back development and growth through negative word-of-mouth.



Calculation

The NPS is calculated by taking the percentage of customers who are Promoters and subtracting the percentage who are Detractors. The result is known as the net promoter score and it is not a percentage.

In order to be of use to the association, the net promoter score needs to be put into context. In the commercial sector it is reported that companies with the most efficient growth operate with an NPS of 50 to 80. The average company often has an NPS of only 5 to 10 - in other words their Promoters barely outnumber their Detractors. Many companies have negative NPS scores which means that they are creating more Detractors than Promoters.

Question wording

How likely would you be to recommend [organisation name] to family or friends on a scale of 0 to 10, where 0 is not at all likely and 10 is extremely likely?

Worked example

200 tenants answered the question, responses were as follows

Promoters (score 9 - 10)	57%
Passives (score (7 - 8)	10%
Detractors (Score 0 -6)	33%

$NPS = Promoters - Detractors = 57 - 33 = 24$

6.4 HMPI 102 - Percentage of residents satisfied with the most recent repair

Transaction satisfaction metrics like this one are typically measured for all repairs and not broken down in to tenancy type.

This indicator is to measure the percentage of residents who say they are 'very satisfied' or 'fairly satisfied' with the overall repairs service they received at their most recent responsive repair.

The question to ask is: 'How satisfied or dissatisfied are you with the overall repairs service you received on this occasion?'

Respondents should have the choice of five response categories. These are very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied and very dissatisfied.

The percentage satisfied should be the number of respondents that replied they were either very or fairly satisfied, divided by the total number of valid responses. Note that 'no opinion/don't know' is not a valid response and should be excluded from both the numerator and the denominator.

Note that this question may be asked as part of a STAR survey, and if your survey meets



the STAR survey methodology criteria, your figures will automatically meet the requirements of this PI. However, for this PI we will also accept figures from your own internal survey of residents following a repair, providing they meet the below requirements:

- The question asked must be the same as the question above, or so similar as to make no difference to the outcome.
- The response options must be the same as those detailed above, or on a comparable 5 or 10 point scale (if a 10 point scale is used, with 10 being the most satisfied, only ratings of 6 or above count as satisfied).
- The survey must be carried out remotely following the repair. Responses gathered by the operative whilst on site should not be included. However, we will accept responses from surveys carried out by telephone, post, or e-mail.
- The sample must be statistically significant with a margin +/-5%.

6.5 STA 002 AHB Satisfaction - quality of home

This indicator is to measure the percentage of tenants who say they are very satisfied or fairly satisfied with the overall quality of their home. The data source will be the latest STAR tenant satisfaction survey, which should ask the question:

"How satisfied or dissatisfied are you with the quality of your home?"

"Tenants" are defined as [GN/OP/Supp] tenants of the landlord, but excludes leaseholders, shared owners and commercial tenants.

Respondents will have the choice of five response categories. These are usually very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied, or very dissatisfied.

Sometimes a numeric equivalent or other scale is used.

If no survey was carried out in the current financial year, please enter results from the most recent survey, but be sure to enter the year of the most recent survey into the profile information for your organisation.

Formula

$$(A / B) * 100$$

Where A = The number of respondents who stated they were either very or fairly satisfied with the overall quality of their home.

And where B = The number of valid responses to the question. Valid responses include; very satisfied; fairly satisfied; neither satisfied nor dissatisfied; fairly dissatisfied; and very dissatisfied.



Worked example

1,092 people answer the question. Of the total, 233 responded that they were very satisfied, 513 said that they were fairly satisfied, 110 said they were neither satisfied nor dissatisfied, 134 fairly dissatisfied and 102 very dissatisfied.

Percentage of respondents very or fairly satisfied = $((233 + 513) / 1,092) * 100 = 68.31\%$

6.6 STA 003 AHB Satisfaction - neighbourhood

This measure gauges how tenants feel about their neighbourhood as a place to live.

Definition

This indicator is to measure the percentage of tenants who say they are very satisfied or fairly satisfied with their neighbourhood as a place to live. The data source will be the latest STAR tenant satisfaction survey, which should ask the question:

"How satisfied or dissatisfied are you with your neighbourhood as a place to live?"

"Tenants" are defined as [GN/OP/Supp] tenants of the landlord, but excludes leaseholders, shared owners and commercial tenants.

Respondents will have the choice of five response categories. These are usually very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied, or very dissatisfied. Sometimes a numeric equivalent or other scale is used, and sometimes there is an additional option; Don't know/No Opinion.

If no survey was carried out in the current financial year, please enter results from the most recent survey, but be sure to enter the year of the most recent survey into the profile information for your organisation.

Formula

$(A / B) * 100$

Where A = The number of respondents who stated they were either very or fairly satisfied with their neighbourhood as a place to live.

And where B = The number of valid responses to the question. Valid responses include; very satisfied; fairly satisfied; neither satisfied nor dissatisfied; fairly dissatisfied; and very dissatisfied.

Worked example

1,092 people answer the question. Of the total, 233 responded that they were very satisfied, 513 said that they were fairly satisfied, 110 said they were neither satisfied nor dissatisfied, 134 fairly dissatisfied and 102 very dissatisfied.

% respondents very or fairly satisfied = $((233 + 513) / 1,092) * 100 = 68.31\%$



6.7 STA 007 AHB Satisfaction - listens to views and acts

This measure is a gauge as to whether residents feel they are able to have meaningful input and influence.

Definition

This indicator is to measure the percentage of tenants who say they are very satisfied or fairly satisfied that their landlord listens to their views and acts upon them.

The data source will be the tenant satisfaction survey, which should ask the question:

"How satisfied or dissatisfied are you that your landlord listens to your views and acts upon them?"

"Tenants" are defined as [GN/OP/Supp] tenants of the landlord, but excludes leaseholders, shared owners and commercial tenants. Where there is a joint tenant, this would mean collecting data from all joint tenants.

Respondents will have the choice of response categories, usually a verbal scale (very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied, very dissatisfied, no opinion) or an equivalent numeric scale.

If no satisfaction survey was carried out in the current financial year, please enter results from the most recent valid survey, but be sure to enter the year of the most recent survey into the profile information for your organisation.

Formula

$$(A / B) * 100$$

Where A = The number of respondents who stated they were either very or fairly satisfied that their landlord listens to their views and acts upon them.

And where B = The number of valid responses to the question.

Worked example

1,092 people answer the question. Of the total, 233 responded that they were very satisfied, 513 said that they were fairly satisfied, 110 said they were neither satisfied nor dissatisfied, 134 fairly dissatisfied, 100 very dissatisfied, and 2 with no opinion.

Percentage of respondents very or fairly satisfied that their views are being taken into account = $((233 + 513) / 1,092) * 100 = 68.31\%$



6.8 Satisfaction with complaint handling (SP 006)

Transaction satisfaction metrics like this one are typically measured for all complaints and not broken down in to tenancy type.

This could be monitored from the results of Complaints satisfaction surveys but it seemed from the workshop that not all members do that so the general satisfaction survey can also be used.

Rationale

This measure gauges the effectiveness of the complaints handling process

Definition

This indicator is to measure what proportion of complaints are dealt with to the satisfaction of the tenant or service user within the target timescale.

The question to ask in a survey about a specific complaint is as follows:

Overall, how satisfied or dissatisfied were you with the way [landlord name] handled your complaint?

The question to ask as part of a general satisfaction survey is

How satisfied or dissatisfied are you with the way [landlord name] deals with complaints?

Formula

$$(A / B) * 100$$

A = Number of complaints closed within target and to the satisfaction of the complainant

B = Number of complaints closed during the period

Worked example

During the period 24 complaints were closed. 22 of these were closed within the target timescale to the satisfaction of the complainant.

Percentage of complaints closed within target and to the satisfaction of the complainant =
 $(22 / 24) * 100 = 91.67\%$



6.9 New Social housing units delivered (AHB 204)

New social housing supply delivered as a percentage of stock owned, during the period January - December.

$$[A / B] * 100$$

A = [general needs housing, supported housing and housing for older people] completed

B = [Total social housing units owned at period start ('social units' as defined in numerator)]

Definition of completion: In principle, a dwelling is regarded as completed when it becomes ready for occupation or when a completion certificate is issued whether it is in fact occupied or not.

Newly-built acquired properties includes new dwellings built where construction is carried out by another entity (such as newly-built Part 5 acquisitions).

A unit completed by a joint venture with a private sector partner should be counted as a whole unit. A unit completed by a joint venture with another AHB should be counted as a whole unit only by the provider that will own the unit (to avoid double counting).