



Acuity Benchmarking

2020 Report

Acuity Benchmarking Update – November 2020

Welcome to Acuity's annual benchmarking report; key performance and cost data for smaller Housing Associations in England.

Acuity Benchmarking 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, the network has 140 members owning/managing over 75,000 homes across eight English regions, with an average stock size of 353.

Acuity provides performance and cost benchmarking data for members, enabling them to compare against 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.

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

Get the data you need and the support to make the most of it

2020's data shows Acuity members in a positive light once more: you compare favourably with the rest of the social housing sector in key areas, and general trends in performance and costs are positive. Resident satisfaction remains high: at a time when Government and regulatory focus is increasingly on customer metrics, that's great news.

Our primary role is to provide data enabling Housing Associations to see how costs and performance compare with others, and to understand what 'good' looks like (and even 'average' or 'poor'). Data also provides lenders, potential partners and other stakeholders assurance that you're efficient, well-run and delivering your social mission.

Benchmarking goes Zoom!

Typically, Acuity's regional and specialist benchmarking clubs meet quarterly, but since the start of the coronavirus pandemic we have been meeting much more frequently for shorter, online sessions to exchange information about how everyone is responding to the crisis. The increase in frequency has been driven by members who find these meetings really useful and valuable.

We have also run sixteen Webinars since March. Originally planned as an alternative to the cancelled April conference, these proved a popular and convenient way for members to get information from

the Regulator, CIH, Ombudsman, DWP, and a range of experts in areas such as governance, fundraising, resident satisfaction and technology. Resources and recordings from all these are available on our website. [<https://bit.ly/34DZa10>]

What's next?

Our members will continue to drive the Acuity Benchmarking agenda.

This means we are likely to do more of the same: benchmarking performance, costs and processes, and supporting members through networking and sharing of good practice in the most cost-effective way possible.

As facilitator of this national network we have a unique role, which was demonstrated by the surge in demand for meetings during the crisis. We will explore the development of new collaborations, services, workshops and events. We will continue to work with the Regulator, Housing Ombudsman, CIH and groups like the NHF Sector Scorecard advisory groups to ensure that we provide the business intelligence our members need.

And we always keep looking for ways to improve and adapt what we already do, to help our members meet the challenges of the operating environment and to support you in every way possible so you can provide the best service for tenants. We'll also continue to keep you up-to-date through emails and our website's news and blogs.

Since the start of lockdown we have been delighted by really positive feedback from members about how much they value the network and the services we provide, and how Acuity Benchmarking has helped them to navigate the challenges of the operating environment. We hope you'll feel the same way about it this year.

Mark Anderson & Steve Smedley
Acuity Research & Practice



“[I’m] very satisfied and my Board are extremely pleased when the reports are produced at Board meetings.”

Performance comparison and improvement

Acuity benchmarking data provides smaller associations with comparisons between similar peers and the rest of the sector. The results on the following pages show that on the whole SPBM members compare favourably with the rest of the sector in key areas such as rent collection, arrears, voids and the cost and management of repairs

The data show a positive trend for costs, with Housing Management costs per property down from last year.

Overall tenant satisfaction with the services provided by members is high, reflecting the ratings awarded for key services, value for money and providing homes that are safe and secure.

The data in the following pages provide an insight into the overall performance of Acuity Benchmarking members for the year April 2019 to March 2020. Two sets of data are provided for each key activity:

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

We use a traffic light system to indicate whether the median for Acuity members is higher, lower or the same as the median for All Providers, and trend arrows to indicate whether performance among Acuity members has improved, declined or stayed the same.

The year-on-year trend is based on data from Acuity members who submitted figures for both 2018/19 and 2019/20. Using a **balanced panel** in this way ensures that trend comparisons are robust and not adversely affected by changes in the sample between years. This means that the Acuity overall medians given for 2019/20 may differ slightly from the medians used for the same year in the trend analysis.

HouseMark data are median values drawn from HouseMark Cost, Performance and Sector Scorecard benchmarking submissions, based on data from around 450 providers of all sizes and not including Acuity data from. In the sections on resident satisfaction, the HouseMark data are based on the HouseMark standard STAR methodology.

Acuity and HouseMark comparisons are based on identically defined performance indicators.

Voids and lettings

The performance of Acuity members on rent loss from voids and average re-let times during 2018/19 compares favourably with that of All Providers, with Acuity members reporting shorter void times and lower void losses for general needs (GN) and Housing for Older People (HfOP), but higher void losses for supported housing.

Void losses have increased for all stock types year-on-year. The average void time has fallen for GN but increased for HfOP and supported housing.

	All Providers	Smaller Providers	
Percentage of rent lost due to void properties (GN)	0.80	0.41	●
Percentage of rent lost due to void properties (HfOP)	2.19	1.08	●
Percentage of rent lost due to void properties (Supported)	4.82	5.23	●
Average re-let time in days (GN)	27.50	17.81	●
Average re-let time in days (HfOP)	34.00	18.00	●
Average re-let time in days (Supported)	25.90	23.00	●

	2018/19	2019/20	
Percentage of rent lost due to void properties (GN)	0.37	0.41	↓
Percentage of rent lost due to void properties (HfOP)	0.83	1.08	↓
Percentage of rent lost due to void properties (Supported)	3.90	5.23	↓
Average re-let time in days (GN)	20.00	18.00	↑
Average re-let time in days (HfOP)	20.80	23.00	↓
Average re-let time in days (Supported)	16.20	20.10	↓

Rent collection and arrears

The average performance of Acuity members on rent collection was lower than that of All Providers for GN properties, HfOP and supported housing (albeit marginally for GN and HfOP). Rent collection figures are significantly affected by the timing of housing benefit (HB) payments, and arrears levels often reflect performance over a number of years and not just the reporting period. This is why such data should always be considered in context. For some clubs, we also use measures that exclude arrears caused by late HB payments, to give a more accurate comparison of performance.

GN and HfOP arrears were lower for Acuity members than All Providers. For supported housing, Acuity members have higher average arrears than All Providers.

When we exclude arrears caused by late HB payments, Acuity members' arrears have increased for GN and HfOP properties since last year.

	All Providers	Smaller Providers	
Rent collected as a percentage of rent owed (GN)	100.02	100.00	●
Rent collected as a percentage of rent owed (HfOP)	100.55	100.05	●
Rent collected as a percentage of rent owed (Supported)	100.22	98.43	●
Current tenant arrears (GN)	3.44	2.82	●
Current tenant arrears (HfOP)	1.42	1.10	●
Current tenant arrears (Supported)	2.77	5.10	●
Current tenant arrears net of unpaid HB (GN)	2.90	2.89	●
Current tenant arrears net of unpaid HB (HfOP)	0.76	0.20	●

	2018/19	2019/20	
Rent collected as a percentage of rent owed (GN)	100.08	100.00	↓
Rent collected as a percentage of rent owed (HfOP)	99.54	100.05	↑
Rent collected as a percentage of rent owed (Supported)	98.36	98.43	↑
Current tenant arrears (GN)	2.59	2.82	↓
Current tenant arrears (HfOP)	1.11	1.10	↑
Current tenant arrears (Supported)	3.52	5.10	↓
Current tenant arrears net of unpaid HB (GN)	1.71	2.89	↓
Current tenant arrears net of unpaid HB (HfOP)	0.16	0.20	↓

Repairs and maintenance

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

The median performance of Acuity members and All Providers on gas safety checks was identical.

Since last year, performance has improved for the percentage of repairs completed within target time and repairs completed on the first visit. The average end-to-end time for repair completion has fallen. Performance for emergency repairs completed within target and percentage of properties with a valid gas safety certificate has remained at the same high levels. Resident satisfaction with the last completed repair has fallen by one percentage point. All data are for GN housing, supported housing and sheltered combined.

	All Providers	Smaller providers	
Percentage of emergency repairs completed within target	N/A ¹	100.00	
Percentage of all reactive repairs completed within target	N/A	96.92	
Average end-to-end time for all reactive repairs	10.60	7.15	●
Percentage of repairs completed at first visit	89.15	94.00	●
Percentage of residents satisfied with most recent repair (from repair completion survey)	91.10	95.84	●
Percentage of dwellings with a valid gas safety certificate	100	100	●

	2018/19	2019/20	
Percentage of emergency repairs completed within target	100.00	100.00	↔
Percentage of all reactive repairs completed within target	96.75	96.92	↑
Average end-to-end time for all reactive repairs	7.67	7.29	↑
Percentage of repairs completed at first visit	91.80	94.00	↑
Percentage of residents satisfied with most recent repair (from repair completion survey)	96.93	95.84	↓
Percentage of dwellings with a valid gas safety certificate	100.00	100.00	↔

¹ HouseMark has discontinued PIs to measure repairs completion against target times.

Resident satisfaction – General Needs

Acuity members reported high levels of satisfaction, with an average of 89% satisfaction with overall service and similarly high levels of satisfaction with quality of home, neighbourhood as a place to live and value for money (VFM) of the rent. Satisfaction was slightly lower with repairs (87%) and considerably lower for listening to tenants' views and acting on them (79%) and VFM of service charges (77%). Two new metrics have been added to the STAR framework this year; satisfaction that landlord provides a safe and secure home (average rating 95%) and satisfaction that the landlord is easy to deal with (88%).

As has been noted in previous years, Acuity members compare favourably with the rest of the sector, with average ratings between 4 and 13 percentage points higher.

Satisfaction has fallen by between one and three percentage points since last year for all measures except for repairs, where it has risen by 1%, and listens/acts, where it has remained the same.

	All Providers	Smaller providers	
Satisfaction with the overall service provided by their landlord	82	89	●
Satisfaction with the overall quality of the home	81	89	●
Satisfaction with the neighbourhood as a place to live	82	87	●
Satisfaction with the value for money of rent	85	89	●
Satisfaction with the value for money of service charges	68	77	●
Satisfaction with the repairs and maintenance service	74	87	●
Satisfaction that landlord listens to / acts upon tenants' views	66	79	●

	2018/19	2019/20	
Satisfaction with the overall service provided by their landlord	92	89	↓
Satisfaction with the overall quality of the home	90	89	↓
Satisfaction with the neighbourhood as a place to live	89	87	↓
Satisfaction with the value for money of rent	90	89	↓
Satisfaction with the value for money of service charges	78	77	↓
Satisfaction with the repairs and maintenance service	86	87	↑
Satisfaction that landlord listens to / acts upon tenants' views	79	79	↔
Satisfaction that landlord provides a safe and secure home	N/A	95	
Satisfaction that landlord is easy to deal with	N/A	88	

Resident satisfaction – Housing for Older People

Acuity members reported very high levels of HfOP satisfaction with an average 96% satisfied with services overall and similarly high average ratings in all areas other than for ‘landlord listens to views and acts upon them’ (85%).

Compared with All Providers Acuity members reported higher levels of satisfaction among HfOP residents across all seven STAR core satisfaction measures, achieving ratings between 4 and 11 percentage points higher.

Since last year, average performance for overall satisfaction increased by 1%. Ratings for the other core measures have remained the same or fallen slightly.

	All Providers	Smaller providers	
Satisfaction with the overall service provided by their landlord	88	96	●
Satisfaction with the overall quality of the home	91	97	●
Satisfaction with the neighbourhood as a place to live	91	96	●
Satisfaction with the value for money of rent	88	96	●
Satisfaction with the value for money of service charges	79	90	●
Satisfaction with the repairs and maintenance service	84	95	●
Satisfaction that landlord listens to / acts upon tenants' views	71	85	●

	2018/19	2019/20	
Satisfaction with the overall service provided by their landlord	95	96	↑
Satisfaction with the overall quality of the home	97	97	↔
Satisfaction with the neighbourhood as a place to live	97	96	↓
Satisfaction with the value for money of rent	96	96	↔
Satisfaction with the value for money of service charges	92	90	↓
Satisfaction with the repairs and maintenance service	95	95	↔
Satisfaction that landlord listens to / acts upon tenants' views	89	85	↓
Satisfaction that landlord provides a safe and secure home	N/A	96	
Satisfaction that landlord is easy to deal with	N/A	91	

Resident satisfaction – Supported Housing

Acuity members reported high levels of overall satisfaction for Supported Housing tenants, with an average of 90% satisfied. Satisfaction with the new measure for providing a safe and secure home was 95%.

Compared with All Providers, Acuity members reported similar of satisfaction with most of the key measures apart from satisfaction with VFM rent (average rating 10% points higher) and satisfaction with listening / acting (8% points higher).

Since last year, average overall satisfaction has fallen slightly which appears to be linked to decreased satisfaction with repairs and the quality of home.

	All Providers	Smaller providers	
Satisfaction with the overall service provided by their landlord	90	90	●
Satisfaction with the overall quality of the home	88	88	●
Satisfaction with the neighbourhood as a place to live	88	90	●
Satisfaction with the value for money of rent	75	85	●
Satisfaction with the value for money of service charges	85	84	●
Satisfaction with the repairs and maintenance service	80	80	●
Satisfaction that landlord listens to / acts upon tenants' views	77	85	●

	2018/19	2019/20	
Satisfaction with the overall service provided by their landlord	91	90	↓
Satisfaction with the overall quality of the home	89	88	↓
Satisfaction with the neighbourhood as a place to live	90	90	↔
Satisfaction with the value for money of rent	83	85	↑
Satisfaction with the value for money of service charges	83	84	↑
Satisfaction with the repairs and maintenance service	84	80	↓
Satisfaction that landlord listens to / acts upon tenants' views	83	85	↑
Satisfaction that landlord provides a safe and secure home	N/A	95	
Satisfaction that landlord is easy to deal with	N/A	86	

Staff engagement

As with previous years, Acuity members reported that on average they lost significantly fewer working days to sickness absence than larger providers. Time lost to sickness absence has increased by one day per FTE compared with the previous year.

	All Providers	Smaller providers	
Average number of working days lost due to sickness absence	9.70	5.54	●

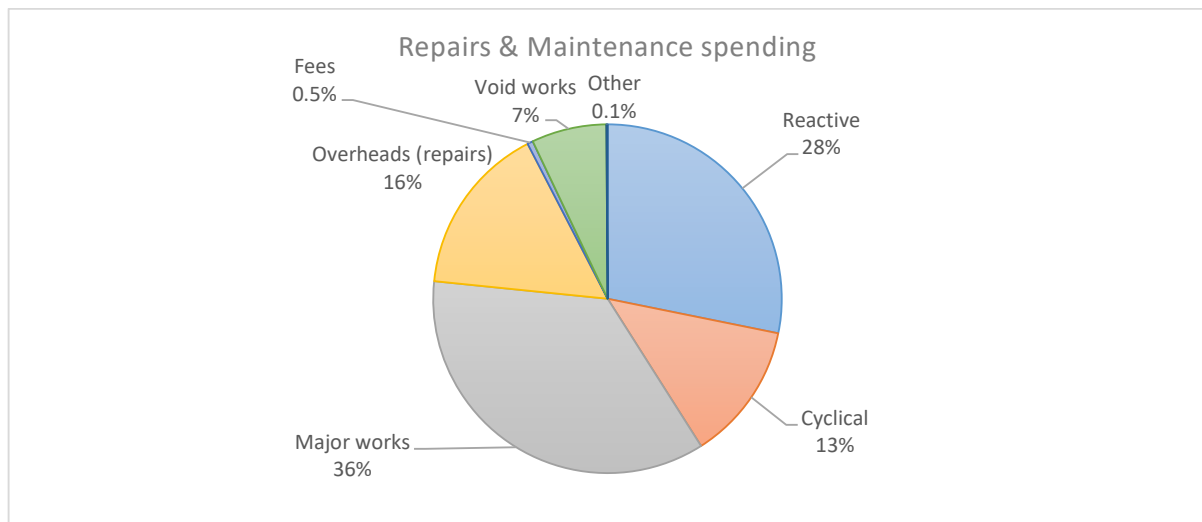
	2018/19	2019/20	
Average number of working days lost due to sickness absence	4.54	5.54	↑

Repairs and Maintenance expenditure

This exercise is designed to enable Acuity members to compare repairs and maintenance (R&M) spending in a meaningful way and is one of many cost comparison exercises that we carry out with Acuity members. These costs are taken from management accounts.

The average weekly spend per property in 2019/20 was £36.19, or 32% of rent. This is lower than 2018/19 when the average was 30% of rent.

The chart below shows how that spend breaks down into the principal R&M categories; with an average of 28% of repairs budgets going on reactive repairs and the rest going on major, cyclical, voids and overheads.



VFM / Cost measures

These unit cost metrics were developed with HouseMark to enable sector comparisons and are more robust than those derived from the statutory accounts because they require members to apportion costs in accordance with a methodology more consistent than that associated with accounting practice. The cost per property measures are 'direct' and exclude overheads.

Compared with All Providers, Acuity members reported higher average cost per property of housing management and higher overheads as a percentage of turnover. Acuity members' cost per property of responsive repairs and void works and major and cyclical were lower than the average for All Providers.

Since last year, cost per property has reduced for housing management but increased for responsive repairs and void work and major and cyclical works. Overhead costs as a percentage of turnover has also risen over the same period.

NOTE: All data are for general needs housing, supported housing and housing for older people combined with one exception: the 'all provider' result for housing management excludes supported housing as HouseMark benchmarks this separately. Although the Smaller providers metric seeks to level the playing field by excluding the cost of direct support/care provision, it is likely to reflect higher costs associated with supported housing providers' treatment of scheme-based staff, specifically the split between housing management and support and care.

	All Providers	Smaller providers	
Cost per property of Housing Management	279	383	●
Cost per property of responsive repairs and void works	726	715	●
Cost per property - Major and cyclical works	1,410	1,078	●
Overhead costs as a percentage of turnover	13.05	16.13	●

	2018/19	2019/20	
Cost per property of Housing Management	395	389	↑
Cost per property of responsive repairs and void works	664	715	↓
Cost per property - Major and cyclical works	895	1,078	↓
Overhead costs as a percentage of turnover	16.00	16.13	↓

Regulator for Social Housing

In 2018 the Regulator for Social Housing (RSH) introduced the requirement that all regulated housing associations, large or small, must report in their accounts against the headline metrics below.

Arguably, these measures are as much to do with context as performance. The intention of the RSH is that they should serve as a starting point for associations to explore and demonstrate VFM, drawing on other data and evidence (such as that found in the rest of this report) to ‘unpack’ the headline position.

	All Providers	Smaller providers
Operating margin (overall)	29.20	17.52
Operating margin (social housing lettings)	28.51	18.10
EBITDA MRI (as a percentage of interest)	158.35	250.50
Gearing (RSH and Scorecard measure)	43.06	16.67
New supply delivered (Social housing units)	1.36	0.00
New supply delivered (Non-social housing units)	0.00	0.00
Reinvestment %	5.60	3.62
Return on Capital Employed (ROCE) %	3.55	2.35
Headline social housing cost per unit	3,814	4,577

	2018/19	2019/20
Operating margin (overall)	22.06	17.52
Operating margin (social housing lettings)	22.60	18.10
EBITDA MRI (as a percentage of interest)	229.15	250.50
Gearing (RSH and Scorecard measure)	16.80	16.67
New supply delivered (Social housing units)	0.00	0.00
New supply delivered (Non-social housing units)	0.00	0.00
Reinvestment %	2.82	3.62
Return on Capital Employed (ROCE) %	2.72	2.35
Headline social housing cost per unit	4,465	4,577

Benchmarking clubs and where to find them

Regional and specialist benchmarking clubs offer the opportunity to meet with colleagues from similar organisations facing similar challenges, to network, share ideas and to learn from each other. Typically, members meet quarterly, but since the start of the coronavirus pandemic we have been meeting much more frequently.

We currently support the following benchmarking clubs in England:



- Acuity London
- bm320 (London)
- Care Homes
- Housing for Older People
- Community HAs North West
- SHAPE (South East)
- South West
- Supported Housing
- West Midlands
- Yorkshire & Humberside



and in Ireland:



- The Housing Alliance



“I like the fact that it is an opportunity to meet up with similar organisations, and discuss the different approaches that organisations are adapting to cope with the sector changes. It is interesting to be able to question the success or otherwise of these approaches”

About Acuity

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

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

For further information visit www.arap.co.uk

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