

Acuity
Benchmarking
2023 Report



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Introduction

Introduction

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

Acuity Benchmarking is the national benchmarking network for smaller housing providers, facilitated by Acuity in partnership with Housemark.

Aimed at housing providers with up to 1,000 homes, the network has **150 members** owning/managing over **82,000 homes** across eight English regions, with a **median stock size of 357**.



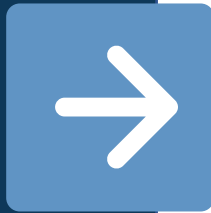
Providing the data you need

Acuity provides performance and cost benchmarking data for members, enabling you to compare against a peer group of similar organisations facing similar challenges. This data is used by staff, boards and residents to better understand performance (including what 'good' looks like) and contextual factors, as well as to inform decision-making.

Data provides lenders, partners, the regulator and other stakeholders with assurance that you are efficient, well-run and delivering on your social mission.

2023 data shows Acuity members in a positive light – you compare favourably with the rest of the social housing sector on satisfaction and 'hard' performance metrics. This bodes well for the introduction of Tenant Satisfaction Measures (TSMs) in 2024.

There's no room for complacency – the sector faces unprecedented scrutiny at a time when the long-term underlying trend in satisfaction continues to decline. Addressing this challenge is key to delivering the social housing mission and changing perceptions about the sector's damaged brand.



"The diversity of RSLs involved and the discussion at meetings on the benchmarking data helped me to report to the Board on how [our] data compares and what lessons can be learnt from this information. There is also much more that can be achieved."



What's next?

Our members continue to drive Acuity's agenda. Together, with feedback from benchmarking meetings, we will run a comprehensive member survey over the coming months to develop and improve our service offer.

While we are likely to do more of the same – benchmarking performance, costs and processes, and supporting members through networking and sharing good practices, we want to explore the best way to deliver this.

Also, we need to better understand your changing needs so we can enhance our offer.



Evolution of benchmarking metrics

The new Tenant Satisfaction Measures (TSMs) standard became operative in April 2023 and applies to all providers. Whilst providers with less than 1,000 stock are not required to submit their TSM data to the regulator, you still must collect and report them to your tenants for the year 2023/24. Here, Acuity will provide a vital role in facilitating your collection and reporting of the data whilst the benchmarking clubs will support your efforts to get the regulatory requirements right.

For 2022/23, we added the TSMs to the benchmarking system for those who wanted to pilot them ahead of the mandatory requirement to report to tenants in 2024. The results feature in this report. They serve as a useful baseline ahead of formal reporting in 2024. We will run more TSM data workshops in March/April 2024 to help ensure data consistency and quality.



What's next?

We wish you a successful 2024 and, as always, are keen to hear how we can contribute to the essential work you do.



Acuity Research & Practice



We plan to run topical webinars and face-to-face events, including our annual conference on 18 April 2024, providing a strategic overview and exploring practical ways in which members are dealing with challenges.

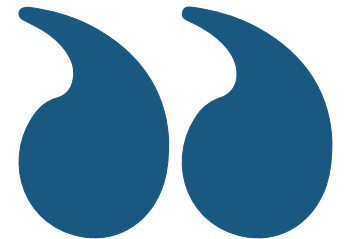
As a facilitator of a national network for smaller providers, we have a unique role and will continue to work with organisations such as the Regulator of Social Housing, Housing Ombudsman, Chartered Institute of Housing and National Housing Federation, to ensure that we provide the business intelligence our members need to navigate an increasingly complex and challenging operating environment.

Finally, as many of you will know, Acuity isn't just a benchmarking business, we are a long-established provider of satisfaction surveys and market research. Our team is at hand to help you with your surveys whether you want to undertake a defined task or outsource it all from conception through to surveying and reporting. To find out more please contact: denise.raine@arap.co.uk



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

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.



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.

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

Acuity Benchmarking is a must for all smaller organisations that are serious about continuous improvement ... A win, win situation and membership ensures that both the regulatory requirements can be satisfied in terms of peer review and benchmarking and that information is readily available to provide to tenants for scrutiny and Boards for governance.





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, overall, 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 in the following pages provides an insight into the overall performance of Acuity Benchmarking members for the year April 2022 to March 2023. 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 2021/22 and 2022/23. 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 medians compared against All Providers may differ slightly from the medians used for the same year in the trend analysis.

Housemark medians are drawn from Housemark Cost and Performance benchmarking submissions, based on data from around 350 Housemark members of all sizes, not including Acuity members. All resident satisfaction (TSM) data is based on the latest regulatory guidance and Housemark STAR methodology.

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

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

Voids and lettings

This activity has struggled the most to return to pre-pandemic levels of performance when member re-lets took around 20 days for GN and HfOP and 25 days for Supported.

Members cite a range of drivers including the worsening state of voids and the unavailability of contractors to undertake extensive work at short notice.

The performance of Acuity members on rent loss from voids and average re-let times during 2022/23 compares favourably with that of All Providers, with Acuity members reporting shorter void times and lower void losses for all stock.

Average (median) void times and void losses have improved for HfOP lettings but worsened for general needs.

	All Providers	Smaller Providers		2021/22	2022/23	
Percentage of rent lost due to void properties (GN)	1.30	0.77	●	0.56	0.70	↓
Percentage of rent lost due to void properties (HfOP)	4.14	1.30	●	1.40	1.30	↑
Percentage of rent lost due to void properties (Supported)	6.55	5.41	●	6.33	5.42	↑
Average re-let time in days (GN)	41.5	28.10	●	26.56	28.6	↓
Average re-let time in days (HfOP)	71.00	29.50	●	32.00	27.00	↑
Average re-let time in days (Supported)	51.70	33.00	●	31.50	31.50	↔

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



Rent collection and arrears

Both Acuity and Housemark members appear to be minimising income loss at a time when tenants are struggling financially. This, in part, can be explained by the extra resources many landlords are committing to this activity.

The median performance of Acuity members on rent collection was higher than that of All Providers for GN but lower for HfOP and Supported (although all these differences are marginal).

Rent collection figures are significantly affected by the timing of housing benefit (HB)/Universal Credit (UC) payments, and arrears levels often reflect performance over several 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 picture of performance.

GN and HfOP arrears are lower for Acuity members than for All Providers. When we exclude arrears caused by late HB payments, Acuity members' median arrears have generally improved.



	All Providers	Smaller Providers		2021/22	2022/23	
Rent collected as a percentage of rent owed (GN)	99.21	99.64	●	100.00	99.67	↓
Rent collected as a percentage of rent owed (HfOP)	99.63	99.61	●	99.92	99.77	↓
Rent collected as a percentage of rent owed (Supported)	99.90	99.40	●	99.56	98.30	↓
Current tenant arrears (GN)	3.56	2.60	●	2.40	2.60	↓
Current tenant arrears (HfOP)	1.23	1.19	●	1.00	1.17	↓
Current tenant arrears (Supported)	4.00	4.90	●	4.20	4.90	↓
Current tenant arrears net of unpaid HB (GN)	3.03	2.90	●	3.00	2.95	↑
Current tenant arrears net of unpaid HB (HfOP)	0.47	0.22	●	0.26	0.22	↑

Repairs and maintenance

Sector-wide, asset management was challenging in 2022/23 as Covid backlogs, Health & Safety inspections and supply-side issues impacted services. That said, smaller providers have fared comparatively well.

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

Since last year, performance has increased or remained the same for repairs completion and gas safety within target times. Resident satisfaction with the most recent completed repair has decreased marginally, as has completion on the first visit. The average end-to-end time for all reactive repairs has increased. All data is for GN housing, supported housing and HfOP combined.



	All Providers	Smaller Providers		2021/22	2022/23	
Percentage of emergency repairs completed within target (TSM)	N/A*	100.00		100.00	100.00	↔
Percentage of non-emergency repairs completed within target (TSM)	85.00	95.00	●	95.00	97.00	↑
Average end-to-end time for all reactive repairs	13.33	9.57	●	7.24	8.79	↓
Percentage of repairs completed at first visit	88.13	91.00	●	91.00	90.97	↓
Percentage of residents satisfied with last repair (from repair completion survey)	88.10	94.00	●	95.00	94.23	↓
Percentage gas safety checks completed on time (TSM)	99.99	100.00	●	100.00	100.00	↔

I like the fact that these reports give [us] the ability to compare performance with similar organisations. They are in an understandable and logical format.

*Housemark data not available.

Tenant Satisfaction Metrics (TSMs)

Acuity benchmarking members compare favourably with the rest of the sector with average ratings for all TSM metrics between 9 and 20 percentage points higher. Satisfaction with overall services, for instance, is 14 percentage points higher for Acuity benchmarking members than the rest of the sector. This headline metric also scores highest, suggesting that Acuity members are performing well across services.

This is noteworthy as satisfaction with social housing providers has been declining in recent years. The challenge for Acuity members going forward will be to continue to buck the sector trend by ensuring the customer experience is what is wanted whilst managing perceptions with excellent communication.

Elsewhere, satisfaction with smaller providers is considerably higher than larger landlords, particularly for providing a well maintained home, keeping tenants informed and complaints handling (15 to 20 percentage points higher).

The figures on the right show aggregated satisfaction data for Low-Cost Rental Accommodation (LCRA) as required by the regulator. LCRA is simply a legal term that defines a range of social housing. Within our clubs, we continue to disaggregate LCRA into General Needs, Housing for Older People and Supported Housing to provide more meaningful comparisons for members.



	All Providers	Smaller Providers	
Overall satisfaction (LCRA tenants)	75	89	●
Repairs satisfaction (LCRA tenants)	74	84	●
Repair time taken satisfaction (LCRA tenants)	66	77	●
Home well maintained satisfaction (LCRA tenants)	69	84	●
Home is safe satisfaction (LCRA tenants)	79	88	●
Listens and acts satisfaction (LCRA tenants)	61	74	●
Keep informed satisfaction (LCRA tenants)	69	85	●
Satisfaction treated fairly / with respect (LCRA tenants)	76	86	●
Satisfaction with complaint handling (LCRA tenants)	38	58	●
Communal areas satisfaction (LCRA tenants)	67	76	●
Contribution to neighbourhood satisfaction (LCRA tenants)	64	73	●
ASB handling satisfaction (LCRA tenants)	57	69	●

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 decreased by about one-third of a day per FTE compared with the previous year.

Average number of working days lost due to sickness absence

All Providers	Smaller Providers		2021/22	2022/23	
10.84	5.71	●	6.22	5.81	↑

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

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



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 that is 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. Some of this difference can be explained by the profile of Acuity members: many are based in the southeast (staffing costs are higher) and they also have a significant percentage of supported and HfOP accommodation as compared to All Providers (see note below right). However, one should generally expect these costs to be higher for smaller providers – the flip side, of course, is high satisfaction rates.

Acuity members' cost per property of responsive repairs and void works were lower than the average for All Providers, while major and cyclical costs were higher.

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



	All Providers	Smaller Providers		2021/22	2022/23	
Cost per property of Housing Management	272	448	●	471	459	▲
Cost per property of responsive repairs and void works	847	821	●	780	833	▼
Cost per property - Major and cyclical works	1,177	1,288	●	842	1,306	▼
Overhead costs as a percentage of turnover	16.07	19.20	●	17.37	19.00	▼

I for one want to fully understand operating costs at a range of levels and see how I compare across the piece.

Reports are easy to understand and can be tailor made to address issues as they arise.

**NOTE: All data relates to 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.*

Regulator for Social Housing

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

Arguably, these measures have 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.

In the table to the right, the median values for Acuity members (Smaller providers) are compared with the medians from RSH Global Accounts data for providers owning or managing more than 1000 homes.

	Providers over 1000*	Smaller providers	2021/22	2022/23
Operating margin (overall)	20.50	13.22	16.50	13.34
Operating margin (social housing lettings)	23.30	13.50	16.89	13.21
EBITDA MRI (as a percentage of interest)	146	177	295	168
Gearing (RSH and Scorecard measure)	44.10	14.19	14.76	13.24
New supply delivered (Social housing units)	1.40	0.00	0.00	0.00
New supply delivered (Non-social housing units)	0.00	0.00	0.00	0.00
Reinvestment %	6.50	3.80	2.96	3.70
Return on Capital Employed (ROCE) %	3.20	2.00	2.40	1.86
Headline social housing cost per unit	4,150	5,495	4,720	5,395

*The median from the most recent Regulator for Social Housing Value for Money data, published with the global accounts in early 2023 for providers owning / managing > 1000 homes:

<https://www.gov.uk/government/publications/2022-global-accounts-of-private-registered-providers>



Salaries survey

Each year Acuity runs a survey comparing salaries and terms and conditions for smaller housing providers. This service is free for Acuity Benchmarking subscribers.

Fifty two smaller housing providers participated in 2023 and the feedback from participating organisations has been excellent.

Participants receive a detailed report with a comparison and analysis of salaries and other benefits. The report was developed with considerable input from members and is intended to help them and their boards judge how the pay and rewards they offer compare with others.

Would you like to see the full detail underpinning these figures? If so, please contact Acuity about taking part in the 2024 survey.



Summary of 2023 findings



Staff numbers: General Needs providers, employ on average 2.30 FTE staff per 100 properties.

Staff turnover: Median staff turnover is 13.5%.

Salary costs: Median total salary costs are 21% of turnover, slightly lower than last year (22%).

For General Needs providers, median salary costs are 17% of turnover, 1% point lower than in 2022.

CEO salaries: The median salary for chief executives is £84,900.

Salary increases: The median salary increase is 5%, higher than the previous year (3%).

Overtime & bonuses: 21% of organisations pay overtime and 19% pay bonuses.

Pensions: The median cost of pensions, to employers, (including past deficit) is 9.23% of the total salaries bill.

Pension contributions: The average employer contribution is 7.75% of salary. The average employee contribution is 5%. On average, 86% of staff participate in pension schemes.

Sickness benefits: 75% of organisations offer enhanced sickness absence entitlements.

Training & development budgets: Organisations spend on average £714 per FTE member of staff.

Other benefits packages: All participants provide a range of other benefits as part of their staff reward packages; with the most frequent benefits being time off in lieu (TOIL), provision of an appraisal scheme, payment of professional fees, home working, personal development planning (PDP), provision of study time, and employee assistance.

Boards & board remuneration: The average board has nine members. More than one-third of participants remunerate the chair or other board members.



Benchmarking clubs

"Meetings are a good place to inform, challenge and bring back good practice to my organisation"

Benchmarking clubs

We currently support the following benchmarking clubs in England:

- 🏠 Acuity London
- 🏠 bm320 (London)
- 🏠 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

Acuity brings member organisations together in regional and specialist benchmarking clubs, offering the opportunity to meet with colleagues from similar organisations facing similar challenges, to get beyond the numbers.

Clubs generally meet quarterly, either face-to-face or online, to network, share ideas and learn from each other.

Current challenges that clubs have identified to focus on include; improving void turnaround, managing arrears, recruitment and retention, insurance, complaints handling, procurement, internal audit and operational improvement.

We run a variety of ad-hoc benchmarking projects each year with clubs, such as one-off cost comparisons (insurance, audit, telecoms) and projects where members take a collaborative approach in responding to challenges.

Acuity webinars have proved a popular and convenient way for members to get information from the Regulator of Social Housing, CIH, Ombudsman, DWP, and a range of experts in areas such as governance, building safety, value for money and customer service. Resources and recordings from all these are available on our website. <https://www.arap.co.uk/news/>



You can come away with a little gem of an idea you'd not previously thought of ... and it encourages you to try new things.

The high level of trust within the group really helps us in learning from each other.



About Acuity

Acuity provides consultancy services to help social housing providers improve services and engage with their residents. We support the performance benchmarking activities of smaller housing providers in England in partnership with Housemark.

We carry out TSM satisfaction measurement, customer research and insight and we work with staff, Board members and residents to support their learning and development needs.

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



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