

The Sector Scorecard is a new set of measures developed as part of a pilot scheme to benchmark value for money across the sector, linked to the suite of metrics proposed by the Regulator of Social Housing.

Housing associations took part in a pilot scheme for this scorecard as part of their annual HouseMark benchmarking exercise.

The performance indicators range across these five categories.

- A. Business Health.
- B. Development.
- C. Outcomes Delivered.
- D. Effective Asset Management.
- E. Operating Efficiencies.

There are 21 one similar sized organisations which make up the peer group for this proposed Sector Scorecard: Aster Group; Liverpool Mutual Homes; WHG; Bolton At Home; livin; Yarlinton Housing Group; BPHA; Magenta Living; CHP; Melin Homes; Coast and Country Housing; One Manchester; Cross Keys Homes; Ongo; Dumfries and Galloway Housing Partnership; Plymouth Community Homes; First Choice Homes; Oldham, Rochdale Boroughwide; Housing; Fortis Living; Trivallis and Kirklees Neighbourhood Housing.

Rankings for the Sector Scorecard results are clustered into groups. Each measure has 10 ranking groups within the scale so participants are able to judge, approximately, where they are in relation to their peers.

Please note that the work on the Sector Scorecard is ongoing, and the performance measures, or the way they are calculated may change. We have sought clarification on a number of measures, so these may also change depending on the outcome of the enquiry.

Business Health							
	WDH 2015/2016	WDH 2016/2017	Compared to Peer Group 2016/2017				
			Upper	Median	Lower	Ranking Group	Quartile
Operating Margin % (Overall) (Efficiency)	25.20%	32.10%	35.45%	32.55%	27.05%	2 of 10	Median
Operating Margin % (SHL) (Efficiency)	28.00%	37.07%	38.41%	35.46%	28.09%	4 of 10	Median
EBITDA MRI Interest Cover % (Efficiency)	209.00%	238.70%	329.70%	238.70%	186.90%	8 of 10	Median
Gearing % (Efficiency)	62.80%	62.30%	36.06%	47.77%	63.08%	7 of 10	Median

Operating margins are strong, the overall margin having increased from 25.2% in 2015/2016 to 32.1% in 2016/2017, despite the 1% rent reduction. We are ranked in the second group out of 10 peer groups. The improvement in margin and EBITDA (earnings before interest, taxes, depreciation and amortisation), is a result of cost control management and cashable efficiency savings. The gearing ratio has reduced slightly from 2015/2016, due to a loan repayment during the year.

Development							
	WDH 2015/2016	WDH 2016/2017	Compared to Peer Group 2016/2017				
			Upper	Median	Lower	Ranking Group	Quartile
Number of units developed	356	191	300.75	108.0	50.25	8 of 10	Median
New supply delivered % (Effectiveness)	1.12%	0.60%	2.28%	0.80%	0.41%	9 of 10	Median

New Build units delivered have a marginal impact on the total number of units owned as a result of housing property disposals through Right to Buy and Right to Acquire. The percentage of units developed to units owned is low at 0.6%. A number of one off issues: scheme deferrals, outbidding by others in the sector and personnel changes, had conspired to reduce output by almost 50% on the previous year's output. More than 300 units will be delivered in the current year.

Outcomes Delivered

	WDH 2015/2016	WDH 2016/2017	Compared to Peer Group 2016/2017				
			Upper	Median	Lower	Ranking Group	Quartile
Percentage of respondents very or fairly satisfied with the overall service provided	92.7%	92.2%	92.33%	89.7%	86.75%	3 of 10	Median
£'s invested for every £ generated - in communities	£0.03	£0.02	£0.02	£0.02	£0.06	3 of 10	Median
£'s invested for every £ generated - in new housing supply	£0.39	£0.21	£0.46	£0.76	£0.98	3 of 10	Upper

Overall customer satisfaction has shown a small decrease since last year, from 92.7% to 92.2%. However, we remain in the upper quartile based on the HouseMark rankings for 2016/2017.

The amount invested in communities for every pound generated shows a decrease between 2015/2016 and 2016/2017, as does the amount invested in new housing supply. Both measures show the impact of the net cash generated from operating activities increasing by £9m between the two years, which has had the effect of lowering the results for 2016/2017. The amount spent on community activities is similar in both years, however, the investment in properties has reduced, for the reasons described earlier.

Effective Asset Management

	WDH 2015/2016	WDH 2016/2017	Compared to Peer Group 2016/2017				
			Upper	Median	Lower	Ranking Group	Quartile
Return on capital employed % (ROCE) (Efficiency)	5.50%	6.80%	7.75%	4.90%	4.28%	5 of 10	Median
Occupancy	99.74%	99.70%	99.70%	99.42%	99.23%	1 of 10	Upper
Ratio of responsive repairs to planned maintenance	0.37	0.45	0.47	0.57	0.99	2 of 10	Upper

ROCE has increased by 1.3% in 2016/2017 from the previous year, largely due to the increase in the operating surplus.

We are the highest performing group of the peer groups in relation to occupancy levels (at odds with HouseMark regarding rent loss through voids). Upper quartile performance improving further in 2016/2017.

Operating Efficiencies

	WDH 2015/2016	WDH 2016/2017	Compared to Peer Group 2016/2017				
			Upper	Median	Lower	Ranking Group	Quartile
Headline social housing cost per unit (Economy)	£3,242	£3,165	£2,758.75	£3,110.50	£3,248.25	3 of 10	Median
Rent collected from current and former tenants as a percentage of rent due	99.93%	99.24%	100.10%	99.64%	99.27%	10 of 10	Lower
Overheads as a percentage of adjusted turnover	7.66%	7.48%	8.50%	10.10%	11.50%	2 of 10	Upper

The rent collected from current and former tenants as a percentage of the rent due has fallen between 2015/2016 and 2016/2017, based on the HouseMark rankings for 2016/2017, placing us within the lower quartile groups. The margins are very fine and comparative analysis largely useless.

The reduction in overheads between 2015/2016 is confirmed by HouseMark benchmarking which shows our overhead costs as a percentage of turnover in the second peer group.