

Housing Partners is a market leading software business and the company behind the HomeSwapper mutual exchange service. We have a clear vision to genuinely improve the lives of people in the social housing sector – both the Landlords we partner with and the tenants they support. Key to this is providing insight that will help the sector to develop and adapt.

Foreword



Welcome to the first annual Big Tenant Survey

When we first decided to carry out the Big Tenant Survey, we set out to provide a decisive snapshot of social housing tenant opinion in the UK. Through our HomeSwapper mutual exchange platform we have a database of over 1.1 million tenants, so no organisation is in a better position to provide this insight.

We work in a sector with around 5 million tenants, and social homes account for 17% of all UK dwellings, but the views of these tenants are rarely considered by the industry, the Government and the nation as a whole. There have been many Landlord surveys over the years but the tenant voice is rarely heard. With the welfare reforms agreed in 2012 now taking effect, the need for insight into this sector is now greater than ever.

Currently there is no coherent platform from which social housing tenants can speak. Understanding their experiences is key to improving and maintaining a quality of service in the sector.

For Landlords, the Big Tenant Survey provides an invaluable insight into what their tenants really think of them, the homes that they provide and the neighbourhoods those houses are situated in. In a wider context, it will give the whole sector valuable information on how tenants feel about the sector they live in, and how reforms made centrally affect tenants' lives.

The inaugural survey has not only enabled us to provide a Net Promoter Score (NPS) for hundreds of Landlords, it has perhaps more importantly highlighted a clear breakdown in communication and trust between Landlords and tenants. With the full roll out of Direct Payment (and the shift of £billions of rent from Landlord to tenant bank accounts) less than three years away, this must change.

The most important opinions in our sector belong to tenants. We believe that by giving a voice to the UK's millions of social housing residents, we can establish better channels of communication between them, their Landlords and Government, and help to restore the all-important trust in that relationship.

The Big Tenant Survey is a significant undertaking and we will be carrying it out annually to act as a benchmark for the state of the sector. We welcome involvement from all corners of the sector to make next year's survey even bigger and better.

I really hope you find the findings of the survey both informative and useful.

Richard Blundell
CEO, Housing Partners Ltd

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Executive summary

From the 61,000 responses gathered by the Big Tenant Survey, the overall impression is one of poor lines of communication between Landlord and tenant, as well as between Government and tenant.

When it comes to tenant satisfaction, the performance of housing providers across the country varied significantly, but the overriding factors in determining tenant satisfaction were communication and customer service. Only 32% of respondents were satisfied that their Landlord 'listens to them and acts upon their views' while just 22% feel that their Landlord 'cares about them and their family'.

On the eve of the implementation of Direct Payment, the all-important trust that needs to exist between any landlord and tenant needs to be seriously improved. With £billions in housing benefit soon to be paid directly to tenants, Landlords have to find a way to reinforce this trust.

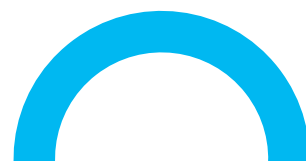
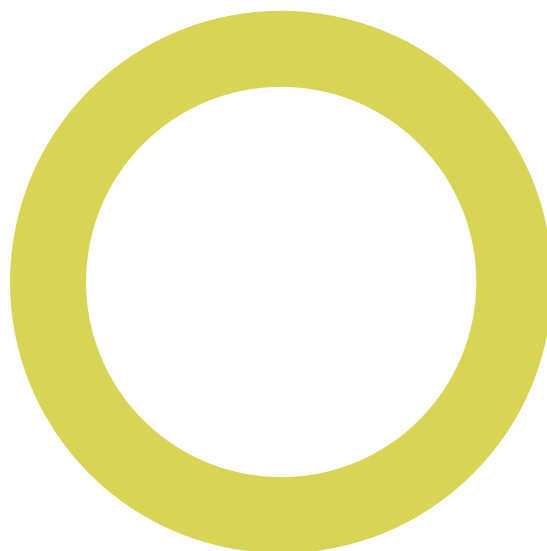
We know, from working closely with Landlords on a daily basis through our market leading HomeSwapper platform, that they are working hard on their relationships with tenants so these statistics will make worrying reading.

With Welfare Reform one of the overriding issues facing both providers and residents currently, responses again highlighted poor levels of understanding and communication as a further problem. For example, only 25% of respondents stated that they fully understand the implications of Welfare Reform. Further to this, nearly half (42%) of those receiving full housing benefit are worried about having their rent paid into their own bank accounts instead of direct to their Landlords.

It is critical that Landlords and Government think deeply about the evident anxiety tenants have about receiving their rent directly. They don't want to get it wrong and risk losing their homes. With Direct Payments just around the corner, it is important for both housing providers and Government to bridge this gap. They need to educate and communicate more effectively.

And while these findings are concerning, the survey highlights a number of reasons for positivity in the sector. For example, the vast majority of respondents are proud of their home.

The first annual Big Tenant Survey has provided a crucial insight into the social housing sector as seen by the tenants that live in it. It has also highlighted key work that is required by Landlords and Government to improve the relationship between them and tenants. With the survey set to return next year, the onus is on the sector as a whole to make those improvements and change the social housing landscape for the better.



Key statistics

A total of **61,000** tenants responded to the Big Tenant Survey 2014.

We received responses for a total of **1,422** Landlords. From Shetland Council in the north of Scotland, to Spectrum on the Isle of Wight.

A total of **16,760 (40.4%)** respondents received no housing benefit, while **14,634 (35.2%)** received a full housing benefit award. A further **10,140 (24.4%)** received partial housing benefit.

Percentage of respondents on Housing Benefit

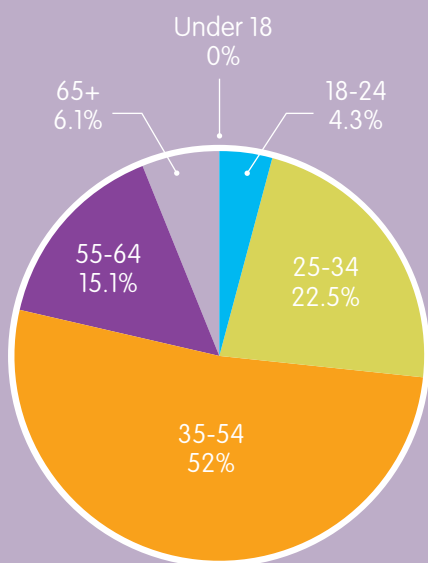
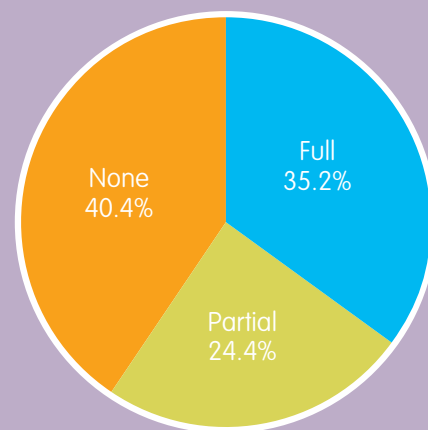


Fig 1. Age split

The 61,000 respondents

Age and gender

There is a wide spread of age among respondents to the survey, but Figure 1 shows over 50% were between 35 and 45 years old. It was the youngest and oldest demographics that responded least comprehensively. With the survey being completed online, it is possible to infer that a lack of internet access or computer literacy has played a part.

Interestingly, Figure 2 shows that the vast majority of respondents (77.3%) were female. This is not uncommon in surveys and is likely a result of a larger number of female residents on HomeSwapper, which provided the majority of respondents to the survey.

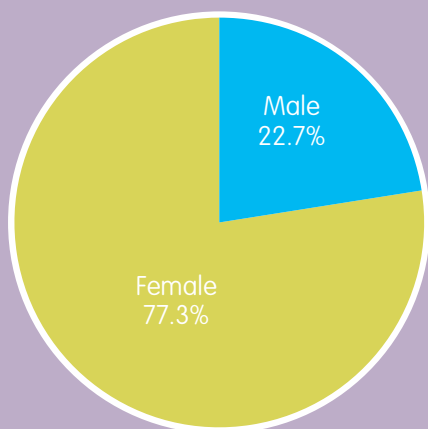


Fig 2. Gender split

Adults and children

Households surveyed generally had either one (43.6%) or two (44.5%) adults living in them. The most common number of children living in each property was also either one (38.3%) or two (35.7%). Less than 3% of homes had more than three adults living in them, but 10% of homes had more than three children.



Number of bedrooms

The vast majority of properties rented by respondents were one, two or three bedroomed, with two beds the most common. With a lack of smaller properties a major concern in the social housing sector currently, it is interesting to note that almost two thirds (64.5%) of the properties included in the survey were either one or two bedroomed.

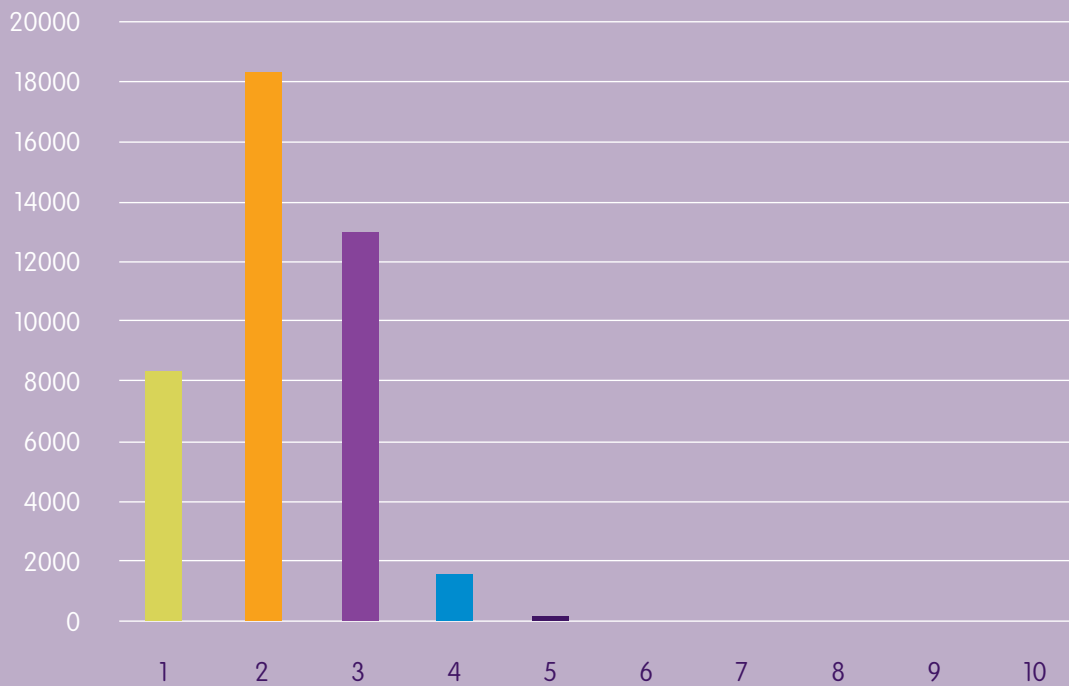


Fig 3

The findings

Tenant satisfaction

When it comes to satisfaction with their Landlord (Figure 4), tenants have mixed feelings. 31.1% of tenants are dissatisfied with their Landlord, but 43.9% are satisfied.

When asked about their satisfaction around specific areas though, tenants were clearer:

- Only 28% of respondents are dissatisfied with the quality of their homes;
- Only 24% are unhappy with their area as a place to live; and
- Only 22% said they are not proud of their home.

While on the whole tenants have mixed feelings about satisfaction with their Landlord, there are a number of areas where they are generally happy with the service they receive, for example, less than a third don't feel that their rent represents value for money. Landlords should be recognised for their success in these areas.

Further to analysing the satisfaction levels of tenants, we have also surveyed how likely they are to recommend their Landlord, giving us a Net Promoter Score (NPS) for hundreds of housing providers nationally. We will be reaching out to these Landlords individually to share this information.

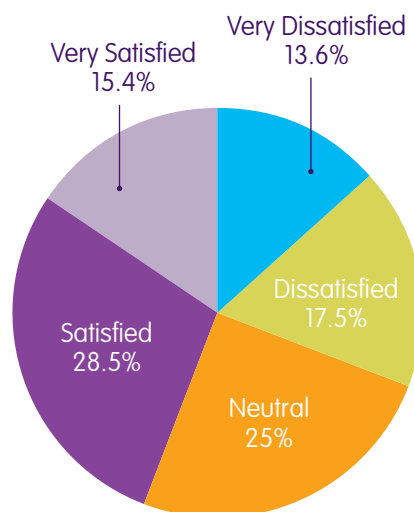


Fig 4. How satisfied or dissatisfied are you with your landlord



Regional breakdowns

With tenants from across the country taking part in the survey, we have been able to identify regional variances in tenant satisfaction (Figure 5). For example, tenants in Greater London and Northern Ireland are much less satisfied with their Landlord than the rest of the country. The most satisfied tenants are in the North West of England. This information can also be broken down by Landlord, to give further detail of individual providers' performance.



Fig 5. Tenant satisfaction by region

When asked if they are proud of their home, the results were similar. 60% of tenants in the North West considered themselves proud of their homes, while only 49% in Greater London believed the same. In fact, across the majority of the areas we questioned tenants, those in the North West were among the most positive, while Greater London was always among the most negative region in all aspects of the survey.

Landlords are not communicating well enough with their tenants

One of the standout inferences that can be made of the Big Tenant Survey 2014 is that Landlords are not communicating well enough with their tenants. The key reasons for this are that, on the whole, tenants do not feel their Landlord listens to them or that they care about them or their family.

This does raise the question of how good the quality of data that Landlords hold on their tenants is, and how much interaction they have with their tenants – particularly those on Housing Benefit.

Figure 6 (opposite) shows that far fewer tenants (only 32%) considered themselves satisfied that their Landlord listened to them than those that didn't. Figure 7 shows how many respondents felt that their Landlord cared about them and their family. It shows that just 6.5% of respondents strongly agree that their Landlord cares for them and their family. Adversely, a worrying 47% felt that their Landlord didn't care about them.

How your landlord listens to you and acts upon your views	
Very Dissatisfied	24%
Dissatisfied	20%
Neutral	24%
Satisfied	18.9%
Very Satisfied	13%

Fig 6

I think my landlord cares about me and my family	
Strongly Disagree	23.6%
Disagree	23.2%
Neutral	30.9%
Agree	15.7%
Strongly Agree	6.5%

Fig 7

While Landlords have put significant work into improving communications with tenants, these findings suggest that more is needed. We know that Landlords do care about their tenants, and that the view of these residents is key to their forward plans, as well as at the core of their ethos, however, this is not being delivered well enough to tenants.

When it comes to determining whether tenants are satisfied with their Landlord or not, communication was one of the key factors, with repairs also featuring heavily in responses. And it is these issues that underpin a lack of trust between tenants and Landlords – an issue that must be addressed if Landlords are to manage the upheaval that will be caused by the implementation of Direct Payment.

Lack of understanding around Direct Payment

A key focus for the housing sector currently is the ongoing implementation of Government reforms to the Welfare system. As such, a number of questions in the Big Tenant Survey focus on these changes, how tenants feel about them and their understanding of the reforms and how they affect them.

Our findings suggest that there is a considerable lack of understanding among tenants when it comes to Welfare Reform, leading to fear in many cases of how to cope once the reforms have been implemented. Once again, communication is the key, and is something that not only Landlords, but Government and the wider industry must address.

When asked if they fully understood the Government's welfare reforms (Figure 8), only 25% of tenants said they did. When this question is focussed only upon people affected (those in receipt of full or partial Housing Benefit (Figure 9)) that figure does rise, but only to 28%. However perhaps most concerning of all, there was still a total of 928 respondents (4.1%) who believed that the reforms would not affect them, when clearly they do.

This issue must be addressed urgently because nearly 1000 tenants are completely unaware of reforms such as the implementation of Direct Payment and how they will affect them – and this is only among those surveyed. It must be a priority to reach these tenants and ensure that they are fully prepared for the changes.

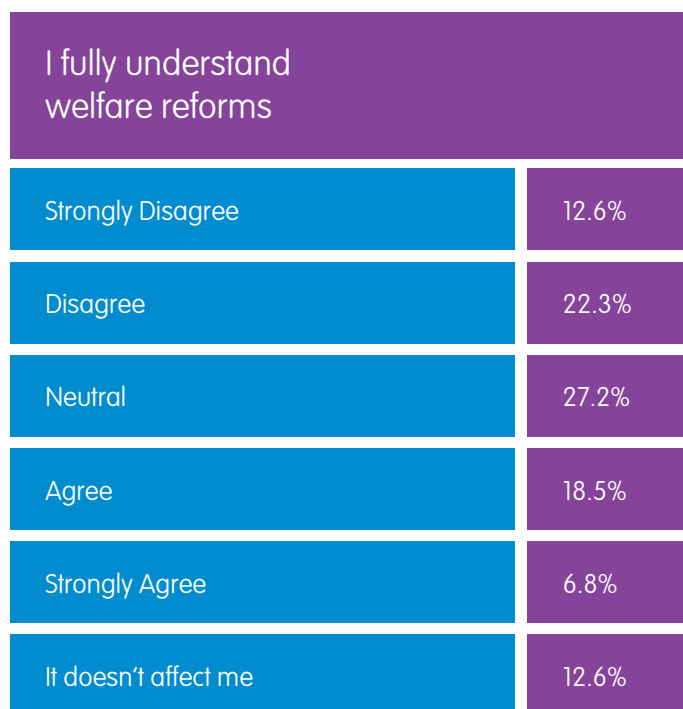


Fig 8 - All respondents

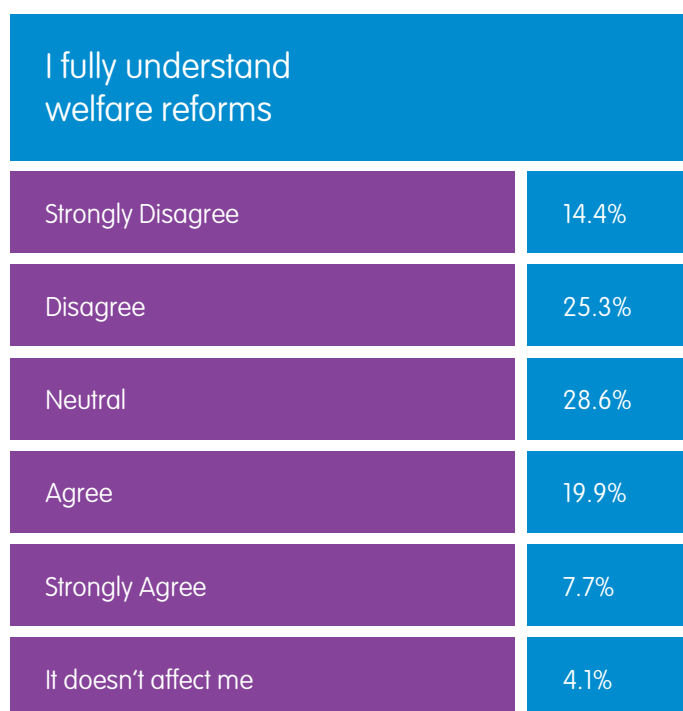


Fig 9 - Full or Partial Housing Benefit

Managing budgets post Direct Payment

When it comes to Direct Payment, which will see hundreds of thousands of tenants paid their rent into their bank account rather than straight to their Landlord for the first time, there is also cause for concern. Figure 10 shows that, of those respondents in receipt of either full or partial housing benefit, only a third don't feel that they will struggle to budget as a result of Direct Payment. Again, a worrying number (5.6%) thought that the reform would not affect them.

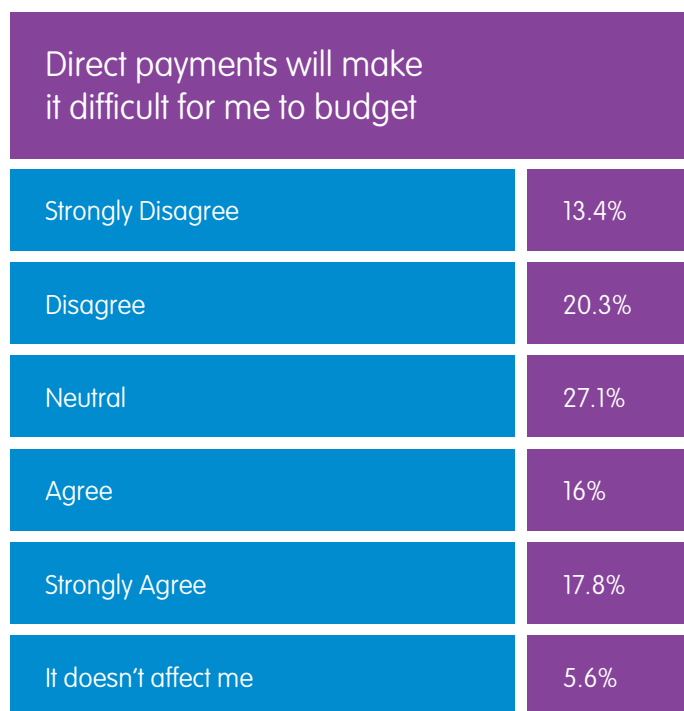


Fig 10

It is understandable that tenants think they will struggle to budget in the wake of Direct Payment, with only 26.7% believing that receiving their benefit directly into their own bank account is a good idea (Figure 11). A worrying response to one of the Government's flagship welfare policies.

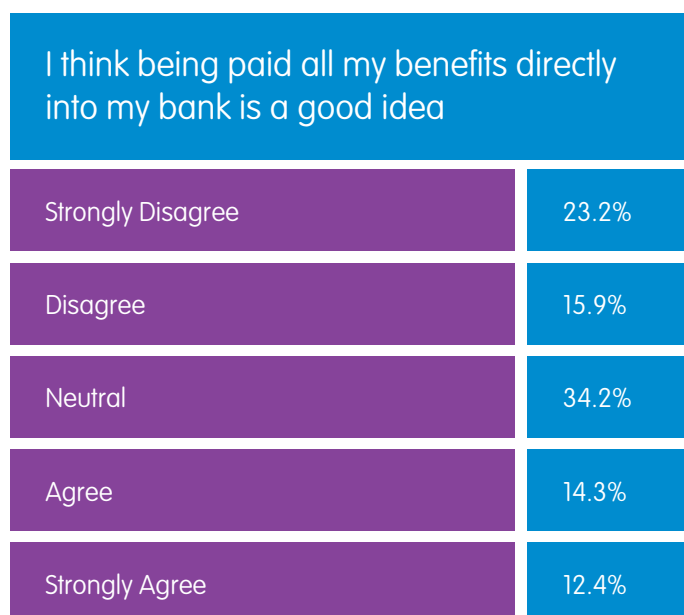


Fig 11

Direct Debits – a definite opportunity for Landlords

While the findings around Welfare Reform will be a concern for Landlords and Government, there is an opportunity for housing providers when it comes to direct debits. According to Figure 12, only 28.5% of respondents are not worried about rent being paid directly into their bank accounts, while Figure 12 suggests that a significant number of tenants would benefit from setting up direct debits to pay their rent, with 61% wanting to pay their rent automatically every week without having to think about it.

I am worried about rent being paid directly into my bank account	
Strongly Disagree	11.2%
Disagree	17.3%
Neutral	26.6%
Agree	17.5%
Strongly Agree	21.1%
It doesn't affect me	6.3%

Fig 12

With 50-80% of Landlord rental income at risk with the implementation of Direct Payment, being able to guarantee a portion of that income by setting up direct debits straight from tenants' bank accounts could prove vital to minimising the risk of arrears for Landlords.

It is commonly believed that tenants on housing benefit cannot support direct debits. And while there are many already in financial distress for which this will be true, Housing Partners' experience and the survey results both suggest there are plenty who can. With mobile phone companies, loan providers and some satellite television services only taking payment by direct debit, a large proportion of tenants will be well versed in paying by this method.

I want to pay my rent automatically every week without having to think about it	
Strongly Disagree	6.3%
Disagree	6.9%
Neutral	26.4%
Agree	28.9%
Strongly Agree	31.4%

Fig 13

Tenants will pay more rent for a bigger property

Interestingly both tenants in receipt of Housing Benefit and those who are not would be willing to pay more rent in a number of scenarios. These include for a newer property, the right to buy and perhaps most significantly, a bigger property (Figure 14). Nearly two thirds (62%) of all tenants surveyed said that they would be willing to pay more money for a bigger property with more bedrooms.

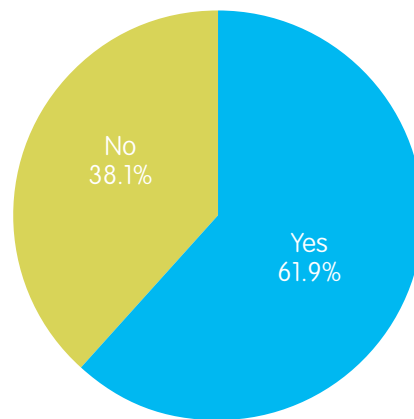


Fig 14. I would be prepared to pay more rent -
A bigger property (more bedrooms)

This is particularly insightful given the current focus within social housing on the lack of smaller properties and Government and Landlords' focus on building smaller homes. This finding suggests that there is an appetite for larger homes among tenants and that they would be prepared to pay for the privilege.

In terms of how much more they'd be willing to pay, 45.9% would pay between £20-29 per month more, with 15.7% prepared to pay as much as £80 per month on top of their current rent for more bedrooms.

Only 37% of respondents would be willing to pay more rent for a newer property with the same number of bedrooms as their current home, while 62% would pay more to live in a nicer area.



Opinion on other key Government policy

We have already looked at respondents opinions on specific areas of the Government's welfare reforms, but how do they feel about other key policies?

Figure 15 shows tenant opinion on over and under occupancy, the core principle underpinning the Government's removal of the spare room subsidy, or 'bedroom tax' as it has become known by its detractors.

What is surprising is that far more tenants support the notion that people under occupying should move. In fact 55.2% of respondents thought those in homes too big for them should move to enable people in need of the extra space to take up larger homes. This figure falls by just 1% to 54% when only considering those who receive housing benefit.

However, when it comes to the Government's proposal to withdraw housing benefit from under-25s (Figure 16), respondents were less supportive.

Only 16% of respondents felt that Housing Benefit should be limited to over 25s, with far more (50.8%) disagreeing. Predictably, among tenants receiving housing benefit only, the dissenters grew to 58.4%, but those in agreement rose slightly to 16.2%.

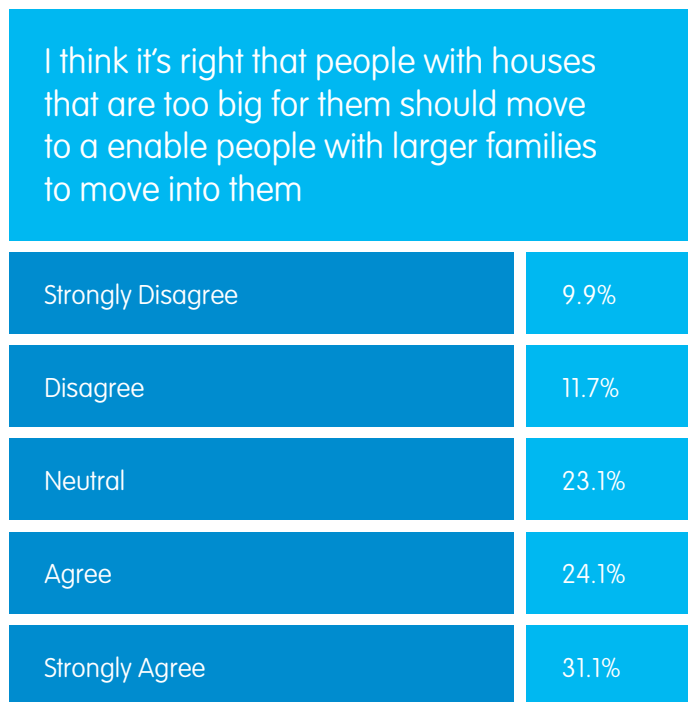


Fig 15

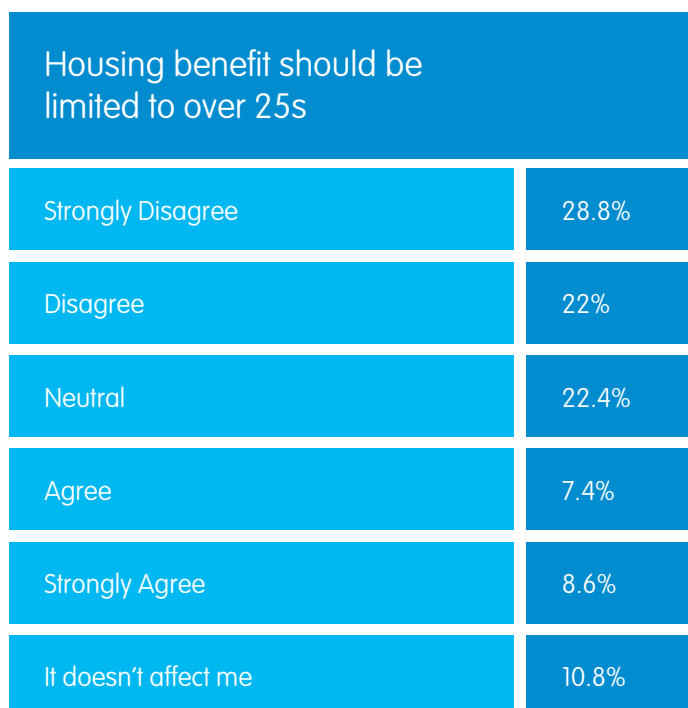


Fig 16

Key conclusions

Tenants don't feel listened to or cared about by their Landlord

Despite extensive work from Landlords to reach out to their tenants, those tenants still feel undervalued. There are a number of reasons for this – from the effectiveness of repairs and maintenance to the quality of the neighbourhood. For housing providers the key is to redouble their efforts to communicate better with their customers. This effort can be further enhanced by having a better understanding of their tenants' personal circumstances. It is by displaying an understanding of a tenant's needs, and interacting closely with them to find a solution, that tenants will begin to feel more valued. It may be important for Landlords to improve the quality of their tenant data.

Only 25% of people surveyed fully understand Welfare Reform.

Communication again plays a role in the lack of understanding around Welfare Reform. Particularly when it comes to Universal Credit, both Landlords and Government must prioritise the education of affected tenants. Failure to do this could leave a significant number of tenants facing difficulty budgeting, and ultimately at risk of falling into rent arrears. The key households will be those who do not even realise that they will be affected by the reforms.

Almost half of the people surveyed are worried about having their rent paid into their own bank accounts.

The positive for Government and Landlords when it comes to Universal Credit is the apparent opportunity to protect some of that rental income, and those tenants who will soon be receiving their rent directly. With a maximum of three years before every one of the 61,000 tenants included in the survey will be responsible for paying their own rent, their Landlords should be taking the necessary steps now to ready as many suitable tenants as possible to set up direct debits. With the money transferred electronically to the Landlord, this will also help to ease fears among tenants about budgeting post Universal Credit.



Notes

Housing Partners is a software business offering cloud based solutions exclusively to the social housing sector – partnering with hundreds of Landlords across the country.

Further details of individual Landlord performance are available through contact with the Housing Partners Team. The organisation will also be engaging with housing providers at the National Housing Federation's Annual Conference and Exhibition at the ICC in Birmingham from 17-19 September.

For more information or to arrange to meet with our team, please contact:

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