

Customer Annual Report

2015/16





Our Vision

For everyone to have
the opportunity to have
a place they can call home.

Welcome to your annual report

This year we have produced a summary of our performance capturing the highlights of services that we provide to you.

Stonewater’s financial performance in 2015/16 is reflective of the transitional costs of bringing us together as one organisation. We are pleased that we remain on target to deliver our projected merger benefits, we have re-shaped our business to deliver beneficial efficiency savings and perhaps most importantly, we are continuing to deliver a significant development programme to provide good quality, affordable homes.

We have made good progress in our first year as a newly merged organisation. In some of our business critical areas of performance such as income collection, we improved what was already a high performing service when compared to other organisations of a similar size and type. We know that we still need to do better in other areas such as how long it takes to let one of our properties and our customer satisfaction.

Overall our performance has been mixed with some exceeding last year’s performance, some areas remaining the same and a few have performed worse than last year.

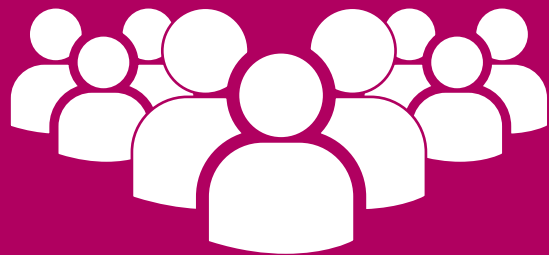
We have made it our goal to be in the top 25% of similar housing associations for our ‘business critical’ performance indicators such as collecting income and the safety of our homes. In other areas we are simply looking to improve on where we are if above the average and aim to achieve the average if under performing.

Customer Service

Stonewater works in partnership with Voluntas, who are our current research partners. They undertake telephone surveys on behalf of Stonewater, to find out what our customers think of the services and homes we provide, this helps us in the way we design and deliver our services of the future. In the autumn we plan to build on this by rolling out a range of new surveys that will help us to understand our customers even better and tailor our services appropriately. These new surveys will cover anti social behaviour, new homes, new sales, our letting service, planned maintenance, asbestos and complaints.



YOU TOLD US



79%

of customers were satisfied with the overall service provided by Stonewater

TARGET
85% compared to 82% for last year

78%

of customers were satisfied that their rent provided value for money

TARGET
80% compared to 77% for last year

63%

of customers were satisfied that their views were taken into account

TARGET
67% compared to 64% for last year

The horizon

The housing sector has had to deal with a great deal of change over the last year. The one per cent rent reduction until 2020 announced in the emergency budget of 2015, the extension of Right to Buy and the reclassification of the housing sector has led to many associations having to change their business plans, find efficiencies and define or re-define their purpose. In addition to this, the government has set an ambitious target of building 1 million new homes in the next five years.

The Chancellor's Autumn Statement of 2015 clearly reinforces the Government's desire for housing associations to become more commercially-focussed, innovative and operationally efficient.

Our vision remains: **'for everyone to have an opportunity to have a place they can call home'** and we will continue to work with local and national government to see how we can contribute to providing beneficial services and delivering homes across a range of tenures, which genuinely reflect the needs of the communities we serve.



POINT THE TELESCOPE & INS
TURN AND FULLY RETURN
OBSERVE THE VIEW AND AT NIGHT
DON'T LOOK AT THE SUN.

FRANCAIS
D'ABORD, APPAREZ DANS LE
DIRECTION VOUSLEZ AM TIREZ UN
PIECE
TOURNEZ LE BOUTON A DROITE
JUSQU' A SENTIR LE BOUTON
PREMIERE POSITION
REGARDEZ LA VUE ET LA
MONTRE LA LUNE ET LA
SOLEIL. NE REGARDEZ JAMAIS LA
SOLEIL. TENEZ LES
ENFANTS SUR LA
PLATE-FORME

DEUTSCH
RICHTEN SIE DIE
FERNSCHAU UND
STREIFEN DIE WELT
DANACH UND
VOLLSTÄNDIG
SCHAUEN SIE DIE
ANSICHT UND BEI NACHT
DEN MOND, DIE SONNE ABER AUF
WICHTIG NICHT
HALTEN SIE KINDER AUF DER
PLATTFORM

ESPAÑOL
APUNTE EL TELESCOPIO Y
GIRE LA MONEDA. VUELVA EL
BOTÓN COMO ESTABA Y A LA
DERECHA Y DESPUÉS MIRA LA
COMPLETAMENTE OTRA VISTA A LA
CALLE. NUNCA MIRE LA PANTALLA Y POR LA NOCHE MIRE
LA LUNA PERO NO MIRE NUNCA EL SOL.

Collecting income

Despite significant changes in the operating environment our performance in the year has improved in the majority of areas of income management.

Last year we achieved our target and exceeded top quartile performance in relation to void loss (rental loss through vacant properties) as a percentage of rent due, and we maintained top quartile position in 2015/16 for our gross arrears (amount of debt/money owed).

Stonewater works hard to minimise any void loss, however there is always a period of overlap when a customer leaves a property, as we also need to find the right customer and get the home ready for them to move in.



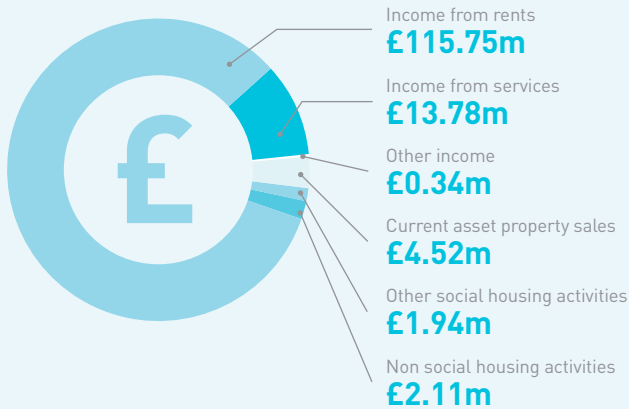
Performance Indicator	Top Quartile	2015/16 Target	Position against Target	2015/16 Q4	2014/15 Q4
Gross arrears as a % of total rent and service charge due	3.75%	3.40%	✓	3.31%	3.27%
Void loss as a % of total rent	1.02%	1.00%	✓	1.00%	0.83%

Where our money comes from

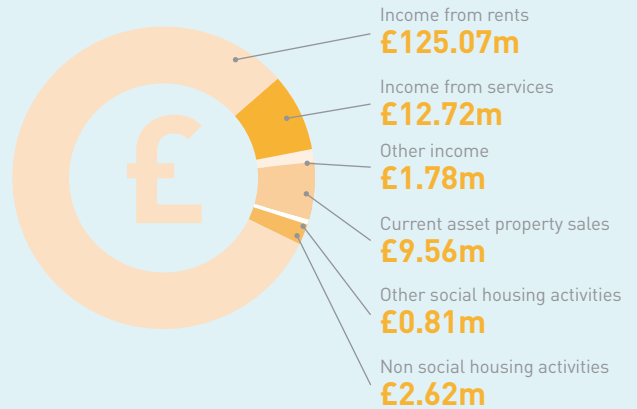
Rents are the major source of income for Stonewater. We have maintained strong performance in income collection throughout 2015/16.

Where our resources came from 2012 to 2016

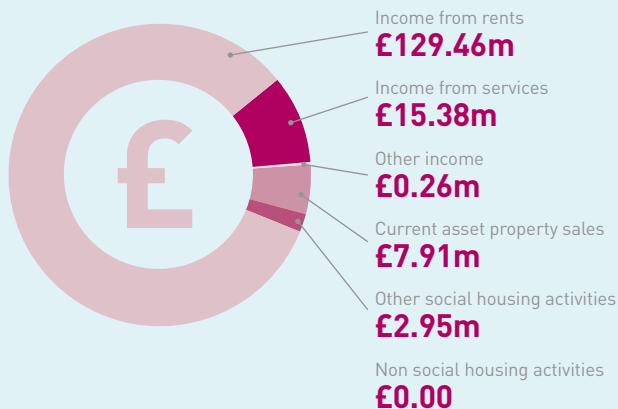
2012/13



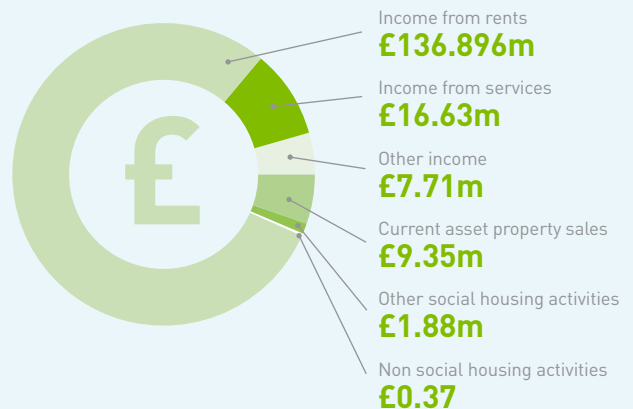
2013/14



2014/15



2015/16



Where our money goes

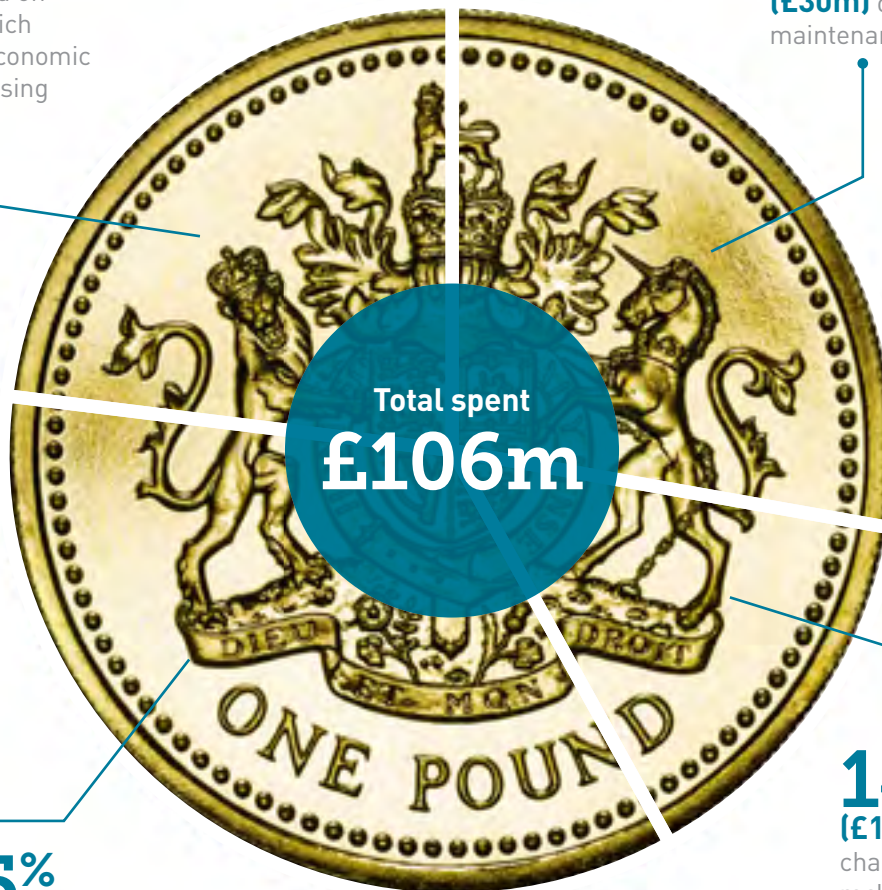
How do we spend each £1 of rent?

Our rental income in 2015/16 was £137m, compared to £129m in 2014/15.

In 2015/16 we spent:

23%
(£24m) incurred on Depreciation, which recognises the economic useful life of Housing

28%
(£30m) on repairs and maintenance to homes



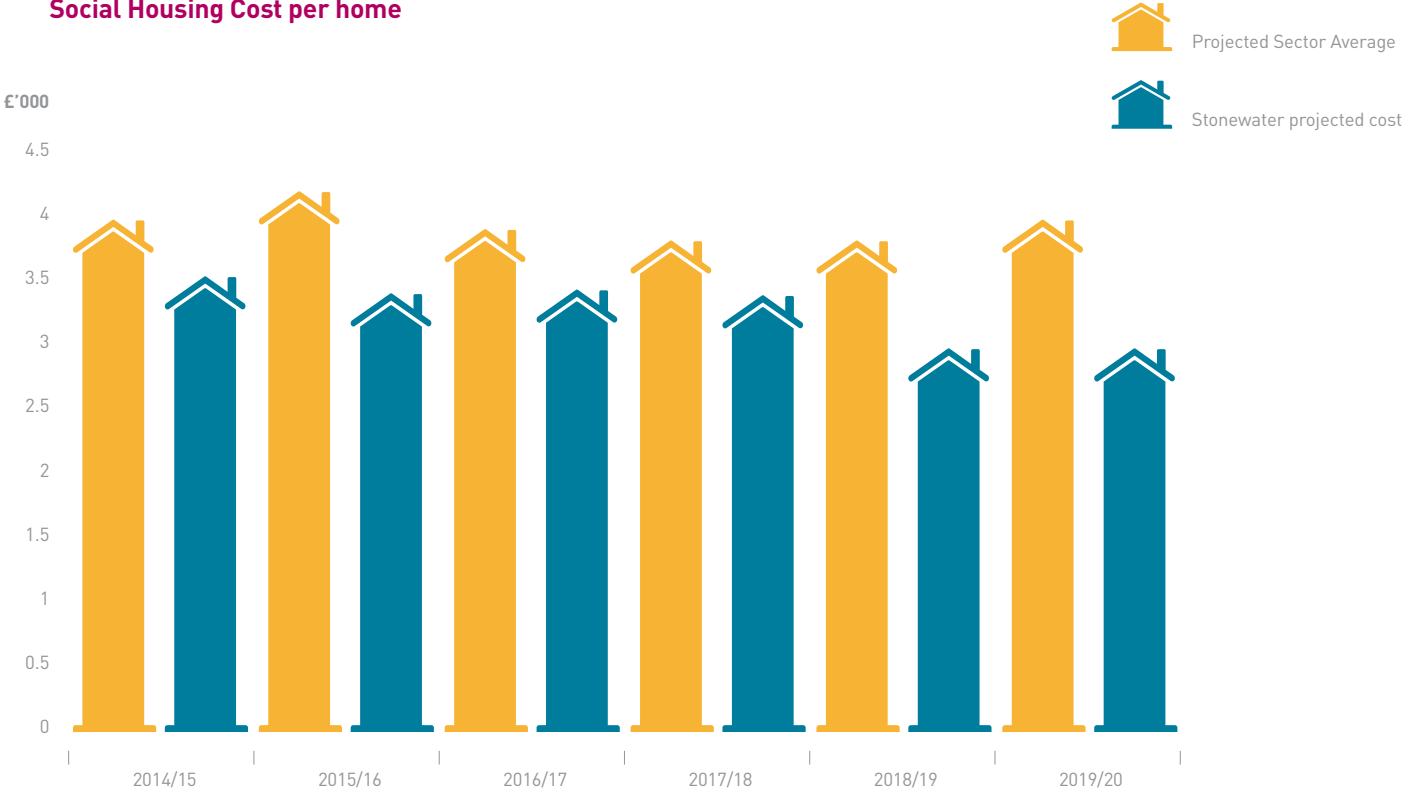
35%
(£37m) on management costs including merger related costs of £2.8m in 2015/16 (compared with £1.95m in 2014/15)

14%
(£15m) on service charge costs including rechargeable repairs

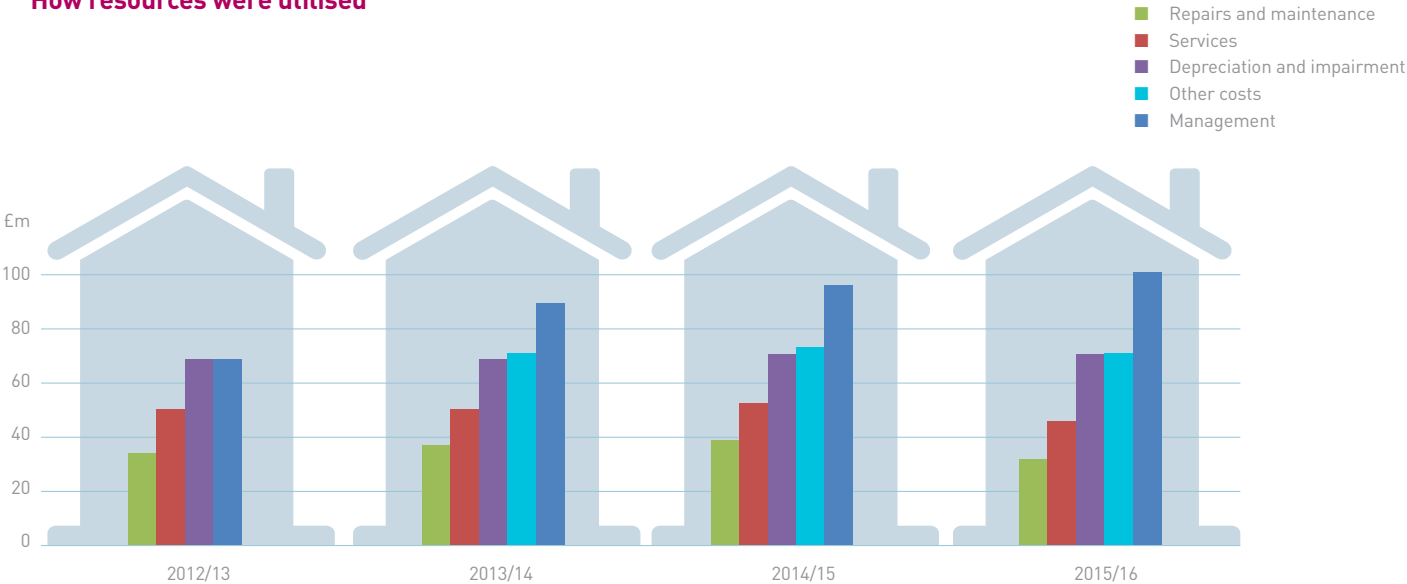
Social Housing Cost

The cost per home has been estimated over the next 4 years and is on track to reduce. This follows the reduction in Stonewater’s headcount of staff following the merger and savings gleaned from the re-procurement of goods and services and us securing a better price from the previous year, taking effect in future years. This is shown in the table below.

Social Housing Cost per home



How resources were utilised

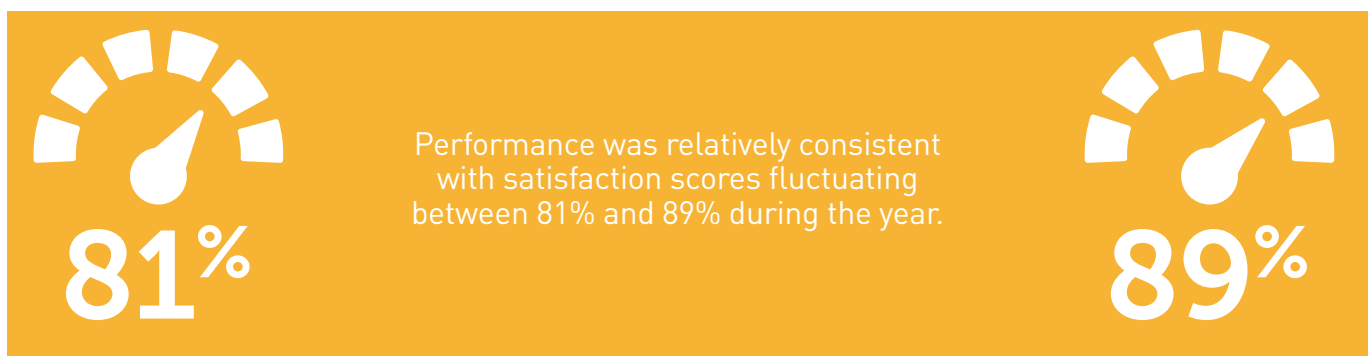


Repairs and Maintenance

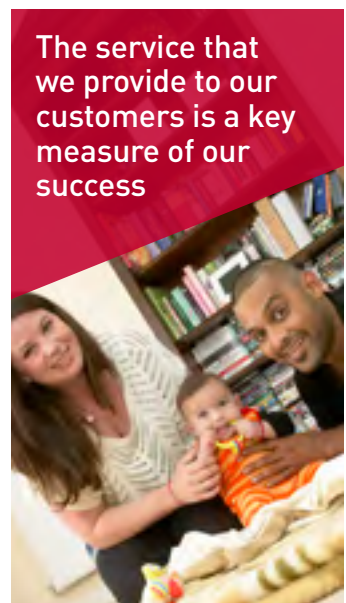
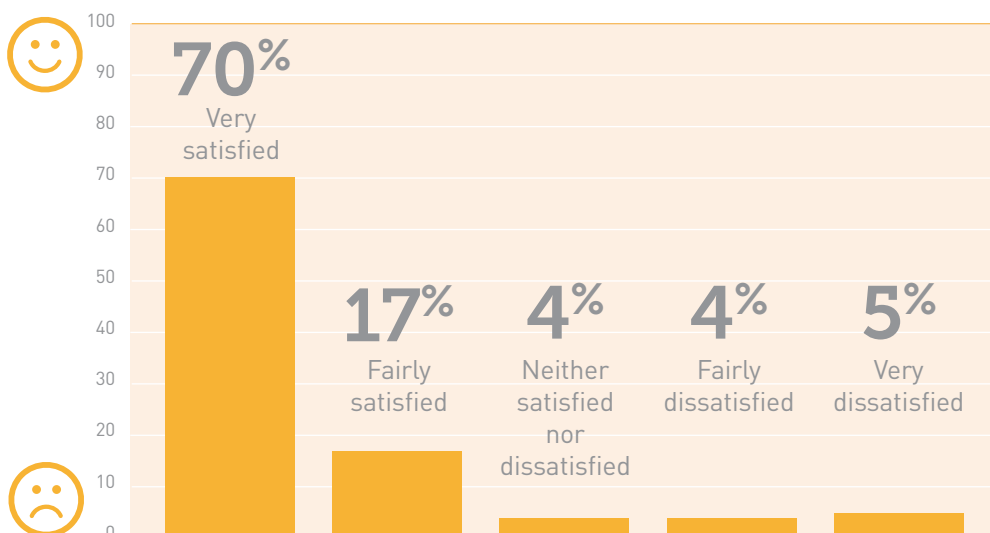
Maintenance satisfaction

Customer Satisfaction (collected through our business partners Voluntas) for responsive repairs remained high during 2015/16.

During the course of the year we harmonised our approach to satisfaction surveys, with Voluntas now conducting all our surveys on behalf of Stonewater.



Responsive repairs satisfaction

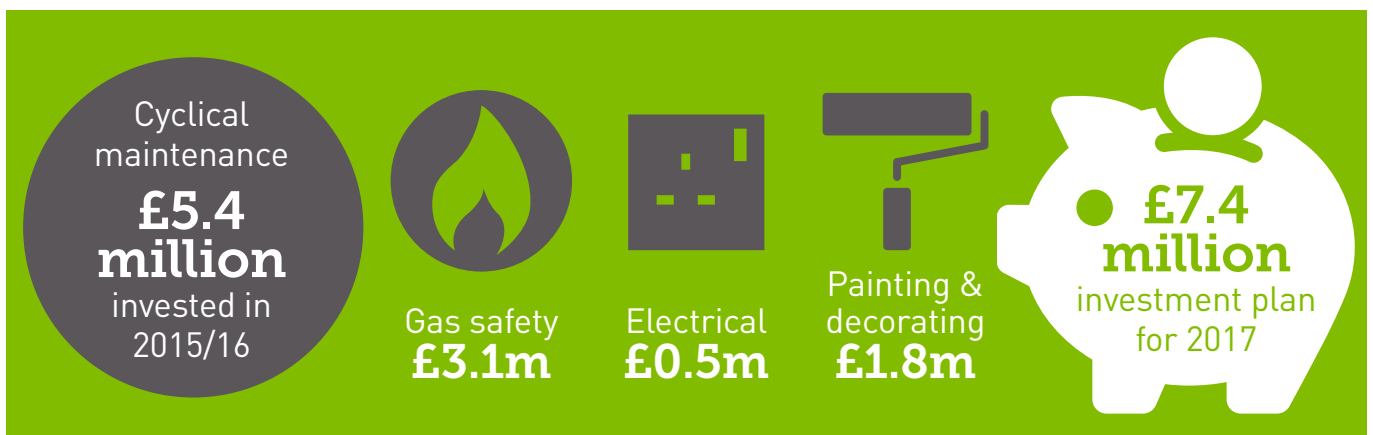
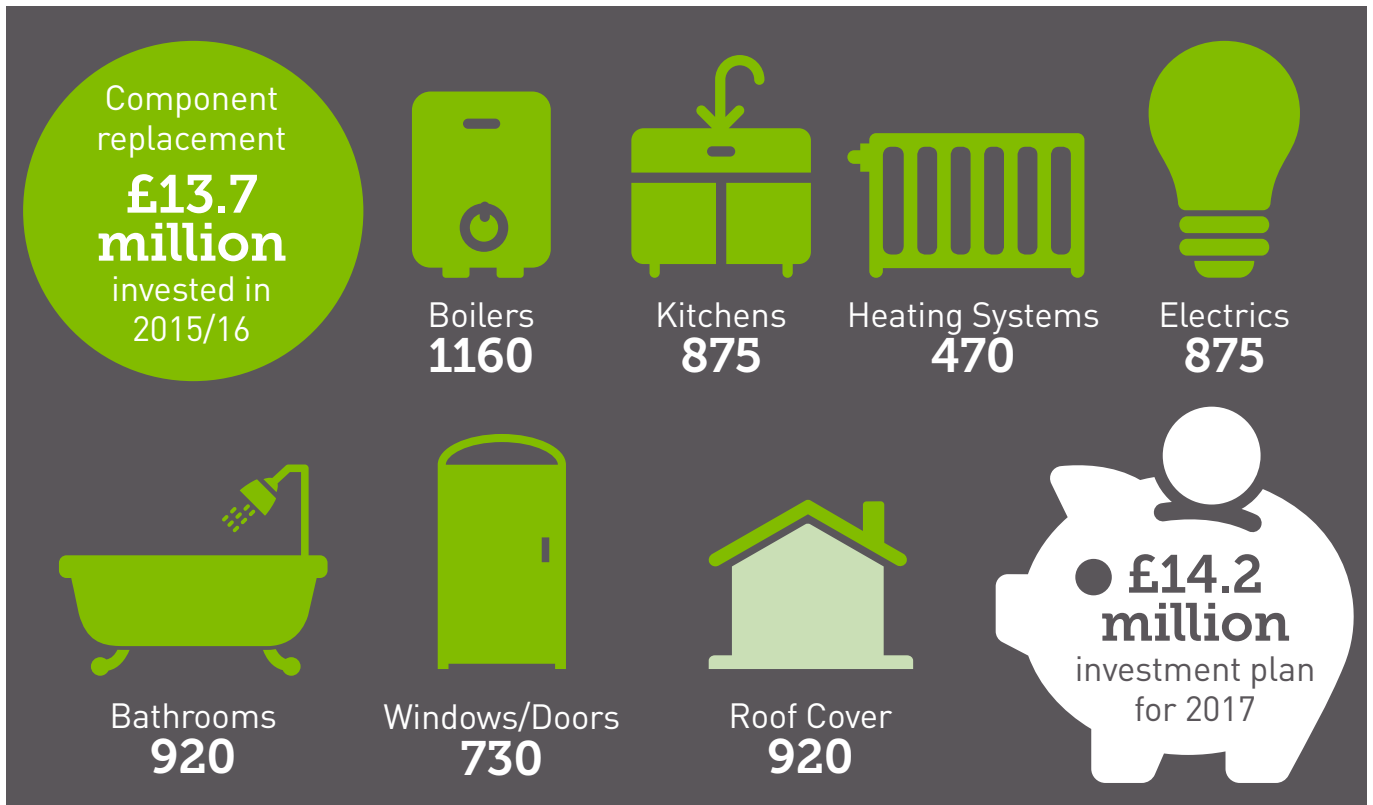


Maintenance activity

Stonewater carries out a great deal of maintenance activity and we are continuing to maintain our investment in this area.

- Fixing things when you contact us – we call this ‘responsive repairs’ 2015/16 – £12.2m (next year £12.1m budget)
- Vacant Homes at the end of a letting, we need to get these ready for the next customer 2015/15 £4.5m (next year £5.1m budget)

The table below shows how much we invested in your homes during 2015/16 and where we plan to invest further in 2016/17.





In total we have invested **£39.1m** in our homes and plan to spend a further **£45.8m** next year.

This investment in our homes helps to make them more energy efficient and more sustainable. This benefits our customers, who are able to keep their homes warm for less, but it also reduces emissions and therefore benefits the environment, too.

For example, in 2015/16 we spent a total of £3.8m on renewing heating installations and improving insulation. Our priority for the coming year is to tackle the remaining homes with the lowest scores on energy efficiency.

Future plans

We have adopted a new approach for calculating the amount of money we need to spend in the next year to improve accountability and control.

The development of training programmes to ensure that Surveyors and Contract Managers have the skills to manage costs and budgets.

During 2016/17 we have plans to restructure our teams that manage repairs and maintenance. This restructure gives Stonewater significant savings as it will reduce the number of support staff and also reduces the number of offices as we centralise and apply the application of modern processes and technology.

Tenancy Management and Lettings

In the last year we have been busy letting homes to customers and helping customers maintain their tenancies.

- 1,645 re-lets in 2015/16, with an average re-let time of 33.2 days, plus 441 properties let for the first time, with an average letting time of 9.31 days.
- 7.67% of properties became void in the year, compared to 8.83% the previous year.

Our lettings performance has been challenging this year. Our overall re-let performance has suffered due to the impact of a number of retirement living homes being let after long periods of being vacant as well as a number of difficult to let general needs homes taking longer to market and let.

Where we are experiencing difficulties with letting properties we first review these by considering whether we still want to rent them or whether we may wish to sell-off them. Any proceeds from the sale of properties are used to fund future new homes through our development programme.

Letting types, 2015/16



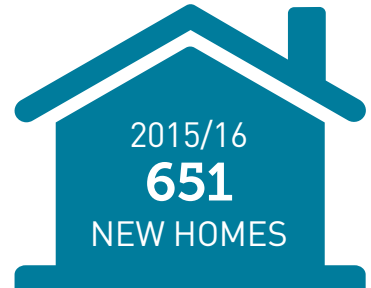
New homes

Last year we completed **651 new homes**, which was up from 385 the previous year.

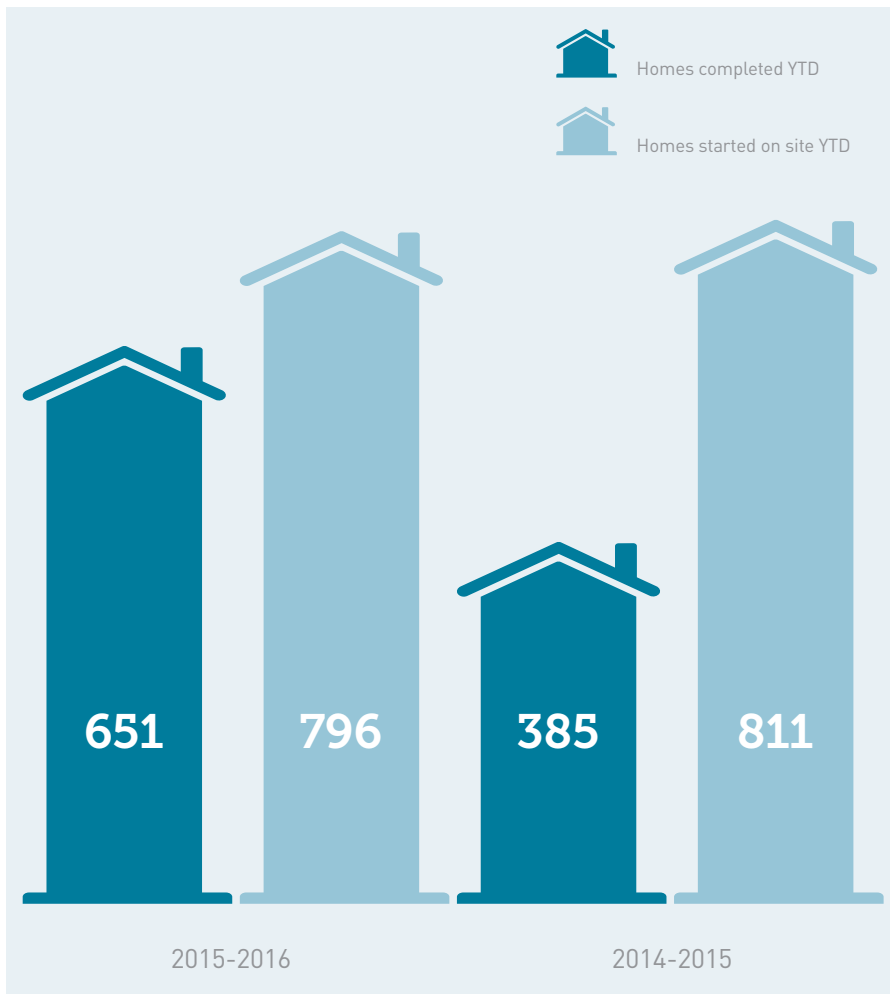
Our performance exceeded our target of **600 new homes**, which meant that **1 in every 200 new homes** in England last year was a **Stonewater home**. A total of **2,020** more people can now have a place to call home as a result of these new builds.

We also began construction on a further **796** new homes during 2015/16.

We plan to build a total of **5,000** new homes over the next **10 years**.



Homes completed and homes started



2,020
more people can now have a place to call home as a result of Stonewater new builds.

Keeping your home safe

Gas kills

Our responsibility to you

- As a landlord, Stonewater is legally required to service and safety check the requirements of the landlords gas safety record once a year. Its important that you co-operate, to ensure the safety of you, your family and your neighbours.
- We will write to you in good time before the due date of the annual service, offering an appointment. If the appointment is not convenient, you can re-arrange it, but the visit must be before the due date.
- If you smell gas or suspect there is a gas leak, call the free Gas Emergency Service on **0800 111 999**.
 - Do not use a mobile or cordless telephone unless you are outside the property away from the suspected leak.



As of 31 March 2016, 99.96% of our homes had an in-date gas safety certificate in place.




There were no outstanding Fire Risk Assessments to be carried out at the end of the year.



We are further strengthening our approach to health and safety by redesigning our processes and reporting in this area.

How customers have helped shape services



278 CUSTOMERS were involved in formal or informal consultation groups in 2015/16, including online groups.

3 POLICIES were implemented, changed or withdrawn as a result of feedback from our customers.



Going forward, customers will be even more involved in helping to shape our services through innovations like the Customer HUBB.



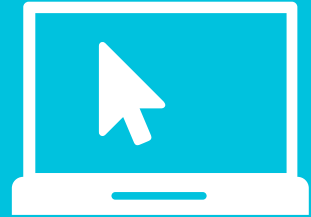
Changing the way we work

Stonewater is continuing to evolve to meet the expectations of our customers. We have introduced more flexible working arrangements for our staff and we opened on a bank holiday for the first time in August 2015. We have now rolled this out to the May bank holidays as well.

Stonewater is becoming a digital organisation, and is developing systems to enable customers to conduct more transactions online, so that customers can access services at a time that is convenient for them. By the end of 2020, we are aiming for 75% of customer transactions to be online.

We have commenced consulting on the introduction of a 'Reward' customer incentive scheme. The aim of this initiative is to say 'thank you' to customers who help us to offer great services by paying rent on time, looking after their home, and making a positive contribution to their community.

By the end of 2020, we are aiming for **75% of customer transactions to be online.**



REWARD
REWARD



Looking forward

Customers are central to our development and play a strong role in helping to improve homes and enhance the services they receive.

We have a number of ways our customers can currently get involved with us and influence our services, these include:

- Customer Scrutiny Panel
- Customer Complaints Panel
- Social media
 - Facebook
 - Twitter
- Specialist online panels using Yammer
- Online e-mail panel of customers
- Surveys
- Website
- Estate walkabouts.

Customer HUBB

We have introduced a new online Customer HUBB (Help Us Be Better). This on-line forum is designed to engage with customers, to post news and to consult with customers. It enables the same information to be seen by all customers and they can interact at a time that suits them. Already, we are seeing new customers participating in the HUBB, so that we are engaging with a wider audience to help shape and influence our services.

This has been a positive first year for us as a newly merged organisation, where value for money has been important in the decisions we have taken during the year. Restructuring of our staff reducing the number of people working with us has given us strong foundations upon which to build on and deliver more effective services to our customers at lower cost.

Every penny we save and every bit of added value we extract means more to invest in providing good quality, affordable homes. The need is greater than ever. Our plans for the year ahead are detailed in our [Strategic Plan 2016-21](#) as we continue to work towards our vision “**For everyone to have the opportunity to have a place they can call home.**”



WANT FURTHER INFORMATION?

If you have any questions about this information email

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