

Value for Money update

January 2018



In the 2016/17 VfM statement we completed an initial benchmark against our peer group. We said that we would post the final ranking on our website in January 2018. A detailed breakdown of our costs over the last 3 financial years (compared to organisations with 7,500+ homes in London, the South East and South West) is below. This data was taken from the HouseMark website on 8 January 2018.

Service costs for our social & affordable rented homes	How we did in 2016/17 (£)	Our position compared to our peers	Upper quarter starting point - top 25% (£)	Median - middle of results in group (£)	How we did in 2015/16 (£)	Our position compared to our peers	How we did in 2014/15 (£)	Our position compared to our peers
Housing Management								
Total housing management costs	471.81	10/23	447.62	492.95	475.66	8/26	439.68	5/31
Direct housing management costs including:	300.17	15/23	264.44	291.25	310.86	15/26	286.66	9/31
• Tenancy management	97.06	14/23	68.05	91.24	92.18	1/23	87.29	10/29
• Lettings	37.03	12/23	33.84	37.03	38.85	7/23	35.40	7/29
• Resident involvement	29.07	10/23	24.06	32.58	33.79	10/23	31.89	7/29
• Anti-social behaviour	50.5	17/23	29.66	40.21	58.04	20/23	52.29	19/29
• Rent advice / collection	86.52	12/23	76.17	86.52	87.98	14/23	79.79	15/29
Estate Services								
Total cost per property	162.19	6/23	162.20	200.03	158.83	9/26	160.27	9/31
Repairs								
Major works & cyclical maintenance	1,339.42	8/23	1275.53	1461.93	1,143.56	6/26	1,379.92	15/31
Responsive repairs & empty homes (voids)	812.13	8/23	783.21	856.03	866.75	13/26	887.88	17/31
Overheads (attributed to Housing Management)								
Central costs per direct employee	7,986.45	8/23	7864.03	10,612.47	6,734.64	4/26	7,024.78	6/31
Total Overheads								
Overheads attributed to Housing Management	12,506,414	11/23	7,647,112	12,650,956	15,632,257	16/26	15,667,345	23/33
Adjusted turnover overheads cost (%)	9.41%	7/23	9.27%	10.22	10.68%	15/26	10.99%	18/33

*When this data was accessed, 16 of 22 peers had completed HouseMark's verification process. For the remaining 6, HouseMark has applied 2.0% to 2015/16 costs (CPI). Costs for many of these organisations may exceed this.

The table below gives an overview of our 2016/17 performance. The 2016/17 top quartile figures have been updated to reflect the position as at 8 January 2018.

Our measurement	Outcome 2016/17	Board target 2016/17	Housemark upper quarter 2016/17 ****	Our outcome 2015/16	2016/17 v 2015/16 outcome
Social and affordable tenancies only net current arrears (as a % of annualised debt)	1.60%	2.2%	2.15%	1.74%	↑
All net current tenant arrears (as a % of annualised debt)	1.50%	2.5%	N/A	1.80%	↑
General needs, intermediates and homes for older people (% rent loss due to properties being empty)	0.52%	0.80%	0.43%	0.64%	↑
Combined void turnaround (time properties empty)**	21.4 days	25.0 days	N/A	25.8 days	↑
% of calls answered	93.00%	93%	94.7%	92.40%	↑
Quality of Radian Direct service	96.30%	94%	N/A	94.60%	↑
Satisfaction with repairs***	97.9%	95.0%	N/A	98.0%	↓
Repairs completed 'right first time' (at first visit)***	94.7%	94.0%	N/A	95.0%	↓
Overall satisfaction with our ASB service	82.60%	80%	N/A	84.30%	↓
Satisfaction with complaint handling	75.60%	71%	77.80%	79.60%	↓
Satisfaction with complaint outcome	72.80%	70%	N/A	79.20%	↓
% of homes with gas certificate (at month end)	100%	100%	100%	100%	↔

*Includes sheltered, supported, general needs, market rent, intermediate rent, shared ownership, leasehold debt and other charges such as sewerage and mobile home pitch fees.

**Includes social rent, housing for older people, supported combined and affordable rents.

***Satisfaction data is from our in-house survey.

HCA Global Accounts 2017: Cost update

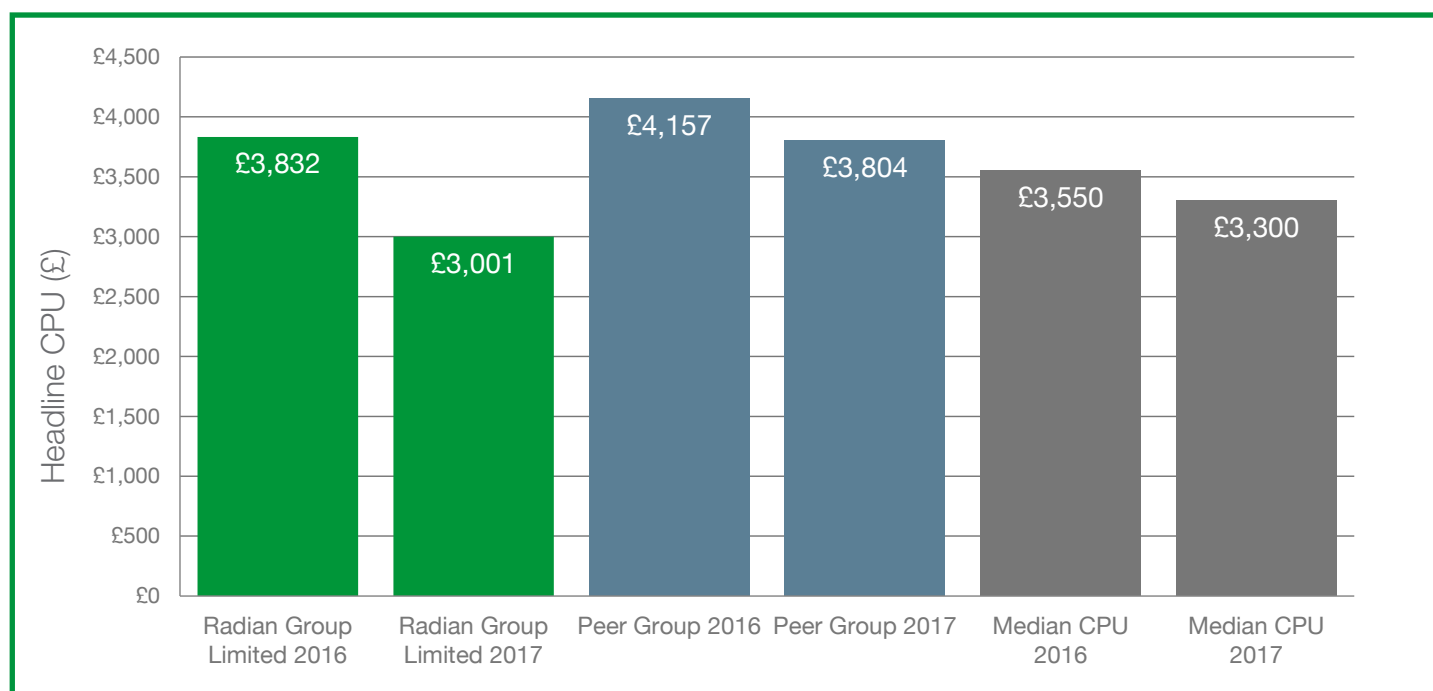
The 2017 Global Accounts of private registered providers were published in December 2017 by the Homes and Communities Agency (HCA). They show that the sector delivered another strong year of investment in new and existing social housing properties. The Global Accounts data set contains 236 organisations; the largest Clarion at 115,952 units and the smallest Chapter 1 Charity at 645 homes.

The HCA use this data for assessment purposes to compare the relative cost of providers (the data does not assess income collected or quality of performance). The HCA's data sheet identifies Radian as the 36th largest RP at 20,537 units with the 70th cheapest (£3k) Headline Social Housing Costs per Unit. The HCA assess performance against the Sector median and their data sheet identifies the following:

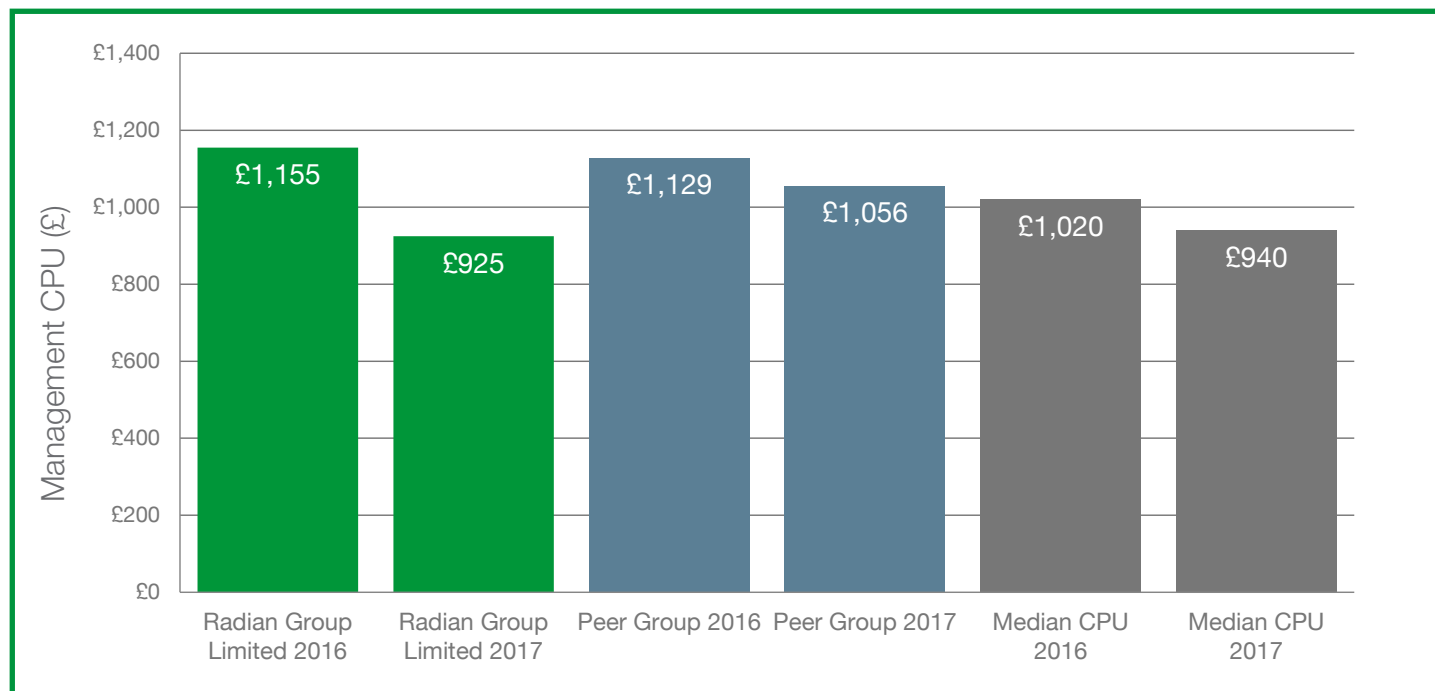
Headline Social Housing CPU 2016/17 (£000's)		Management	Service Charge	Maintenance	Major Repairs	Other
Radian Group Limited	3.00	0.92	0.27	0.76	0.74	0.30
Sector Median*	3.30	0.94	0.37	0.93	0.68	0.24
Lower Quartile*	2.93	0.74	0.24	0.78	0.49	0.10

* at consolidated group level

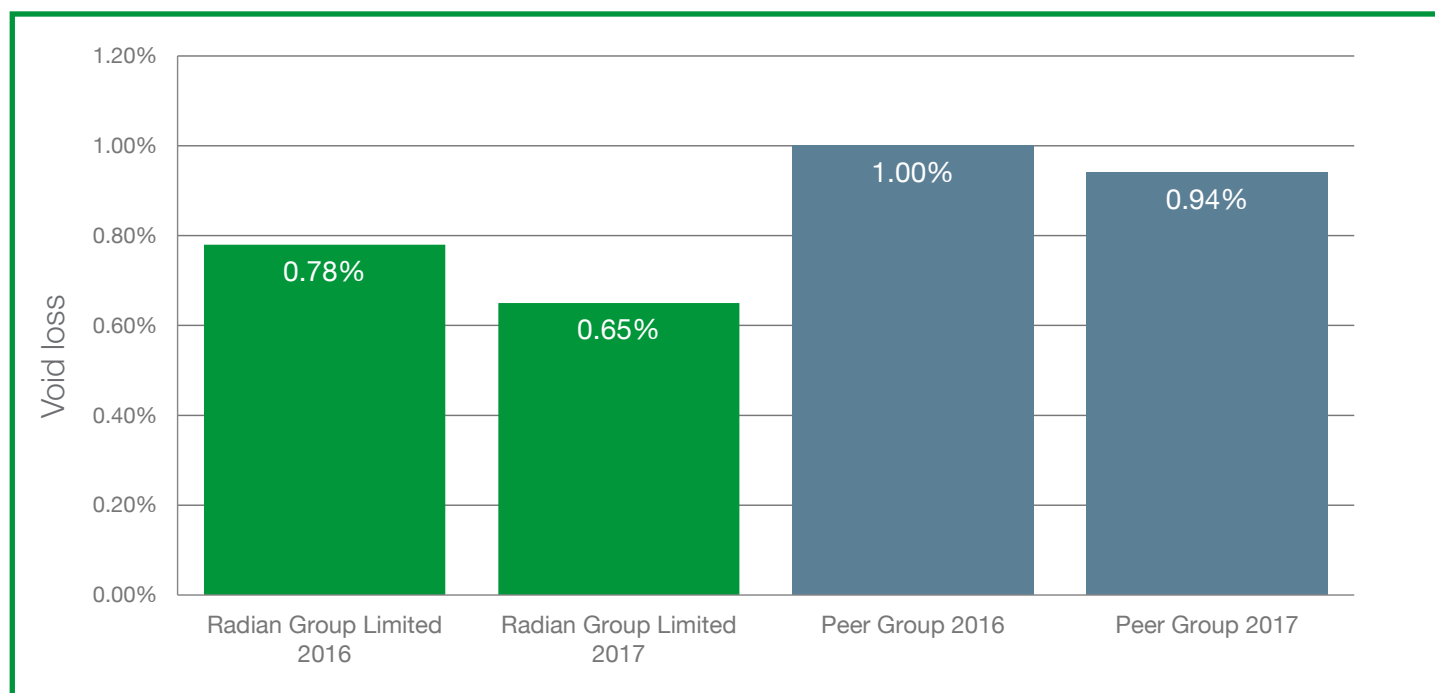
Radian has performed well against the sector and has reduced costs when compared with 2016. Headline costs per unit have decreased across the sector as shown in the reduction of the median CPU. For Radian, our CPU is well below both the sector median, and our peer group:



Our management costs per unit have reduced since 2016, and sit just below the sector median.



Our void loss has reduced when compared with 2016, and is lower than our peers.



**Is this update clear? Are we doing what we should?
Please challenge us.**

It is important that we show Value for Money in a clear and accountable way. If after reading this you think we've missed something or are unclear, please do let us know.

Please ring us on **0300 123 1 567** if you would like to get in touch.

Contact us

**Radian
Collins House
Bishopstoke Road
Eastleigh
Hampshire
SO50 6AD**

T: 0300 123 1 567

E: radiandirect@radian.co.uk

www.radian.co.uk/vfm

Radian is a trading name of The Swaythling Housing Society Limited, a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (registration number 10237R) and a registered provider with the Homes and Communities Agency (registration number L0689). Registered office: Collins House, Bishopstoke Road, Eastleigh, Hampshire SO50 6AD.

Authorised and regulated by the Financial Conduct Authority.
Part of the Radian group of companies.

