Strategic Review
Customers’ needs and aspirations

January 2014
Customers’ needs and aspirations

Early in 2014, we undertook a strategic review which set Sovereign’s direction for the next three years. We carried out an extensive research programme to help inform our decisions and guide our new strategic direction.

This research project explored who our current residents are, what their priorities and aspirations are and whether we are meeting their needs.

Key findings

• Generally, we appear to be meeting most of our residents needs and are starting to work towards a new way of delivering added value services which will help support residents’ aspirations. However, our understanding of residents’ needs and aspirations is limited by the data available.

• The satisfaction and priorities of individuals rely on their demographic and geographical attributes and it is clear that one service could not meet all of our different residents’ needs and priorities.

• The main service priorities of our residents are repairs and maintenance, keeping homes warm and planned works.

• Residents' neighbourhood priorities were very varied and depended largely on their demographic characteristics especially their household make-up.

• Children’s aspirations are no different depending on their affluence or the tenure of home that they live in.

• Residents’ aspirations are likely to decrease as they age and they are less likely than residents in other tenures to fulfil their aspirations.

• Sovereign’s Community Investment (CI) Strategy complements these findings as our teams work towards carrying out more proactive ‘upstream’ work.

• Some assumptions about our residents do not ring true when we carry out data analysis on their demographic characteristics.

• The anticipated changing trends in customer services may or may not affect us depending on the future demographic of our residents, which will rely heavily on the outcome of decisions made about Sovereign’s strategic approach to the future.

• Currently, our resident profile is evolving in two different ways. Our newer residents are generally younger and more vulnerable than previously; and the
characteristics of our more long standing residents also evolve as they reach new life stages and their household make-up changes.

- Our demographic data is limited. We do not hold ‘real’ data concerning our residents’ income, employment status or extra needs and have to rely on modelled data supplied by a third party.
- If Sovereign wants to focus on meeting customers’ needs and expectations this research highlights a need for us to adopt a more sophisticated customer intelligence approach to collecting and analysing our data.

### Background and reasons for the project

In order to shape our future services and products it is important we have a shared understanding across the business about who our current residents are, how well our services are being delivered to meet their needs and what aspirations they may have for their futures.

Without this understanding, we will be in danger of developing added-value services and products which do not meet our residents’ needs, therefore wasting our resources. Looking further ahead, social and demographic changes will occur that may alter the services we need to provide to our residents. In order to carry out effective scenario modelling, we need to have a clear baseline understanding of who our current residents are. We can use this to help us understand how the general trends emerging in service delivery inside and outside of the sector may affect us.

There is also a social purpose for carrying out this research. As a business with a social mission we should ensure that wherever possible we are enhancing, rather than hindering our customers’ ability to fulfil their full potential and aspirations.

### Approach

The steering group for the research project was drawn from parts of Sovereign that were anticipated to have experience of managing, measuring or dealing with customers’ needs or aspirations. Phil Hardy, Contracts Director, was identified as sponsor for the research project, supported by Jan Waters, Helen Baudoin, Fiona Lester, Martin Littleboy, Jon Fisher, Debbie Humm, Paula Baird and Michael Williams. Natalie Pearton, Strategic Policy Analyst, has managed the research project and carried out the research itself. The main role of this steering group was to decide what data would need to be analysed for this project and to decide the best sources for this data. The steering group also had a key role in ‘testing’ the results of the literature review regarding residents’ aspirations to make sure that the results mirrored what the steering group observed in their day to day roles.

The research set out to answer four key questions:

1. Who are our current residents?
2. Do we meet our current residents’ needs?
3. What are our current residents’ priorities?
4. What are our current residents’ aspirations and are we hindering them in any way?
1. Who are our current residents?

**Key Findings**

**We should not take our resident profile for granted or make assumptions**

For example, although we live within an ageing society our new residents are getting younger. The average age of an affordable rent head of household is 14 years younger than an average general needs head of household.

Our average resident is an employed, 36 year old female, with a partner and 2 children who is not in receipt of housing benefit.

1 in 5 of our shared ownership properties and 40% of our intermediate rent properties are located in rural areas and 1 in 5 of our shared ownership households contain children.

Even though the level of rent paid by affordable rent and intermediate rent residents is the same only 16.5% of intermediate rent residents have an income below £30,000 compared to 62.5% of affordable rent residents.

**Our stock profile is changing**

Our new residents are getting younger and more vulnerable.

The households within our more long-standing tenancies are also constantly changing and evolving.

**We don’t know everything we need to know about our residents**

We do not collect data from our residents about their income of their employment status and have to rely on modelled data provided by third party suppliers.

We do not have a full understanding of the level of residents who have any mental health issues or other support needs; an issue that becomes more of a concern as the services provided by Local Authorities diminish over time.

In order to analyse who our current residents are we used a current snap shot of data from our housing management systems to provide a demographic analysis. It is important to note that although we can generally rely on the data within our housing management systems, this data is never 100% accurate as residents do not always inform us of people moving in and out of their homes.
Tenure
The majority of our residents are general needs social housing tenants. However in recent years we have seen the introduction of affordable rent and a growth in non-core services outside general needs housing such as shared ownership and market rent properties. The West of England and Devon regions have the smallest proportions of general needs rents. In each case shared ownership, at around 20% makes up the bulk of the other stock.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Number of properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Needs</td>
<td>26,499</td>
</tr>
<tr>
<td>Supported (including Housing for older people)</td>
<td>3212</td>
</tr>
<tr>
<td>Affordable Rent</td>
<td>523</td>
</tr>
<tr>
<td>Intermediate Market Rent</td>
<td>558</td>
</tr>
<tr>
<td>Market Rent</td>
<td>540</td>
</tr>
<tr>
<td>Shared Ownership</td>
<td>3690</td>
</tr>
</tbody>
</table>
**Property type**
The majority of the homes we provide to our residents are houses or flats. The homes in market rent and supported housing tenures are more likely to be flats; the homes in general needs, affordable housing and shared ownership more likely to be houses; and an even mixture of both in intermediate market rent.

This split between property types within the tenures reflects the general view that flats are not seen as an attractive home for families with children. As we can see below families with children are more likely to live in houses and families without children in flats.
**Rural Vs. Urban**

We used data from the 2011 Census to find the rural/urban classification of the area each of our homes is located in; this allowed us to classify our properties as rural or urban.

We can see that our intermediate market rent and affordable rent products have the highest proportion of properties in rural areas. Supported housing has the lowest, which is unsurprising as housing for older people is most commonly built near local amenities such as shops and doctors’ surgeries.

![Percentage of properties in rural areas by tenure](chart1)

This chart shows that the household make-up of those residents who live in rural and urban areas is very similar.
Gender
When focussing on gender we can see that the heads of household in our core housing products are more likely to be women; and in our non-core products, men. Our affordable rent properties, all of which have been let within the last 18 months, have the biggest disparity, where almost three quarters of the heads of household are women.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared ownership</td>
<td>46.8%</td>
<td>53.2%</td>
</tr>
<tr>
<td>Market rent</td>
<td>39.3%</td>
<td>60.7%</td>
</tr>
<tr>
<td>Intermediate market rent</td>
<td>49.4%</td>
<td>50.6%</td>
</tr>
<tr>
<td>Affordable rent</td>
<td>28.5%</td>
<td>71.5%</td>
</tr>
<tr>
<td>Supported</td>
<td>54.4%</td>
<td>45.6%</td>
</tr>
<tr>
<td>General needs</td>
<td>61.7%</td>
<td>38.3%</td>
</tr>
</tbody>
</table>

Age
Looking at the age of the residents we provide homes to we can see that the tenure with the biggest proportion of younger people is affordable rent. This is considered in more detail later.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>60+</th>
<th>30-59</th>
<th>0-29</th>
</tr>
</thead>
<tbody>
<tr>
<td>General needs</td>
<td>8897</td>
<td>3502</td>
<td>4434</td>
</tr>
<tr>
<td>Supported</td>
<td>25023</td>
<td>3045</td>
<td>129</td>
</tr>
<tr>
<td>Affordable rent</td>
<td>34349</td>
<td>968</td>
<td>547</td>
</tr>
<tr>
<td>Intermediate market rent</td>
<td>359</td>
<td>587</td>
<td>129</td>
</tr>
<tr>
<td>Market rent</td>
<td>430</td>
<td>368</td>
<td>2079</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>323</td>
<td>3259</td>
<td>2079</td>
</tr>
</tbody>
</table>
If we focus on the different regions we work in we can see, unsurprisingly, that the areas where the bulk of our stock comes from LSVTs have an older demographic of residents compared to Devon and the West of England where we carried out much more recent development. Both Devon and the West of England provide a high proportion of homes for children and younger adults.

Base: all residents
Household Make-up
When focussing on the types of households living in Sovereign homes our general needs properties show the most even spread of household types, probably because this cohort includes long-standing tenancies and will therefore be more likely to include households at various life stages. Unsurprisingly, our supported households are the least varied due to very high proportions of housing for older people. Affordable rent seems to have a propensity to house children, perhaps hinting that we are now beginning to provide homes for more families than previously. Interestingly, we don’t generally think of our shared ownership and market rent homes as being homes for families, although we can see that a sizeable proportion (22%) of families are living in these properties. We can also see that over a third of general needs properties are occupied by more complex households containing multiple adults.
Comparing our more established tenancies with properties we have let since May 2012 we can see that the households we are renting our homes to now are not the same as the types of household that have built up over time. The more complex multi adult households, along with the households containing older residents are likely to be long-standing tenants. We can also see that the majority of our shared ownership and market rent residents move into our tenants as single adults of or couples but a cohort of them are beginning to have children and remain in these properties.

**Ethnicity**
This chart shows the percentage of residents from black and minority ethnic (BME) groups that live with in each of our tenures. We can see that the tenures least likely to house BME residents are shared ownership and supported and those most likely to are affordable and intermediate market rent.

This chart is interesting as it shows a pattern which would not necessarily expect. When we compare the ethnicity data from all tenancies to tenancies let from May 2012 onwards we can see that the proportion we are letting to families from BME backgrounds is decreasing in all tenures apart from shared ownership.

<table>
<thead>
<tr>
<th>Region</th>
<th>Proportion of BME households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkshire</td>
<td>3.1%</td>
</tr>
<tr>
<td>Devon</td>
<td>6.5%</td>
</tr>
<tr>
<td>Dorset</td>
<td>2.6%</td>
</tr>
<tr>
<td>Hampshire</td>
<td>10.4%</td>
</tr>
<tr>
<td>Oxfordshire and the Borders</td>
<td>5.5%</td>
</tr>
<tr>
<td>West of England</td>
<td>12.9%</td>
</tr>
<tr>
<td>All regions</td>
<td>6.6%</td>
</tr>
</tbody>
</table>
Disability
This chart shows us the proportion of disabled residents who live within our different tenure types. This chart shows predictable results. The tenure with the highest proportion of disabled residents is supported housing, this is unsurprising due to the amount of older residents living within this tenure. Affordable rent residents are slightly less likely to be disabled as on the whole, as discussed earlier, they are younger than general needs residents. Shared ownership and market rent residents are less likely to be disabled.
Types of disability and support needs

Our housing teams like to be aware of any support needs our individual residents may have so they can provide services to them in the most appropriate way. If our residents have told us that they have a particular issue or support need that requires us to do something different from the norm this will be flagged on their housing management account as an ‘advice flag’. This chart shows the breakdown of the different types of advice flag that we hold on our housing management systems.

It is important to remember that this chart does not show the amount of residents who have physical disabilities, learning difficulties or mental health issues; it only shows where a Sovereign staff member has added a flag on the resident’s record to alert us to do something differently when we interact with this resident. The number of residents with a flag indicating a mental health issue seems very low as on a national level 1 in 4 people will experience a mental health problem each year (Mental Health Foundation, 2013). More work may be needed to fully understand the extent to which our residents suffer from mental health issues and how this impacts on frontline housing staff resources and skill-set.
Economic Activity

Housing Benefit

Here we can see the percentage of residents from each tenure that are in receipt of any housing benefit. Note: this data only relates to households where housing benefit is paid directly to Sovereign. Unsurprisingly we can see that the percentage of people in our shared ownership and market rent in receipt of housing benefit is a lot lower than residents in other tenures. However, it is surprising that nearly a third of our intermediate market rent tenants are in receipt of housing benefit. Interestingly we can see that affordable rent residents are over 10% more likely to be in receipt of housing benefit than general needs residents.

Affordable rent tenancies are new tenancies, so the fact that the proportion of affordable rent residents in receipt of Housing Benefit is higher than general needs residents could be attributed to the fact that social housing is continuing to house much more vulnerable people than in previous decades. When we compare all general needs households between May 2012 and October 2013 we can see that the proportion in receipt of Housing Benefit has risen by 7%. Interestingly the proportion of households in receipt of housing benefit in our non-social and supported housing tenures has decreased.

The regions where our residents are most likely to be in receipt of housing benefit are Dorset and Berkshire; and the regions where this is less likely are Hampshire and Oxfordshire and Borders.

<table>
<thead>
<tr>
<th>Region</th>
<th>Proportion in receipt of HB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkshire</td>
<td>55.7%</td>
</tr>
<tr>
<td>Devon</td>
<td>52.8%</td>
</tr>
<tr>
<td>Dorset</td>
<td>59.0%</td>
</tr>
<tr>
<td>Hampshire</td>
<td>41.5%</td>
</tr>
<tr>
<td>Oxfordshire and Borders</td>
<td>46.2%</td>
</tr>
<tr>
<td>West of England</td>
<td>52.9%</td>
</tr>
</tbody>
</table>
**Employment**

We do not collect or record data from our residents regarding their employment status and we have therefore had to rely on modelled data which we have purchased from a third party supplier (CACI). This data is not 100% accurate to household level and is modelled using data from several different sources to make an assumption about a household. It is important to note that in terms of this data a household will be deemed to be in employment if any individual within that household is in work.

Unsurprisingly residents in our shared ownership and market rent properties are much more likely to be in work than our general needs or affordable rent residents. Interestingly the residents living in affordable rent are 10% less likely to be employed, but again this is most likely due to the fact that our affordable rent product is relatively new and our most recent tenants are less likely to be employed.

This chart shows the proportion of employed residents across the regions. This is pretty consistent with all regions having 30-38% of residents in paid work. The West of England region has the highest proportion of employed residents and Dorset the lowest.
**Income level**

This chart shows the gross household income of our residents from each tenure type. Again, this data is modelled so is not 100% accurate. This data is based on gross household incomes and includes all benefits apart from housing benefit. Unsurprisingly we can see that the incomes of shared ownership and market rent households are much higher than those living in traditional social housing and affordable rent.

Interestingly though, the income of intermediate market rent residents appears to be higher than those in market rent and shared ownership properties. Almost a half of residents living in intermediate market rent appear to have an income of over £40,000 compared to just over a third of those living in market rent. It is interesting to observe that although affordable rent and intermediate market rent residents pay the same level of rent, intermediate market rent residents are considerably better off than affordable rent residents with 62.5% of affordable rent households receiving an income under £30,000 compared to 16.5% of intermediate rent residents.
Rent Arrears

Residents in receipt of housing benefit are more than 10% less likely to be in rent arrears than those residents who do not claim any housing benefit. It is important to remember that this data is just a snap-shot from one calendar day; in terms of the arrears levels of residents in receipt of housing benefit this can be deceiving as many will appear to be in arrears until their housing benefit is paid into their accounts. Equally, similar effect may apply to people paying their rent via Direct Debit.

However, as shown below, although those in receipt of Housing Benefit are less likely to be in rent arrears they are likely to be in a higher amount of arrears.
The average resident

We carried out some data analysis to find out what our average resident would look like. In order to do this we took into account the following nine parameters: gender, age, tenure, household make-up, property type, area type, receipt of housing benefit, employment status and income. The table below shows us what demographic characteristics our current average resident would have. It also shows us how this compares to what an average resident would like if we only took into account the residents we let homes to since May 2012. We can see that our average resident is getting younger and is more likely to be in receipt of housing benefit.

<table>
<thead>
<tr>
<th></th>
<th>All tenancies</th>
<th>Tenancies from May 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td><strong>Tenure</strong></td>
<td>General Needs</td>
<td>General Needs</td>
</tr>
<tr>
<td><strong>Make-up</strong></td>
<td>2 adults and 2 children</td>
<td>2 adults and 2 children</td>
</tr>
<tr>
<td><strong>Property Type</strong></td>
<td>House</td>
<td>House</td>
</tr>
<tr>
<td><strong>Area Type</strong></td>
<td>Urban City/Town</td>
<td>Urban City/Town</td>
</tr>
<tr>
<td><strong>Housing Benefit?</strong></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Employed?</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Household Income</strong></td>
<td>£20k - £30k</td>
<td>£20-30k</td>
</tr>
</tbody>
</table>

The following table shows how the average resident from all tenures changes when you factor in which region they live in. We can see that the parameters which change across the regions are the average residents’ age, whether or not they are in receipt of Housing Benefit and their annual household income.

<table>
<thead>
<tr>
<th></th>
<th>Berkshire</th>
<th>Devon</th>
<th>Dorset</th>
<th>Hants</th>
<th>Oxon</th>
<th>W of E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Female</td>
<td>Female</td>
<td>Female</td>
<td>Female</td>
<td>Female</td>
<td>Female</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>39</td>
<td>33</td>
<td>36</td>
<td>37</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td><strong>Household Make-up</strong></td>
<td>2 adults and 2 children</td>
<td>2 adults and 2 children</td>
<td>2 adults and 2 children</td>
<td>2 adults and 2 children</td>
<td>2 adults and 2 children</td>
<td></td>
</tr>
<tr>
<td><strong>Property Type</strong></td>
<td>House</td>
<td>House</td>
<td>House</td>
<td>House</td>
<td>House</td>
<td>House</td>
</tr>
<tr>
<td><strong>Area Type</strong></td>
<td>Urban City/Town</td>
<td>Urban City/Town</td>
<td>Urban City/Town</td>
<td>Urban City/Town</td>
<td>Urban City/Town</td>
<td>Urban City/Town</td>
</tr>
<tr>
<td><strong>HB?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Employed?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td>£20k - £30k</td>
<td>£10 - £20k</td>
<td>About £20k</td>
<td>£20k - £30k</td>
<td>£30k - £40k</td>
<td>£20k - £30k</td>
</tr>
</tbody>
</table>
2. Are we meeting all of our current residents’ needs?

With an average overall satisfaction score of 78% we appear to be meeting the needs of the majority of our residents. However, we can see that there are certain cohorts of residents who are less likely to be satisfied and we may not be meeting their needs: shared owners, our residents in the West of England, younger tenants and our general needs BME residents.

When considering future customer service trends we will need to examine these in the context of our future customer base, as our resident demographic may not be typical compared to the general public.

NOTE: Data for this part of the report was only available for General Needs, Supported and Shared Ownership tenancies.

In order to analyse our residents’ needs and service priorities we reviewed the STATUS survey results from 2011. Although this information is dated it was the last full-scale survey that Sovereign had commissioned. It was also decided that the results in this report would be checked against the preliminary results of the 2013 STAR survey in the New Year to make sure there are no major anomalies. Although the questions we asked residents in the STATUS survey were not necessarily designed to reveal whether we are meeting their needs, this appears to be our best source of data in this area. Therefore, for the purposes of this report, we have assumed that if a resident is relatively satisfied we are most probably meeting their needs.

The results show that our supported residents are the most satisfied with their satisfaction rate over 10% above the average of all tenures. General needs residents’ satisfaction sits just above the average and shared ownership satisfaction is very low, sitting 24% below the average score.
The chart below shows our residents’ overall satisfaction with our services by region. The satisfaction levels for general needs and supported tenants in most regions are close to the average satisfaction of 79.5%. However the satisfaction in the Oxfordshire region is substantially higher at 87.6% and the satisfaction in the West of England is markedly lower at 69.9%. As shown below, this could be for various reasons.

Analysing the satisfaction data by age reinforces the commonly-held belief that older generations are more likely to be satisfied with our services than younger generations. However, an anomaly to this trend is the 16-24 year olds which is close to the average satisfaction marker. Our least satisfied region was the West of England and this is also our youngest region, where over three quarters of our residents are under the age of 45. Our highest satisfaction levels were found in the Oxfordshire and Berkshire regions, which appear to reflect the relatively high average age of residents in these regions compared to others we operate in.
Here we can see that in shared ownership and supported tenancies, BME residents are slightly more satisfied with our services than White British residents. However, BME general needs residents are significantly (10%) less satisfied.

General needs and supported residents who live in rural areas are nearly 7% more satisfied with our service than those who live in urban areas. This may seem surprising in view of the difficulty in delivering services to rural areas, but does reflect a recent piece of research by The Office of National Statistics which suggests that people who live in rural communities are happier than those who live in the City (Swinford, 2013).

This chart shows us that our disabled residents are 6% more likely to be satisfied with our services than non-disabled residents.
Our analysis revealed that different household types typically have a similar level of satisfaction regardless of whether or not they have children. However, again, the older population with household members are over 60 are markedly more satisfied.

We can see that lots of different demographic attributes can positively or negatively affect a resident’s satisfaction with our services. We could therefore make an assumption that a resident who possessed a combination of these attributes would be more likely to be dissatisfied. We tested this by reviewing the satisfaction data from the West of England in more detail.

For example the West of England:

- Is our least satisfied region.
- Is proportionally younger than our other regions
- has proportionally more BME residents
- has one of our most urban areas within it - Bristol
- Proportionally logs many more complaints and ASB cases than any other region

We may therefore expect that young BME residents living in urban areas in Bristol would be particularly dissatisfied. However, when we singled out these residents’ satisfaction results they had above average satisfaction with our services, at 80%. This surprising result could indicate that services in this area are being shaped around the needs of this group to the detriment of others. However, this conclusion cannot be safely drawn from the data available, and this is an issue that may benefit from further investigation.

**Future trends in service provision**

Although it appears that we are meeting our residents’ current needs, it is important to also consider how this may change in the future.

We are experiencing a rapid consumerisation of public services, coupled with a growing sense that our tenants should be thought of as customers. More residents will be ‘seeing’ their rent money through the introduction of Universal Credit and will therefore feel more like consumers of a service. In ‘Service 2020: Megatrends for the
decade ahead’ the Economist Intelligence Unit worked with 479 business leaders from across the world to identify emerging trends in customer expectations and behaviour. Below are some of the key emerging trends we are likely to witness in the coming decade:

- The need for speed and instant gratification will grow, with residents possessing more of an appetite for personalised, intuitive services that are available on a 24 hour basis.
- Customers' expectation of choice is likely to grow
- Younger generations have higher service expectations; a pattern which is predicted to accelerate and in turn the expectations of our residents will be higher.
- The use of social media platforms will grow, and these will gradually replace the press and become the primary consumer watchdog – as a result companies will have to become more transparent
- Companies will have to utilise new sources and types of data to understand customers and personalise services; and to assess customer behaviour, if they wish to keep up with emerging service trends

It is important to highlight that the importance to Sovereign of these emerging trends in the service industry will vary, depending on who our future customer base is. For example, if social housing continues to residualise and only provides homes to the most vulnerable individuals in society, intensive face to face assistance and support may be more important than flexible self-service products. The service priorities will look quite different dependent on what our customer base looks like in the future. We may need to deliver fewer but slicker services to low-needs residents, in order to provide a number of supportive, hands-on extra services to high-needs residents.

In summary we can see that with an average overall satisfaction score of 78% we appear to be meeting the needs of the majority of our residents. However, we can see from the further analysis that there are certain cohorts of residents who are less likely to be satisfied and we may not fully be meeting their needs:

- Shared owners
- Our residents in the West of England
- Younger people
- Our general needs BME residents
3. What are our current residents’ priorities?

Most residents tend to prioritise repairs and maintenance, value for money of their rent and the overall quality of their home.

However, residents’ neighbourhood service priorities vary heavily depending on their demographic characteristics, especially their household make-up.

As we have seen in the ‘who are our current residents?’ section of this report households demographic characteristics evolve throughout the life of their tenancies, therefore their priorities are likely to change as their household changes and they enter new life stages.

It would be useful for Sovereign to take note of the different priorities of our different types of residents when designing the future strategy as the priorities of our residents may vary depending on the types of residents we are likely to provide homes to in the future.

Report update: Since this research was carried out the results of Sovereign’s 2013 STAR survey have been collected and analysed. This survey also asked residents about their priorities and the results are discussed below.

Service Area Priorities
In the 2011 STATUS survey we asked respondents to pick their top three priorities from the following list of options:

- Keeping them informed
- Overall quality of their home
- Taking their views into account
- Being more environmentally friendly
- Providing more affordable homes
- Repairs and Maintenance
- Dealing with ASB
- Neighbourhood as a place to live
- Value for money of rent/and or service charge

There was a general consensus among residents’ responses with residents within each different demographic choosing repairs and maintenance as their highest priority and overall quality of home as their second.

There were, however, some demographic variations in residents’ third priority choice. With residents either opting for value for money of rent; dealing with ASB; neighbourhood as a place to live; or keeping residents informed.

Residents who prioritised value for money for their rent or service charge tended to be from our West of England, Hampshire and Oxfordshire regions. These residents were also more likely to be middle aged, employed, male and not in receipt of housing benefit. Residents who prioritised value for money were also more likely to live in rural areas and be part of a multi-adult household with or without children.
Residents who prioritised ASB were more likely to live in our Dorset or Devon regions and to be younger unemployed women in receipt of housing benefit living in households containing children. BME residents were more likely to opt for dealing with ASB as their third priority as were people living in flats in urban areas.

Residents who prioritised their neighbourhood as a place to live tended to be our supported tenants who in most part are over 60 years of age. These residents were more likely to be White British, disabled, not employed and in receipt of housing benefit. This was seen to be a priority to our residents living in more urban areas and to those on the lowest incomes of £0 - £9,999 and those in receipt of the highest incomes in excess of £50,000.

Our residents over 75 were the only residents likely to choose keeping residents informed as their third option.

**STAR Survey Results**

The STAR survey also asked respondents to rate the priority of various services. The same list was used; however the STAR survey included the following additions to the list:

- Making sure homes are warm enough
- Providing advice on debt and welfare benefits
- Supporting vulnerable residents
- Planned works like kitchens and bathrooms
- Providing employment and training opportunities

As shown in the table below, residents’ top three priorities are repairs and maintenance, keeping homes warm and planned works.

<table>
<thead>
<tr>
<th>Service priority</th>
<th>STAR rank</th>
<th>STATUS rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs and maintenance</td>
<td>1st</td>
<td>1st</td>
</tr>
<tr>
<td>Making sure homes are warm enough</td>
<td>2nd</td>
<td>N/A</td>
</tr>
<tr>
<td>Planned works</td>
<td>3rd</td>
<td>N/A</td>
</tr>
<tr>
<td>Overall quality of home</td>
<td>4th</td>
<td>2nd</td>
</tr>
<tr>
<td>VFM of rent/service charge</td>
<td>5th</td>
<td>3rd</td>
</tr>
<tr>
<td>Supporting vulnerable residents</td>
<td>6th</td>
<td>N/A</td>
</tr>
<tr>
<td>Maintaining the neighbourhood</td>
<td>7th</td>
<td>4th</td>
</tr>
<tr>
<td>Tackling ASB</td>
<td>8th</td>
<td>6th</td>
</tr>
<tr>
<td>Providing more affordable housing</td>
<td>9th</td>
<td>7th</td>
</tr>
<tr>
<td>Involving residents in decision making</td>
<td>10th</td>
<td>8th</td>
</tr>
<tr>
<td>Improving information and communication</td>
<td>11th</td>
<td>5th</td>
</tr>
<tr>
<td>Providing debt and welfare advice</td>
<td>12th</td>
<td>N/A</td>
</tr>
<tr>
<td>Being more environmentally friendly</td>
<td>13th</td>
<td>9th</td>
</tr>
<tr>
<td>Providing employment and training opportunities</td>
<td>14th</td>
<td>N/A</td>
</tr>
</tbody>
</table>

When you discount the extra priorities included in the STAR survey, the rank of residents’ priorities are exactly the same in 2013 as they were in 2010 apart from the
fact that involving residents in decision making has become less important to residents.

This pattern is very similar across the regions with only a few anomalies, as shown in the table below:

<table>
<thead>
<tr>
<th>Priority 1</th>
<th>Berks</th>
<th>Devon</th>
<th>Dorset</th>
<th>Hants</th>
<th>Oxon</th>
<th>W of E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority 1</td>
<td>Keeping homes warm</td>
<td>Repairs</td>
<td>Repairs</td>
<td>Repairs</td>
<td>Repairs</td>
<td>Repairs</td>
</tr>
<tr>
<td>Priority 2</td>
<td>Repairs</td>
<td>Planned works</td>
<td>Planned works</td>
<td>Keeping homes warm</td>
<td>Keeping homes warm</td>
<td>Planned works</td>
</tr>
<tr>
<td>Priority 3</td>
<td>Planned works</td>
<td>Keeping homes warm</td>
<td>Overall quality of home</td>
<td>Planned works</td>
<td>Planned works</td>
<td>ASB and VFM</td>
</tr>
</tbody>
</table>

All regions have some variation of the general Sovereign population’s top three priorities as their top three apart from Dorset and the West of England. Residents from Dorset were more likely to prioritise the overall quality of their homes over keeping homes warm and residents in the West of England were more likely to prioritise tackling the value for money of their rent and service charges and tackling anti-social behaviour. Interestingly, respondents from the Berkshire region prioritised keeping their home warm over repairs and maintenance.

A Resident’s age had a particular effect upon their service priorities, this can be seen in the chart below where the main differences in priorities of our youngest residents, aged 16-24, are compared to those of our oldest residents, those aged 85 and over.
The oldest and youngest respondents had very different service priorities. For example supporting vulnerable residents and keeping homes warm was significantly more of an issue for the oldest respondents, while repairs and maintenance, planned works and tackling anti-social behaviour were more important to the youngest respondents.

Disabled respondents priorities are very similar to that of the overall respondent population apart from the fact that they are more likely to prioritise supporting vulnerable residents and less likely to prioritise value for money of rent or service charges.

BME respondent’s priorities were very similar to the White British respondents, however BME residents were more likely to prioritise resident involvement and twice as likely to prioritise employment and training opportunities.

Household type also provided a variance of priority across the different services, although much of these differences can most likely be attributed to the likely age of the respondent in each household type. For example households containing children are more likely to contain younger respondents and consequently the priorities of these households were very similar to that of the younger respondents.

Households containing children were the most likely to prioritise repairs and maintenance, and they also gave a higher priority to the overall quality of their home and ASB than child-less households. Households containing children are also less likely to prioritise supporting vulnerable residents, with 4% of these households choosing this as a priority compared to 10% of childless households.

### Neighbourhood Services Priorities

In the 2011 STATUS survey we provided respondents with a list of possible neighbourhood priorities and asked them to mark each issue as a low, medium or high priority. We did not ask residents about this in the more recent STAR survey.

The possible issues were:

- Disruptive children/teenagers
- Drug use or dealing
- Car parking
- Traffic noise
- Other crime
- More facilities for children
- Rubbish/litter
- Dog fouling
- Drunk/rowdy behaviour
- Loneliness
- Noisy neighbours
- Damage to property
- Racial/other harassment
- Vandalism/graffiti

When looking at the most popular priorities some options such as loneliness, traffic noise, noisy neighbours, damage to property, harassment and vandalism did not appear to be a big priority for many of our residents. The following sections cover the most common priorities:
Drug use and dealing
This was one of the most commonly chosen priorities and was chosen as a priority by most types of resident. The only residents that did not prioritise drug dealing and use as an issue were those who live in more rural areas and the very elderly (85+).

Car parking
Car parking was also an issue for the majority of our resident cohorts, particularly those from our LSVT areas where some of older properties are (often developed at a time of lower car ownership). Residents from all tenures prioritised the lack of parking as an issue. The only tenants who did not prioritise this were those aged between 25 and 54 and BME residents.

Disruptive children/ providing more facilities for children
These are two separate issues presented to residents but are really two sides of the same issue. Younger adults from the age of 16-44 who are likely to be parents were more likely to prioritise the provision of facilities for children. Conversely, our shared ownership residents, who are less likely to be parents, were more likely to view children as disruptive and see this as an issue. Disruptive children appear to be a particular problem for our residents in Berkshire. Residents living in rural areas were most likely to report a lack of facilities for children as an issue.

Drunk/rowdy behaviour
This was chosen as an issue by many of our residents, in particular those who live in our shared ownership homes and those aged between 25 and 54. The only cohort of residents seeming less concerned is those who live in more rural areas.

Rubbish/Litter
Rubbish and litter appears to be a particular issue for our older residents and our BME residents and also appears to be more of a problem in the West of England and in Devon.

Dog fouling
This was seen to be a particular issue for our older residents aged 65 and over and a particular issue in the more rural areas which we operate in.
4. Are we supporting our current residents’ aspirations?

The average child living in one of our homes will have high and positive aspirations for their future and these will be the same as those children not living in social housing.

Our average adult resident is unlikely to have met their personal aspirations in life but their aspiration is for their children to fulfil their own aspirations.

To help residents to meet their aspirations we need to focus on proactive work with younger people and their parents to help prevent the intergenerational transmission of poverty and truncated opportunity.

Our previous and current added value services tend to be reactive in nature and are not the best way to help residents to fulfil their aspirations. This ‘downstream’ way of working can be viewed as rewarding failure and undermining aspiration.

Our new CI Strategy focusses on a new proactive, ‘upstream’ way of working and this will help us to help residents fulfil their aspirations.

Understanding the aspirations of our residents is quite challenging. As a sector we have not asked ourselves about our residents’ aspirations as we tend to focus on meeting residents immediate needs, especially if they are vulnerable. There is consequentially a lack of research into the aspirations of social housing tenants as a separate group.

There is however a lot of research into the aspirations and attainment of financially disadvantaged people. The steering group decided that a study of this research would suffice as this group is likely to be the focus of any policies or interventions. There is some discussion of the research findings covering residents’ aspirations in this report, however, for a fuller understanding of this topic there is also a separate findings report attached as an appendix.

There is a preconceived idea in society that less financially advantaged people, and for the purposes of this report; social housing residents, have lower aspirations than people who are wealthier than them.

A literature review of research into aspirations and attainment was carried out to test this assumption and to explore the likely aspirations of our residents. The results of this study can be split down to 3 main groups of people; children and young people, adults and the elderly. The bullet points below summarise the main findings of the research.

- There is little evidence to support the popular notion that disadvantaged people have a ‘poverty of aspiration’ or are part of a ‘culture of worklessness’
- Young disadvantaged people’s aspirations are the same as their more wealthier counterparts
- Although poorer young people’s aspirations are the same as their more affluent peers’, their expectations and attainment levels are measurably lower
• Disadvantaged adults aspirations dramatically truncate over time, however their main remaining aspiration is for their children to be able to reach their aspirational goals
• Many disadvantaged young people are not able to reach their aspirational goals due to a lack of educational and financial resources
• Both disadvantaged young people and their parents often lack the knowledge and understanding of educational and employment systems that would enable them to reach their full potential
• Recent research suggests that actions taken to increase the educational attainment and employability of disadvantaged young people should not be focussed on increasing aspiration but should concentrate on tackling the intergenerational transmission of disadvantage
• The nature of some social housing communities may act to prevent social housing residents’ reaching their full potential
• Older people increasingly aspire to remain as independent as possible, not to burden anybody and to stay in their home
• There is an increasing concern about poorer older people’s loneliness

This literature review has shown us that to really help residents to fulfil their aspirations we need to focus on proactive work with younger people and their parents to help prevent the intergenerational transmission of poverty and truncated opportunity. Previously, and to date, the added value services we provide tend to be reactive in nature and aimed at assisting those people who are already experiencing a range of issues and whose aspirations have not been fulfilled.

However, Sovereign’s new Community Investment Strategy focusses on a new way of working which supports the need to be more proactive than reactive. The Strategy employs an analogy of dealing with dangerous water, and talks about Sovereign moving away from more ‘downstream’ work (‘pulling people out of the water’) towards more ‘mid-stream’ and ‘up-stream’ work (stopping people falling in the water’) as the diagram below illustrates:

The CI strategy recognises, like the literature review research, that prevention may be better than cure; and some, apparently complex situations may have been avoided by us or another agency doing something differently or acting earlier. When people have reached the ‘downstream’ point and have effectively ‘fallen in the water’
their problems are often multiple, serious and entrenched making them more expensive and difficult for us to try to resolve.

By focussing on downstream assistance social housing providers could be viewed as effectively rewarding failure and undermining aspiration. Shifting our focus to more proactive upstream work could help to encourage our residents’ aspirations and help make sure they can fulfil these wherever possible.

However, this research has highlighted how little we know about our residents’ aspirations and that we have no means of measuring them or measuring how our added-value services contribute to them. It would be beneficial to Sovereign to begin to think about how this could be carried out.
5. Conclusion

Who are our current residents?

We have seen that we should not make assumptions about the complexities of our resident demographic and that some of society’s preconceived ideas about our residents do not ring true when we analyse their demographic characteristics.

We have highlighted that our resident profile is continuously evolving in two different ways. When looking at our newer residents we can see that we are generally housing a younger more vulnerable cohort of people than in previous times. We can also see how the demographic characteristics of our more long standing residents also evolve over time as they reach new life stages and their household make-up changes.

It is clear that we do not know everything we would like to know about our residents that would allow us to fully understand our resident demographic. We do not hold ‘real’ data concerning our residents’ income, employment status or extra needs and have to rely on modelled data supplied by a third party.

Are we meeting all of our residents’ needs?

Overall we seem to be meeting residents’ needs, with an average overall satisfaction score of 80%. However there are some residents who seem to be less satisfied with our services such as younger residents, some of our residents in the West of England, Shared owners and some of our general needs BME residents.

We have highlighted the anticipated changing trends in customer expectations. These may or may not affect us depending on the future demographic of our residents, which will rely heavily on the outcome of decisions made about Sovereigns future strategic approach.

What are our current residents’ priorities?

We could see that the main service priorities of our residents are repairs and maintenance and the overall quality of their home. When looking at residents neighbourhood priorities we could see that these were very varied and depended largely on residents’ demographic characteristics especially their household make-up.

Are we supporting our current residents’ aspirations?

We discovered that our residents’ aspirations are likely to decrease as they age and that they are less likely than residents in other tenures to fulfil their aspirations. If we decide that we want to assist our residents in fulfilling their aspirations our emphasis should be less about trying to raise aspirations and more about trying to sustain very young residents’ aspirations and trying to prevent the intergenerational transmission of poverty. This suggests that work with younger residents, their parents and schools would be beneficial if Sovereign decide that supporting residents’ aspirations is to be a focus of the new business strategy.

The new Community Investment (CI) Strategy complements these findings as our CI Teams work towards carrying out more proactive ‘upstream’ work focussed on ‘stopping people falling in the water’ rather than waiting to ‘pull them out’ once they have already ‘fallen in’.
Conclusive comments

In summation: Generally, we appear to be meeting most of our residents’ needs. However, the satisfaction and priorities of individuals are linked to their demographic and geographical attributes and it is clear that one service could not meet all of our different residents’ needs and priorities. If we want to focus on meeting our residents specific needs we will need to tailor our services accordingly.

We are starting to work towards a new way of delivering added value services which will help support residents’ aspirations. However, due to the limitations of the data about individual residents’ needs and aspirations it is clear that we may not be seeing the full picture.

It was made clear throughout this research that we do not currently have the tools to understand a) who our residents are and b) what this means in terms of their likely needs and aspirations. The demographic information we hold about our residents is sometimes missing or out of date. We do not have any ‘real’ data concerning our residents’ employment status, receipt of benefits or incomes and have to rely on modelled data from external providers.

If Sovereign wants to focus on meeting customers’ needs and expectations this research highlights a need for us to adopt a more sophisticated customer intelligence approach to collecting and analysing our data.

References
