

# National Scrutiny Group Report

Customer Experience Committee



REPORT	
<b>Meeting Date:</b>	
<b>Report Title:</b>	Tenancy Terminations Under 12 Months
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For Decision <input type="checkbox"/> Debate <input checked="" type="checkbox"/> Information <input type="checkbox"/>	
<b>Summary:</b>	An investigation into the reasons why customers end their tenancies within the first twelve months and whether Accent could do more to retain customers and encourage new, long-term tenancies.
<b>Appendices Attached:</b>	<ol style="list-style-type: none"> <li>1. Former Residents Survey Results (Jan 2017)</li> <li>2. Tenancy Sustainability Survey Results (September 2017)</li> <li>3. Applicant Home Visit Survey Results (June 2018)</li> <li>4. Customer Service Offer Survey Results (June 2018)</li> <li>5. Let's Move Survey Results (October 2019)</li> </ol>

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## 1. Background

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The NSG has chosen to investigate why tenancies are being terminated within twelve months of commencement.

The NSG acknowledges that this is not the first time that 'Tenancy Terminations Under 12 Months' has been reviewed, but the Customer Experience Committee has identified this as a major priority due to the increase in percentage of tenancies that fail within the first twelve months.

The NSG wanted to ascertain whether Accent could do more to retain customers and encourage new, long-term tenancies.

## 2. Methodology & Evidence Gathering

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The NSG examined evidence from a range of evidence sources to arrive at their conclusions.

**Interviews** were conducted with several members of staff across the business, including:

- Customer Partners from all regions
- Homes Marketing Teams from northern regions
- Customer Partnership Managers
- Contact Centre staff
- Lisa Watson, ICT Business Partner (responsible for Let's Move)
- John Place, Regional Customer Experience Manager – Yorkshire (responsible for Customer Retention Strategy)
- Irene Southern, Regional Customer Experience Manager - North West (responsible for Accent's relationship with Appliances Online)
- Shaun Finegan, Director of Customer Experience - North
- Claire Stone, Executive Director of Customer Experience

**Policy reviews** revealed that there appears to be policies for exchanges and transfers but not for outright terminations.

The NSG **analysed correspondence** between Accent and customers who ended their tenancy within 12 months of it commencing.

The NSG also participated in a **demonstration of 'Let's Move'**, Accent's online letting system. One member registered as an applicant on Let's Move to gain insight into the experience of new customers.

The NSG did not carry out a bespoke customer survey for the purpose of this investigation – but members did reflect on the **insight provided from previous surveys** and consultations on this subject.

The NSG carried out **data analysis** on tenancy terminations for the last three years, a snapshot of which is displayed below:

### Termination Reasons (Primary)

	2017-18		2018-19		2019-20 (year to date)		Overall	
Moved to other accommodation	489	37.4%	575	47.8%	525	50.2%	1589	44.7%
Moved to other social housing provider	326	24.9%	231	19.2%	191	18.3%	748	21.0%
Moved to Private Sector	265	20.3%	210	17.5%	165	15.8%	640	18.0%
Property Abandoned	163	12.5%	128	10.6%	121	11.6%	412	11.6%
Tenant evicted due to arrears	54	4.1%	51	4.2%	32	3.1%	137	3.9%
Tenant evicted due to ASB or other reason	11	0.8%	8	0.7%	7	0.7%	26	0.7%
None given					4	0.4%	4	0.1%
<b>Total</b>	<b>1308</b>		<b>1203</b>		<b>1045</b>		<b>3556</b>	

### Termination Reasons (Secondary)

	2017-18		2018-19		2019-20 (year to date)		Overall	
Aspires to better area	104	8.0%	87	7.2%	63	6.0%	254	7.1%
ASB perpetrator	36	2.8%	27	2.2%	15	1.4%	78	2.2%
ASB victim	72	5.5%	66	5.5%	48	4.6%	186	5.2%
Closer to family	210	16.1%	195	16.2%	138	13.2%	543	15.3%
Debt	121	9.3%	109	9.1%	97	9.3%	327	9.2%
Employment opportunities	45	3.4%	38	3.2%	20	1.9%	103	2.9%
Medical or health	225	17.2%	183	15.2%	130	12.4%	538	15.1%
Poor repairs and maintenance service	32	2.4%	25	2.1%	21	2.0%	78	2.2%
Poor service from Accent	15	1.1%	7	0.6%	8	0.8%	30	0.8%
Property too big - downsizing	29	2.2%	20	1.7%	10	1.0%	59	1.7%
Property too small - upsizing	141	10.8%	124	10.3%	98	9.4%	363	10.2%
Relationship breakdown	13	1.0%	15	1.2%	14	1.3%	42	1.2%
Required garden or better property	42	3.2%	24	2.0%	28	2.7%	94	2.6%
Tenancy commenced but never moved in	21	1.6%	9	0.7%	3	0.3%	33	0.9%
Unaffordable	54	4.1%	49	4.1%	29	2.8%	132	3.7%
Welfare reforms - bedroom tax	1	0.1%	1	0.1%	1	0.1%	3	0.1%
None given	147	11.2%	224	18.6%	322	30.8%	693	19.5%
<b>Total</b>	<b>1308</b>		<b>1203</b>		<b>1045</b>		<b>3556</b>	

## 3. Findings

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### 3.1 Tenancy Terminations Data Analysis

The purpose of this section is to show the breakdown of the raw data from the tenancy terminations under 12 months and analyse it to observe any trends or highlight any particular areas of interest.

The below analysis only includes data from terminations under 12 months between April 2017 and February 2020. 2019-20 data is 'year to date', and does not include any terminations that may have occurred since the country entered lockdown.

The NSG acknowledges that the operating environment and customer behaviour during the lockdown period has been atypical and as such terminations during this period have been excluded from the analysis.

This analysis excludes homeownership tenures, garage and car parking bays, temporary and supported housing and staff accommodation.

This analysis excludes tenancies which have terminated because the resident has died or because the resident has moved to another property within Accent. It also excludes tenancies which have terminated because the conditions of the tenancy have changed (for example; a sole tenancy changing to a joint tenancy or vice versa).

The original data breaks down tenancy terminations out by the year, primary reason, secondary and region from a statistical point of view, which is great for understanding data from a broad perspective.

However, NSG feels that this data alone is not enough to understand at a regional level why customers terminate their tenancy within 12 months and whether there are any trends occurring with particular types of accommodation, areas, or groups of customers.

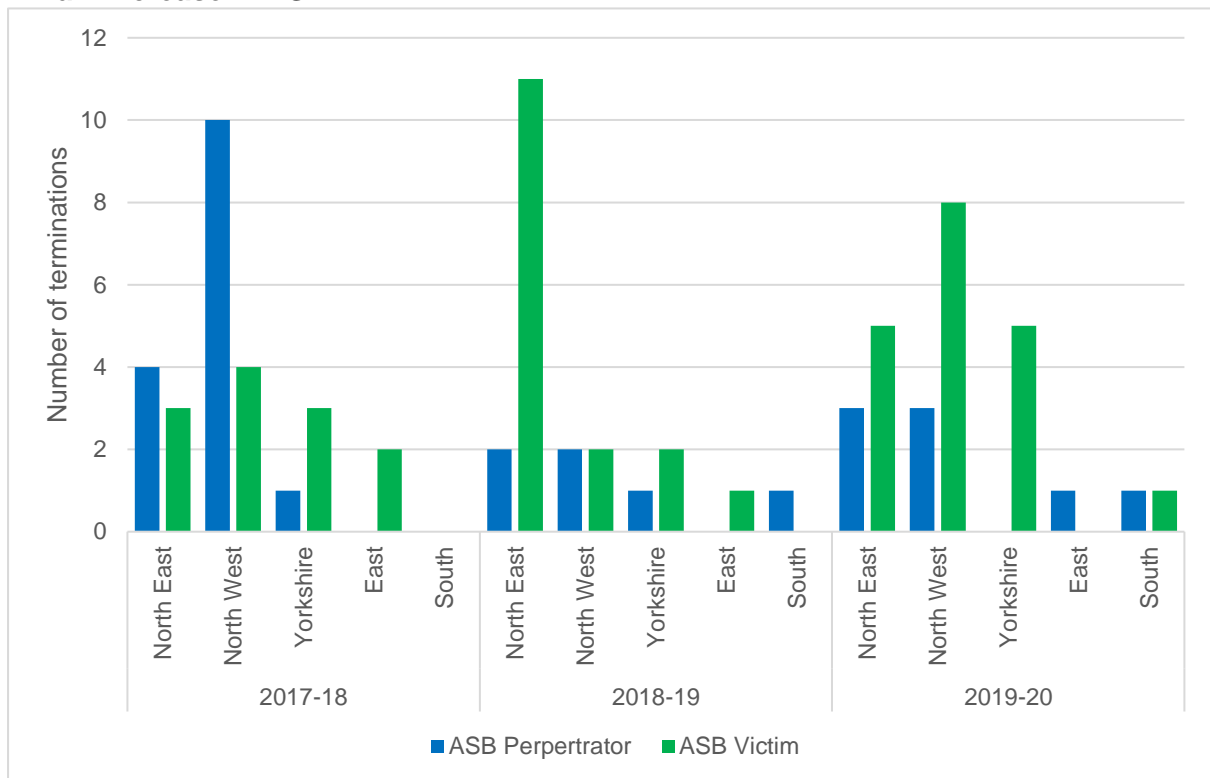
Some limitations to mention are:

1. **Data:** The data is based on **only** tenancy terminations that have terminated within a period of 12 months. The original raw data set has 3557 entries but only 706 of those are terminations within 12 months and which the below analysis is based on.
2. **Missing Data:** Unfortunately in multiple categories there is data missing or not available which affects the quality of the data analysis. For example 706 entries there are 153 blank entries for the primary reason for termination which equals 21.6% of entries that information is missing from.

The full and dynamic data analysis spreadsheet and dashboard can be accessed [here](#).

### 3.2 Most common reasons for leaving

#### a. Increase in ASB



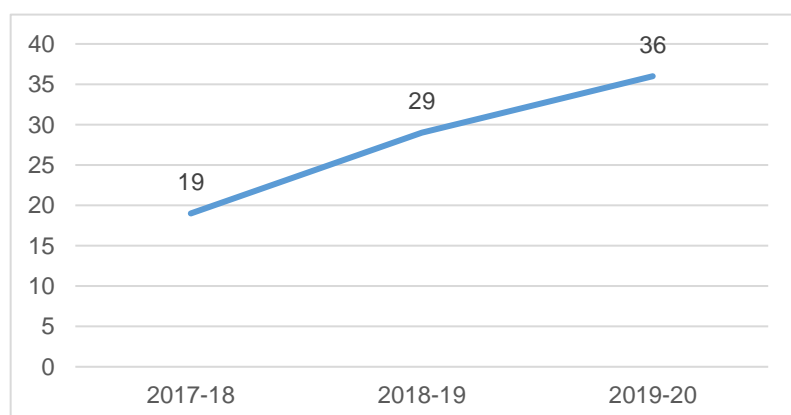
Interviews with Customer Partners, Customer Partnership Managers and Homes Marketing Teams revealed that an increase in ASB was one of the reasons that terminations under 12 months were occurring in the North East, North West and Yorkshire.

The above graph shows the terminations across the different regions across 2017-18 to 2019-20 which supports this supposition. However there is not enough data to ascertain a definitive upward or downward trend.

Nonetheless ASB represents 10.8% of the secondary reasons for terminations under 12 months (compared with 7.4% of total terminations) and it should still be viewed as an important focus point for Accent and its customers.

#### b. Debt

It is also worth noting that that the number of tenancies which end within the first 12 months for the reason of 'debt' appears to be increasing, in spite of efforts to assess whether applicants will be able to afford the property they have applied for.



### c. Condition of Stock

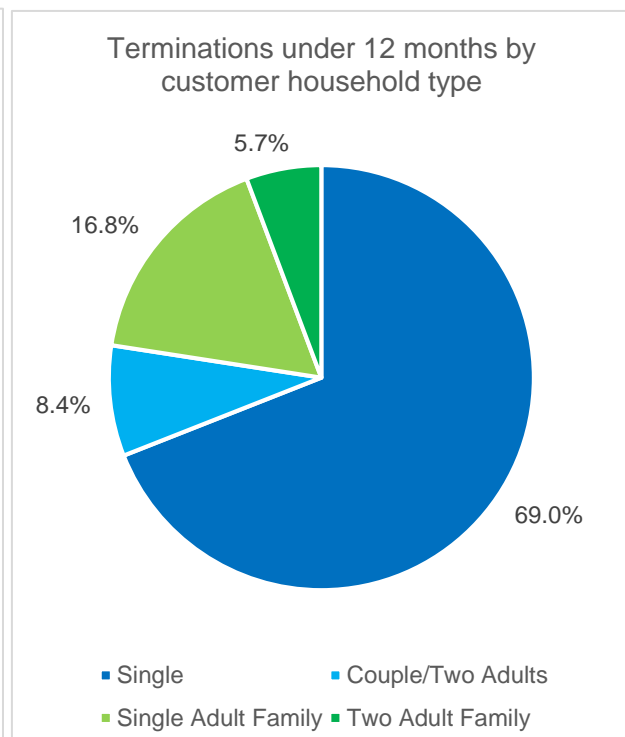
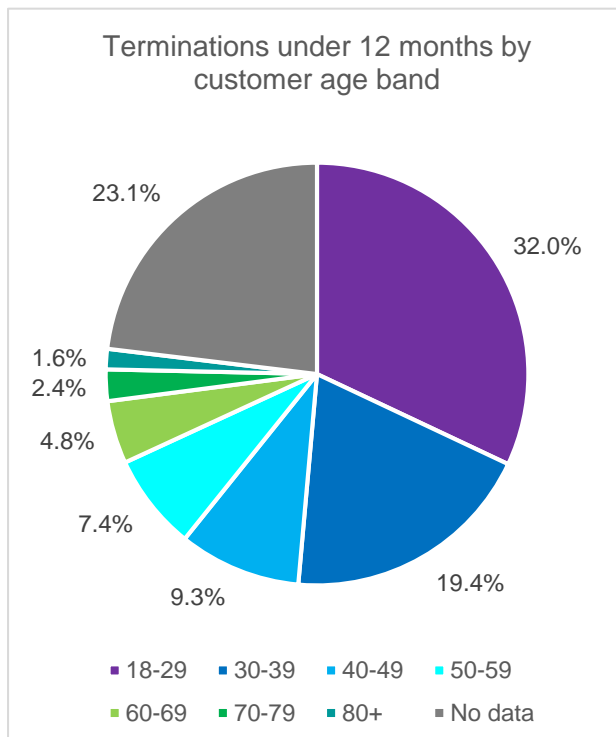
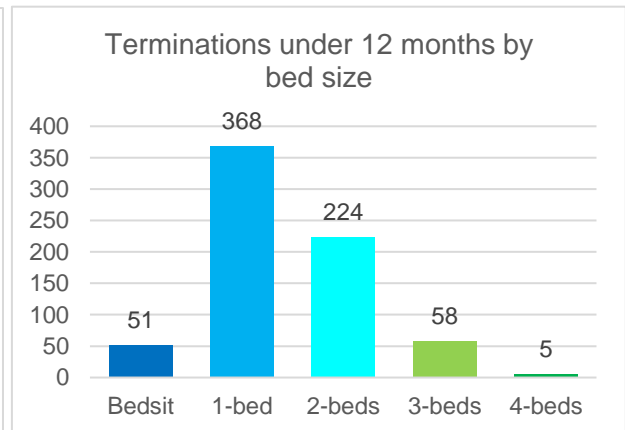
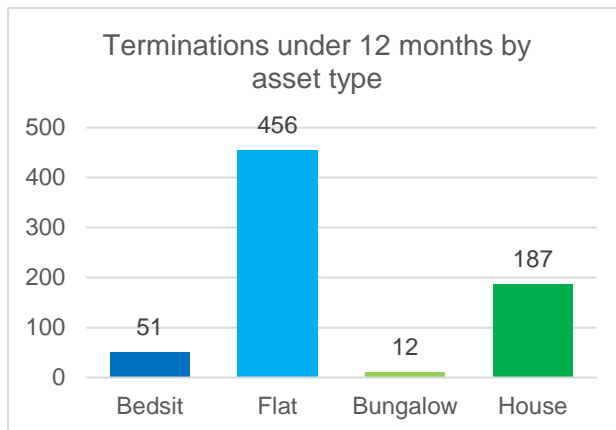
Unfortunately the data available does not include any information about the condition of the stock so we were unable to analyse any trends or correlations from a statistical point of view. However the results from the interviews clearly imply that quality of stock is linked to tenancy terminations and something that needs more attention.

It is worthwhile to mention the closest the data in relation to this is regarding 'poor repairs and maintenance from Accent' which accounts for 2.4% of the overall secondary reasons for terminations.

### d. 1-bed properties

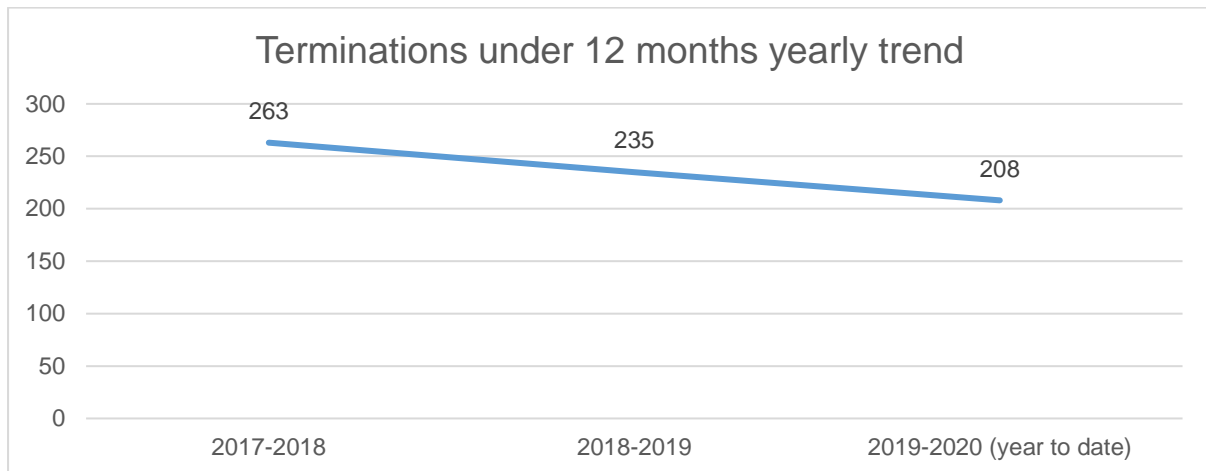
One of the most common reasons highlighted in the interviews was that 1-bed properties will always have a high turnover as customers use these properties as a 'stop gap' and often move on due to changes in personal circumstances.

The data analysis supports this as majority of terminations under 12 months are from customers who are single between the age range of 18-29 staying in 1-2 bed flats with the primary termination being 'moved in with family/friends'.



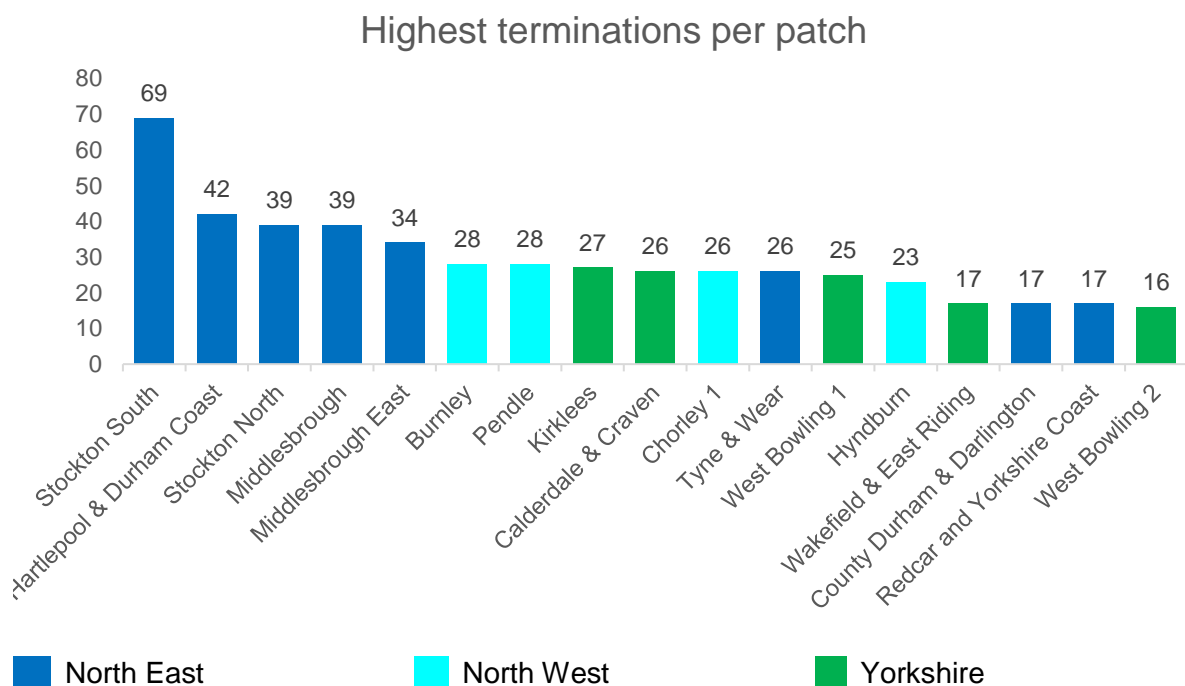
### 3.3 General Observations.

#### a. Yearly Trends



The above graph shows the number of terminations across 2017-18 to 2019-2020 (year to date). There is not enough information for 2019-2020 to accurately ascertain whether terminations are increasing or not; an updated set of data would assist in ascertaining a clear trend.

#### b. Terminations under 12 months by patch

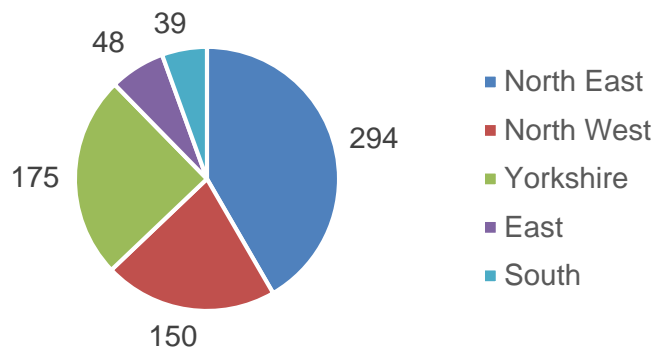


With the analysis NSG have been able to complete, it has been able to identify areas with the most number of terminations under 12 months across the regions. The above graph has been limited to show anything above 15 terminations but can be viewed in full [here](#).

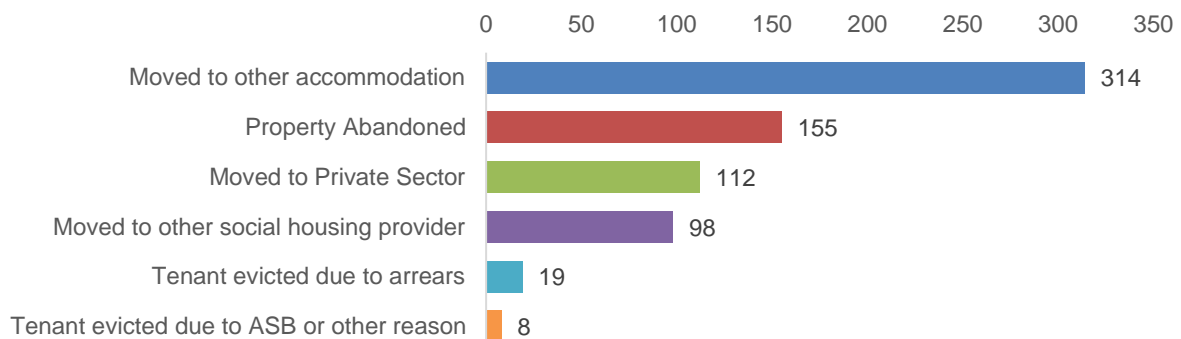
The interviews revealed that certain individual schemes (Oxbridge Park, Glamis Walk, The Martindales etc.) are contributing to the reasons for high turnover in certain patches, however this will require **additional** supporting analysis to determine whether there are any problems with quality of stock, crime, anti-social behaviour, quality of Accent services and quality of repairs services to understand at depth the challenges these areas face.

### 3.4 Overview

Regions	Total terminations under 12 months
North East	294
North West	150
Yorkshire	175
East	48
South	39
<b>Grand Total</b>	<b>706</b>



### Main Termination Reason



### 3.5 Staff interviews

Interviews with staff across the organisation revealed that in order to encourage long-term tenancies Accent offers support and help to new and existing customers in many ways, examples of which include:

#### Let's Move

An online housing applications system, based on affordability, eligibility and sustainability. The aim of matching applicants with suitable properties is to promote more successful and sustainable tenancies.

It was noted that prospective customers do not need to complete the online form in its entirety to apply for a property; and that much of the information is gathered manually in retrospect.

Customer Partners expressed a feeling that more stringent vetting of prospective tenants may help to provide a better profile as to what a prospective customer is looking for and how long they intend to stay in a property.

Let's Move automatically transitions to MyAccount when an applicant becomes a tenant, enabling new customers to manage their tenancies online.

Accent is the only housing association to have a system like Let's Move and has been nominated for 'Digital Innovator of the Year' at the 2020 UK Housing Awards.



## **Appliances Online**

Accent is trialling a scheme in the North West in conjunction with AO (Appliances Online) offering customers appliances at an affordable rent (£2 each item per week).

This offers customers a more affordable alternative to high-street hire purchase stores, reducing rent arrears and promoting more successful tenancies.

Accent hopes to roll this service out to all regions post COVID-19.

## **Customer Retention Strategy**

Accent compared its approach to customer retention with out of sector organisations.

This resulted in the Customer Retention Strategy, launched 2018, aimed at changing Accent's approach to tenancy terminations from passive to proactive.

At the present there is no customer retention team; it is hoped that relationships that staff and contractors build with customers throughout their tenancies will promote tenancy sustainability and customer retention.

It was noted that the Customer Retention Strategy is not embedded in Accent's other policies and procedures concerning tenancy terminations.

## **NSG site visit to Ripleyville, Bradford**

A housing association disposing of housing seems counterintuitive. However, when the housing no longer meets the demand of the local area, it becomes the only economically viable option.

NSG members visited Ripleyville to view the properties that were built in the 1970s, upgraded in 1990s and now, through lack of investment, need major works.

The NSG agree that the properties detract from Accent's image as a 'provider of quality homes' and suspect that there may be other properties which fall into this category.

## **Interviews with operational staff**

When customers give notice to end their tenancies via the Contact Centre, Customer Service Advisors work from a template to handle the call.

Customer Partners are notified but opportunities to reverse a customer's decision to leave are often lost as they are unable to intervene quickly enough.

It would be useful for the Contact Centre to have access to business performance information on tenancy termination reasons, as this could influence the way future training is delivered.

Homes Marketing Teams are responsible for all stages of new customers' experiences, from application to allocation.

Home Marketing Teams revealed that, in some markets, it is difficult to persuade applicants to consider an Accent property as private landlords offer similar quality properties, which include whitegoods and floor coverings for the same rent.

Historically, Accent's focus has been on filling vacant properties, thus resulting in customers being moved into accommodation that is not suitable for their long-term needs. More recently, attitudes to managing vacant properties have changed somewhat in this respect.

Accent does not impose fixed-term tenancies.

### **Customer Partner caseloads**

Customer Partners typically manage between 200 and 600 properties.

Customer Partners also expressed that they do not have enough time to take a proactive approach to tenancy terminations due to the large number of properties they are responsible for.

Anti-social behaviour (including drug-related issues, gang culture, alcoholism and domestic abuse) are contributing to the reasons why customers choose to end their tenancies. Accent expects to see a spike in terminations due to anti-social behaviour as the country emerges from lockdown.

### **Quality of stock**

Many of Accent's properties were built in the 1970/80s and include a large number of 1-bed flats which customers use as a 'stepping-stone' before moving to other areas. Customers often aspire to better properties or experience changes in personal circumstances.

Accent also offers Victorian terrace properties to families, but customers often find them too expensive to heat and they often have no gardens.

Analysis of the tenancy terminations data revealed that single people, and those living in 1-bed flat are most likely to terminate their tenancy within twelve months.

### **Marketing and advertising**

Several teams expressed that Accent does not promote itself and that rebranding may attract more customers.

## **4. Conclusions**

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Following the NSGs frank and confidential interviews with staff it was revealed that Accent has a very passionate and dedicated workforce. Staff want to provide the best possible service, but the quality of Accent's customer service is not necessarily matched by the quality of its stock.

Analysis of data pertaining to tenancy terminations and analysis of existing insight supported the findings from the staff interviews.

## 5. Recommendations

No.	Recommendation	Strategic Priority	Service Area Manager	Response	Timescale	Measures for success
1	<p>Evaluate condition of all stock, particularly:</p> <ul style="list-style-type: none"> <li>• older properties</li> <li>• properties with high turnover</li> <li>• properties which require constant maintenance</li> </ul> <p>Taking into consideration both internal and external environments, to determine whether it is economically viable.</p>	Affordable and secure homes	Tracey Jackson, Homes Manager	The condition of the stock has just been evaluated by Savills (a global real estate services provider). This review informed the new Repairs & Maintenance investment plans. The new plans are subject to Board approval.	31 Oct 2020	Investment plans are approved. Homes receive the investment they need.
				We will commission a stock condition survey, targeting homes where our data needs strengthening or we suspect the stock is underperforming. We will consult with regional teams to help us decide which stock this applies to.	31 Oct 2020	Quality of stock condition data improves. We can more easily identify which stock needs investment.
				We have combined data from a number of sources (using the Asset Performance Evaluation tool) to determine which stock requires investment. We will make timely decisions about when to invest in stock to make sure it delivers its potential.	31 Oct 2020	Homes receive the investment they need. We consider other options for stock which is not economically viable.
2	An enhanced property standard and reducing component lifecycles could have an impact on customers' inclination to stay in their homes.	Affordable and secure homes	Tracey Jackson, Homes Manager	We will review property standards to decide on existing, void and new-build property standards.	31 Mar 2021	Standards are applied consistently. Satisfaction with 'quality of home' increases.
				The new Repairs & Maintenance investment plans reduces kitchen and bathroom lifecycles by 5 years (to 20 and 30 respectively). The new plans are subject to Board approval.	31 Oct 2020	Investment plans are approved. Homes receive the investment they need. Satisfaction with 'quality of home' increases.

No.	Recommendation	Strategic Priority	Service Area Manager	Response	Timescale	Measures for success
3	More robust and mandatory questioning for prospective customers. This will make sure that customers are suitably housed and encourage long-term tenancies.	Service choice and innovation	Lisa Watson, ICT Business Partner	The Let's Move vision was clear – Only ask customers for what we need, when we need it. The application process should be simple and straightforward. Getting a new home shouldn't feel like an integration. Letting homes is a 'people' activity and we wanted to build a relationship with our new customers by asking just enough information to get a conversation started. However, the NSG spotted a potential opportunity for improvement and we have now made the personal detail questions mandatory. Customers seem to expect that this level of detail is required and we have received no negative feedback. This change will ensure our teams can spend more time getting to know the customer, rather than collecting missing data.	Already in place	Data quality and completeness for new and prospective customers improves. Less staff time spent retrospectively collecting data.
4	A more dynamic offering (for example; assistance with whitegoods, decorating vouchers, more visits from the Customer Partner) for individuals who fall in the categories of people most likely to move within 12 months (for example; young customers, single customers, those with no work or family commitments, or those expecting a change of personal circumstances).	Service choice and innovation	Shaun Finegan, Director of Customer Experience - North	We have implemented a risk approach to how we engage with new customers. Those where it is perceived may struggle early in the tenancy receive more frequent contact and greater support in order to reduce the risk of tenancy failing in first 12 months. This activity is also focussed on the schemes where that risk is greater.	31 Mar 2021	Fewer tenancy terminations under 12 months.
5	Offering fixed-term tenancies could help Accent recover some costs, particularly where there is a large turnover from short-term lets.	Ambitious and resilient business	Shaun Finegan, Director of Customer Experience - North	We will review during Q3 and feedback to the NSG in Q4.	31 Mar 2021	
6	Accent could benefit from marketing to make its services known in the wider community, helping to attract a wider cross-section of prospective customers. Consider rebranding and more consistency of branding.	Ambitious and resilient business	Stacey Healey, Brand & Communications Strategist	<b>Rebrand:</b> Accent is currently halfway through a rebrand project which is due to conclude at the end of the financial year. This means we can review not only our visual identity, but also how we work to increase our presence/profile in the areas we work.	31 Mar 2021	Greater awareness of the Accent brand among existing and prospective customers.

No.	Recommendation	Strategic Priority	Service Area Manager	Response	Timescale	Measures for success
				<b>Support Homes Marketing teams:</b> We will endeavour to support the Homes Marketing teams with engaging content and imagery and train teams to be able to market those 'hard to let' properties.	Already in place	Quality of online adverts improves. More expressions of interest in our properties.
				<b>Investing in digital marketing:</b> New project is now running to increase our presence online. Historically the organisation relied on old marketing techniques (roadside posters, leaflet drops, stalls in shopping centres, etc), and this would mean we didn't target our approach or find those people who really could benefit from our services. We operated a 'one size fits all' approach which was costly and largely ineffective. By investing in our digital profile/marketing, we are able to ensure we appear when people need us. We want to enable people who are looking online for properties to rent in one of our areas to be directed to Accent, and the search engine optimisation (SEO) and Google AdWords work we are currently developing will ensure we are visible when people need us.	Already in place	Improved online presence. More Let's Move registrations. Higher conversion rate of online enquiries to Let's Move registrations. Prospective customers are matched with suitable properties more quickly.
				<b>Partnership working:</b> To help raise our profile, we have begun on a piece of work which looks at our connections in the communities we work. We are analysing what's missing and where we then need to plug the gaps. Having a local presence from trusted support services in our communities will be of huge benefit to us, not only in supporting a customer, but in raising a positive profile.	31 Mar 2021	Greater awareness of the Accent brand among existing and prospective customers.
7	Access to business performance information for Contact Centre staff, which could include % customers retained as a result of their intervention. This could influence the way future training is delivered and serve as motivational tool.	Empowered and talented people	Paula Wilson, Director of Customer Contact	Training to be delivered to all operational staff including Contact Centre colleagues and Customer Partners which will include: the business benefits of customer retention, customer retention opportunities, how to use the CRM template to aid conversations, how and where to record data (forwarding addresses, termination reasons, balance on termination etc.) and recharges.	30 Nov 2021	Fewer customers terminate their tenancies for reasons which are within Accent's influence.

No.	Recommendation	Strategic Priority	Service Area Manager	Response	Timescale	Measures for success
8	Accent could benefit from better structured and timely exit interviews to understand the reasons for terminations before 12 months and ensuring that as much data is captured at this point.	Service choice an innovation	James Place, Income Strategist	We have completed a review of the terminations process and agreed an approach to improving the basics. This includes improving our retention conversations and data collection. We will introduce a Rant & Rave exit survey. We will combine our data with customer ratings to improve customer retention.	30 Nov 2021	Rant & Rave surveys implemented. Data quality improves. Fewer tenancy terminations.
				The pre-termination form has been updated to include information on where to recycle furniture and reminders about recharges. We will make sure that all Customer Partners use the same pre-termination form. Operational colleagues will benefit from training aimed at explaining the importance of the pre-termination visit and encouraging customers to comply.	30 Nov 2021	Data quality improves. Former customers recommend Accent as a landlord.
9	Work in partnership with local authorities and police to support ASB victims to prevent them terminating their tenancies for this reason. ASB cases to be followed up even after customers have terminated because it could affect other customers living on the scheme. Sensitive lets to be considered for properties that have been vacated due to ASB.	Service choice and innovation	Rob Mills. Director of Customer Experience - South	We have recently launched a new ASB policy and toolkit (available on the website and MyAccount), which includes working closely with third parties, including the Police and LAs. We will continue to deal with ASB after someone has left, if appropriate.	Already in place	Satisfaction with the handling of anti-social behaviour cases improves.
				Sensitive lets are considered, and we will look to allocate sensitively to mitigate the risk of repeat behavior. e.g. Oxbridge Park and Glamis Walk, in the North East, including 100% home visits.	Already in place	Fewer customers terminate their tenancy because they are victims or perpetrators of anti-social behaviour.
				A number of schemes have Local Lettings Plans (LLP) in place, allowing Accent to direct let in some cases, and ensuring a balanced community e.g. mix of household with/without children, age and employment status. Schemes with LLP include Yarwell Court (Kettering) and Windsor Court (Chobham).	Already in place	Local Lettings Plans are adhered to. More Local Letting Plans are introduced where they have proven effective. The demography of customers on Accent's schemes reflects the demography of the wider community.