

# Capturing better information on tenant satisfaction

Research report for the  
Scottish Housing Regulator

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# Executive Summary

Social landlords in Scotland are registered (in the case of RSLs) and regulated by the Scottish Housing Regulator (SHR), which amongst other activities collects performance information and inspects the services provided by landlords under its remit. The SHR has developed a risk-based approach to regulation based on the principles of proportionality and risk. The Scottish Parliament recently approved the Housing (Scotland) Act 2010, which sets out a new statutory framework for housing regulation. One element of the SHR's future role will be to monitor performance against the standards and outcomes set out in a new Scottish Social Housing Charter.

These developments mean that in future there is likely to be a greater need for all social landlords in Scotland to assess the views of their tenants and submit information to the SHR for consideration as part of their regulatory assessment. Ipsos MORI was asked to consider the role and design options for local surveys assessing tenant satisfaction and options for collecting tenant satisfaction information at a national level.

## **Local surveys of tenant opinion**

Currently, there is no obligation on social landlords in Scotland to regularly conduct research among their tenants, although the evidence is that most do. There was general support among stakeholders for landlords to be required to undertake regular tenant surveys. Standardised local surveys would fulfil two related but distinct roles: contributing to the SHR assessment of landlords' achievement of the Charter, and its subsequent regulatory assessment, and providing management information for the landlords themselves.

There was a general belief among stakeholders that landlords should be collecting information about tenants' perceptions of their performance and using it to improve services. The data could empower tenants, allowing them to compare their landlord's performance to other landlords and to demand improvements where needed.

A co-ordinated approach to tenant satisfaction surveys was seen as both desirable and our starting point was to consider the role of the local surveys in informing the SHR's regulatory assessment: what level and quality of data is required to contribute to SHR's assessment of whether a landlord is achieving the Charter.

The standardised approach used in England (STATUS) appears to have many of the features that would be required in a relatively simple, inexpensive approach, which would allow landlords to collect basic tenant opinion information. The most serious shortcoming of the English approach – the tendency for the information collected to have grown over time - can be avoided by retaining a clear focus on the key indicators needed for assessment of Charter achievement.

Our approach is based on the view that a standardised survey should set minimum requirements to be expected of all social landlords in Scotland (RSLs and local authorities). These should not entail disproportionate cost or effort for any individual landlord and, like the STATUS requirements, should be seen as a positive contribution to improving service and performance by any landlord wishing to improve performance.

In general terms, the stakeholders we consulted favoured a 'bottom-up' approach to a standardised survey, meaning that landlords had ownership and management of the survey using guidance supplied by SHR. On this basis we recommend:

- the minimum requirement should be a self-completion postal survey
- landlords should be allowed flexibility and should be encouraged to adopt more robust methods if that best meets their own needs.
- there must be a set of questions used by all landlords in a standardised survey. This can be a relatively short set of key indicators and certainly shorter than the 12-page STATUS questionnaire. We would recommend establishing a Question Bank specifying these questions.
- landlords with up to 1,500 units will need to send questionnaires to everyone so that the expected response rate of 40% will provide data for analysis that is accurate to  $\pm 5\%$ . Only 13% of landlords have more than 1,500 units and considering the time required to extract data and organise sampling, it is probably more cost-effective for landlords with up to 2,500 units to mail questionnaires to all tenants rather than sample. This suggests that only a few RSLs and most local authorities would need to sample.
- for regulation, a survey every two years seems frequent enough and leaves scope for landlords who wish it to increase the frequency.

## **A national survey of tenant opinion**

The purpose of a national survey would be to assess the key drivers of satisfaction with landlords and provide a better understanding of how different groups and types of tenants differ in terms of landlord satisfaction.

To provide comparisons at various levels, a national survey would be fully national in scope, have a sample size large enough to carry out the type of analysis outlined above and be conducted using data collection methods that do not systematically exclude significant parts of the tenant population and in a way where participation in the survey is not systematically biased.

On this basis, an interviewer administered face-to-face survey carried out in respondents' homes is the most appropriate data collection method for the national survey and given the relatively small number of additional questions required for benchmarking, this information could be cost-effectively collected using the Scottish Household Survey (SHS). The SHS would provide a two-year sample of around 5,000 social rented tenants.

An ad-hoc survey of social housing tenants of similar size to collect this information would be relatively straightforward to design but would cost substantially more than adding questions to the SHS. We estimate that the cost of an ad-hoc survey of social housing tenants, conducted face-to-face, using quota sampling and with a 30 minute interview would cost in the region of £250,000. Given the limited role of a national survey for the Housing Regulator's objectives, we could not recommend this as a cost-effective option.

# 1 Introduction and background

## 1.1 Introduction

There are almost 600,000 dwellings in Scotland owned by 26 local authorities and 166 Registered Social Landlords (RSLs) of varying sizes across the range of urban and rural areas. Currently, although many landlords consult with tenants in accordance with the statutory duty from the Scotland (Housing) Act 2001, there is no standard mechanism for capturing the experiences and views of social housing tenants across Scotland.

Social landlords in Scotland are registered (in the case of RSLs) and regulated by the Scottish Housing Regulator (SHR). SHR has a risk-based approach to regulation. It no longer carries out cyclical inspections of RSLs, but rather uses a wide range of information to conduct regulatory assessments and then categorises the engagement it wants to have with each organisation. SHR completed its baseline inspections of local authorities in 2010/11 and shifted the emphasis towards validation of self evaluation by landlords. Its future work with local authorities is directed through a shared risk assessment with other scrutiny bodies.

In addition to its current regulatory requirements, the SHR will become responsible for monitoring performance against the standards and objectives of a new Housing Charter to be introduced by the 2010 Housing (Scotland) Act.

These developments mean that, in future, there is likely to be a need for all social landlords in Scotland to assess the views of their tenants and submit information to the SHR for consideration as part of their regulatory assessment. Ipsos MORI has undertaken this study to recommend the most effective approach to achieving this goal. This report sets out the findings from the study and outlines recommendations for the most effective approach across all social landlords in Scotland.

## 1.2 Background

Since the 1980s, both central and local government have pursued a public service reform agenda that aims to make services more effective, efficient and sensitive to the needs of users. Central to this agenda is the focus on customer experience and satisfaction, to enable policy makers to better align service delivery and customer expectations.

The roots of these developments can be traced back to the introduction of various 'Charter' initiatives in the 1980s by local and central government. The issue of standardising tenant satisfaction surveys in Scotland dates back to the early 1980s when researchers working for various LARIA member councils made some progress in developing a 'question bank' from which landlords could draw for conducting tenant surveys. During the 1990s increasing numbers of social housing landlords in Scotland conducted regular surveys among their tenants and various attempts at standardising approaches were made. These included the publication of a suite of standardised question modules and a resource pack for Registered Social Landlords (RSLs) in 1998.<sup>1</sup>

The last significant study to consider approaches to tenant satisfaction measurement was conducted in 2002 for Communities Scotland.<sup>2</sup> After reviewing the methods used by landlords to assess tenant satisfaction, this study considered theoretical approaches to assessing tenants' views and made recommendations. The conclusions of the study were broadly that a common approach was desirable but that landlords needed to retain flexibility in terms of how surveys might be carried out. The conclusions from this earlier work on harmonising questions and standardised surveys are still relevant and are drawn upon in producing this current report.

There is currently no standard approach to measuring satisfaction among social landlords in Scotland. This reflects a traditional approach to the public sector in Scotland not to prescribe how and when service providers measure customer satisfaction with public services. The English monitoring arrangements are substantially different, with a longstanding obligation that landlords measure and report on tenant satisfaction using tightly specified standard survey instruments. The approaches used in England are discussed more fully later.

There are signs of commitment to coordinated approaches in measuring customer satisfaction emerging across the public sector in Scotland. One of the Scottish Government's 15 national outcomes is for all public services to be "high quality, continually improving and responsive to local people's needs."<sup>3</sup> Looking across public services, the intention for this commitment to take root is clear. The Crerar Review of regulation, audit and inspection emphasised the need for more public engagement in

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<sup>1</sup> ODS Ltd (1998) Assessing tenant satisfaction – resource pack. Scottish Homes and SFHA

<sup>2</sup> Hope, S., Littlewood, M. and Greave, K (2002) Methodologies for obtaining customers' views of service quality, Communities Scotland.

<sup>3</sup> <http://www.scotland.gov.uk/About/scotPerforms/outcomes/government>

scrutiny, while the Accounts Commission has stated that the second round of local government Best Value audits “will have a stronger focus on the way councils assess and respond to the views of the people who use their services, and of local citizens generally.”<sup>4</sup>

The Improvement Service has also recently reviewed how local authorities in Scotland collect and respond to the views of customers. A joint report from the Improvement Service and Consumer Focus Scotland, published in 2008, considered the need and appetite among local authorities for a common approach to customer satisfaction measurement. The report showed that a range of research methods, of variable quality, were being used by local authorities and concluded that more coordinated approaches should be adopted.<sup>5</sup> Since then the Improvement Service has developed a Customer Satisfaction Measurement Tool consisting of a Question Bank and a User Guide to assist local authorities in assessing customer views with different services.<sup>6</sup>

Although there is currently no obligation on social landlords to conduct a survey of their tenants there are a number of regulatory requirements that suggest that customers’ views should be sought either directly about performance or about service priorities. For example, the Publication of Information (Standards of Performance) Direction 2008 provided to local authorities by the Accounts Commission outlines a series of performance measures that local authorities are expected to provide. A number of these measures relate to housing services and the Direction indicates that in determining the information to be reported, authorities should consider, among other things, service users’ views.

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<sup>4</sup> Audit Scotland (2009) Best Value 2: Proposals for consultation, Edinburgh [http://www.audit-scotland.gov.uk/BV2/docs/bv\\_090331\\_bv2\\_consultation\\_summary.pdf](http://www.audit-scotland.gov.uk/BV2/docs/bv_090331_bv2_consultation_summary.pdf)

<sup>5</sup> Improvement Service and Consumer Focus Scotland (2008) Improving the understanding of customer satisfaction and experience in Scottish local government: Towards a collaborative and common approach Edinburgh: The Improvement Service

<sup>6</sup> <http://www.improvementservice.org.uk/news-2009/august-2009/customer-satisfaction-question-bank-pilot-to-begin/>

The Scottish Housing Regulator conducts an annual regulatory assessment of all RSLs based on annual information returns. These returns are based on over 50 performance standards used to identify whether an RSL needs a high, medium or low level of engagement from the regulator. On the performance standard GS3.4 Performance reporting one of the questions on the self-assessment form is:

**Do we report to service users on:**

- Performance against key objectives / targets?
- User and stakeholder satisfaction?
- Costs / efficiency / value for money of services?
- Proposed improvements and targets for performance improvement?

So providing information about whether the RSL reports on user/stakeholder satisfaction is part of the self assessment on performance reporting that contributes to the annual return. However, self assessment is designed to be a tool for RSLs to use to monitor their own performance, rather than a statutory instrument. In this respect, the language of the guidance is non-directional. For example, it states:

**You may wish to ask the following self-assessment questions about your reporting of performance to stakeholders. (our emphasis)**

It is feasible, then, that RSLs could provide information that provides evidence of tenant feedback and reporting mechanisms and demonstrates tenant participation in decision-making without undertaking a tenant satisfaction survey. However, the need to explain the absence of a survey in the past three years in APSR indicates a strong expectation that a survey will have been carried out.

The evidence from the Communities Scotland review from 2002 was that almost all responding RSLs and local authorities used general satisfaction surveys to obtain tenants' views of service quality, with a mean frequency of two years.<sup>7</sup> Information from landlords' APSR returns<sup>8</sup> showed that in the previous year 117 RSLs had carried out a survey of their tenants. Finally, a small survey of its members conducted by the Scottish Federation of Housing Associations (SFHA) in 2009 showed that almost all had conducted a survey of tenants within the previous four years.

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<sup>7</sup> Hope, Littlewood and Greaves (2002) op cit

<sup>8</sup> Referenced in the project specification

There is no central source of information on whether local authorities have conducted surveys of their tenants. Although the 2002 research found that all responding councils had conducted a survey, internet searches of individual councils looking for evidence of recent activity paints a patchier picture with tenant surveys identified for 16 of the 26 councils with housing stock all but three of which had been conducted since 2007. This suggests that even though they are not formally compelled to undertake them, tenant surveys are standard practice among landlords in Scotland.

Until recently,<sup>9</sup> practice in England contrasted with Scotland in many respects. First, both local authorities and RSLs were required to provide tenant satisfaction data so that official data on satisfaction ratings can be produced to enable comparisons between landlords. RSLs were required to collect and submit three (or five depending on the nature of the RSL) tenant satisfaction statistics as part of their annual Regulatory and Statistical Returns to the Tenant Services Authority (TSA) every three years. This data had to be collected using the Standardised Tenant Satisfaction Survey (STATUS) model launched in 2000 (and reviewed in 2008). Local authorities were also required to use STATUS, undertaking surveys every two years using a postal self-completion survey.

Because of the requirement to provide the data, STATUS became largely embedded as part of the service improvement agenda, although there were a number of criticisms of the approach which are discussed in more detail in section 3.2 where we consider the applicability of the STATUS approach to Scotland.

It is against this background and these developments that we approached this study and our findings and recommendations aim to reflect them.

### 1.3 The social housing sector in Scotland

Of the 589,550 dwellings in the social rented sector in Scotland over half (54%) are owned by councils, with 46% by RSLs. Twenty six local authorities in Scotland still own housing stock for rent, giving an average stock of over 12,000 per landlord council.<sup>10</sup> This ranges from just 796 dwellings in Orkney to 37,751 in North Lanarkshire.

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<sup>9</sup> The STATUS survey was listed among savings to be introduced by Communities and Local Government with effect from 1 January 2011.

<sup>10</sup> Housing Statistics for Scotland: public sector housing stock accessed at <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/StockPublicSector> . Figures relate to 2008 for comparison with 2007/08 data from RSL stock.

The other six councils, most significantly Glasgow City, have undergone full stock transfers in recent years with their stock now part of the RSL sector.<sup>11</sup> This sector contains 166 landlords, managing around 269,398 self-contained units, making the average number of units owned by RSLs 1,633, although this figure is heavily skewed by the Glasgow Housing Association (GHA) which has 69,738 units accounting for 26% of all RSL properties in Scotland. Without the GHA, the average number of units is just 1,100 – less than a tenth of the average council stock.

These basic statistics illustrate the diversity of housing providers and raise a question, which we need to try to resolve in survey design terms later, of how much standardisation there can be among landlords of such varying size (without considering questions of stock distribution, area types and the different stock conditions and tenant demographics involved).

The diversity of social landlords is particularly apparent among RSLs. GHA was mentioned above because its size skews the picture of the 'average' RSL but the full range of landlords also shows significant diversity (Figure 1). The median number of RSL units is around 750 and as Figure 1 illustrates, about three-quarters of RSLs fall within a range of 500 to 1,500 units. Only 10 RSLs have fewer than 100 self-contained units.<sup>12</sup> When share-ownership units are included in the counts, there are only 7 RSLs with fewer than 100 units.

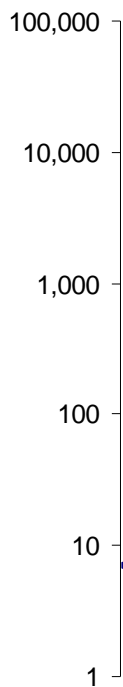
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<sup>11</sup> Scottish Housing Regulator (2008) *Scottish Registered Social Landlord Statistics 2007/08*, Glasgow, SHR

<sup>12</sup> This excludes Blue Triangle housing association which has no self-contained units.

### Figure 1: Size distribution of RSLs in Scotland

Number of self-contained units - logarithmic scale



Nearly three quarters (73%) of RSLs own properties in only one council area. 17% own properties in 2 to 5 areas, 4% in 6 to 10 areas, and 2% in 11 to 15 areas. 4% (i.e. six) RSLs manage properties in 20 or more council areas.

## 1.4 Study objectives

There were four clear objectives identified by SHR for this study:

1. to review existing approaches to measuring tenant satisfaction in other parts of the UK.
2. to consider the costs and design options for a national survey of social housing tenants in Scotland
3. to set out the design options for a standard survey to be used by social housing landlords in Scotland
4. to suggest a set of standard questions to be included in landlord surveys.

## 1.5 How the study was conducted

The findings and recommendations outlined in this report have been reached through a combination of desk-based research, a series of in-depth interviews with relevant stakeholders and the application of our professional judgement, gained through

considerable experience of conducting research studies of all sizes, using all methodologies, including in the social housing sector and among social housing tenants.

The desk-based research included detailed analysis of existing models of coordinated customer satisfaction feedback, including models applied in the National Health Service and the STATUS model applied to the social housing sector in England. These have provided a useful frame of reference to contextualise the findings and recommendations for this study.

We also conducted in-depth interviews with a series of relevant stakeholders to gauge their views on the need for a standardised approach across the sector, how this would best work and their reactions to other models. Interviews were conducted with representatives of:

- The Scottish Housing Best Value Network
- The Scottish Federation of Housing Associations
- Consumer Focus Scotland
- The Improvement Service
- The Scottish Government
- CoSLA
- Registered Tenants Organisations
- Three Housing Associations.

As well as learning from other approaches and gauging the views of key stakeholders, we have applied our professional experience and judgements when recommending the most appropriate future developments. Our team comprised the main authors of the 2002 report on Methodologies for Assessing Customer Satisfaction for Communities Scotland, current and former managers of all of the largest Scottish surveys and researchers with considerable experience of conducting studies among social housing tenants and on social housing issues. Team members also had considerable experience of working with scrutiny bodies and had an appreciation of the issues facing the public sector scrutiny landscape in Scotland in the post Crerar review environment.

## 1.6 Principles guiding the study

When preparing the recommendations for this report we have set a number of principles against which to test ideas for the future. These are that:

- data collected must be **robust, reliable and of high quality**. Any standardised approaches would be counter-productive if there was no confidence in the data
- data collected must be **fit for purpose**, meaning that the SHR can use it in compiling regulatory assessments for all social landlords and reporting on the Scottish Housing Charter
- data collection should be **restricted to its purpose** – it need to be no more reliable or robust than its purpose requires
- we must ensure we reflect **the views of stakeholders** in our recommendations and be clear where any recommendations are at odds with stakeholder views
- our recommendations **must not be prohibitively expensive**. We are aware of the budget restraints on the public sector in Scotland which are likely to become more severe in the coming years. Cost should not be a barrier to progressing towards standard approaches
- similarly, our recommendations **should not place a heavy burden on social landlords**. We are familiar with the post-Crerar scrutiny landscape in Scotland and the drive to make scrutiny more risk-based and proportionate, easing the burden on those delivering public services
- any new proposals must **minimise disruption** on landlords who are already currently conducting robust assessments of tenant satisfaction.

## 1.7 Structure of the report

The remainder of this report consists of two sections. The first outlines the options for a standardised survey administered by landlords across Scotland, commenting on all aspects of survey design including questionnaire development. The second considers the role and options for a national survey of social housing tenants, including its feasibility, potential cost, sample size and research design. At each stage we outline the views of the national stakeholder organisations who participated in this study, reflect on alternative models for standardisation and outline our recommendations for the social housing sector in Scotland.

## 2 Local surveys of tenant opinion

### 2.1 Introduction

Local surveys of tenant opinion would fulfil two related but distinct roles: contributing to SHR's assessment of each landlord's progress towards achieving the outcomes set by the Charter; and providing important management information for the landlords themselves.

Of course, landlords, most notably the GHA and the other larger local authorities should expect their performance to be scrutinised and compared directly with national benchmarks and other landlords. However, any pressure this might create is largely absent from Scotland at the moment. First, because satisfaction is generally reported as the sum of the 'very' and 'fairly' satisfied and this almost always leads to impressively high scores.<sup>13</sup> Second, the results achieved by different landlords are rarely brought together for comparison. It is only relatively recently that the SHR statistical returns have asked landlords for details of their survey methods and satisfaction scores.<sup>14</sup> Third, there is no reliable benchmark to show what is normal or, indeed, good.

Landlords' own use of tenant satisfaction data has also been widely discussed and while this has some implications for the design of local surveys, our starting point is to consider the role of the local surveys in informing the SHR's regulatory assessment, including the level and quality of data that is required to assess whether a landlord is meeting the Charter. The first aspect of the survey data is that it does not carry the whole burden of regulatory assessment. The SHR's regulatory assessment will be arrived at by reviewing a range of performance information, including the ASPR, annual accounts and financial projections and other regulatory evidence. A single indicator might signal a particular management weakness or organisational failing that needs to be addressed but it seems unlikely that any single indicator would carry sufficient weight that a poor performance on that would overturn a positive assessment on all

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<sup>13</sup> The meaning of the 'fairly' option has been discussed at length in the methodological literature and the discussion summarised in the 2002 Communities Scotland research.

<sup>14</sup> In the 2009/10 returns landlords were asked, in addition to whether they had carried out a tenant survey in the past three years, how many and what percentage of tenants were asked and responded and what percentage of tenants said they were satisfied with the service they provide.

others. In terms of the overall risk profile of a landlord, any single indicator can, therefore, only confirm the picture being painted by the broad range of indicators.

This leads us to consider how good indicators need to be to fulfil their role as risk factors. In particular, given the various methods for conducting surveys of tenants, their relative merits in terms of population coverage, response rates etc and the variations in cost of conducting surveys in various ways, what should be expected from landlords? What approach to the measurement of tenant satisfaction would meet the needs of the SHR and what burden would this impose on the average landlord?

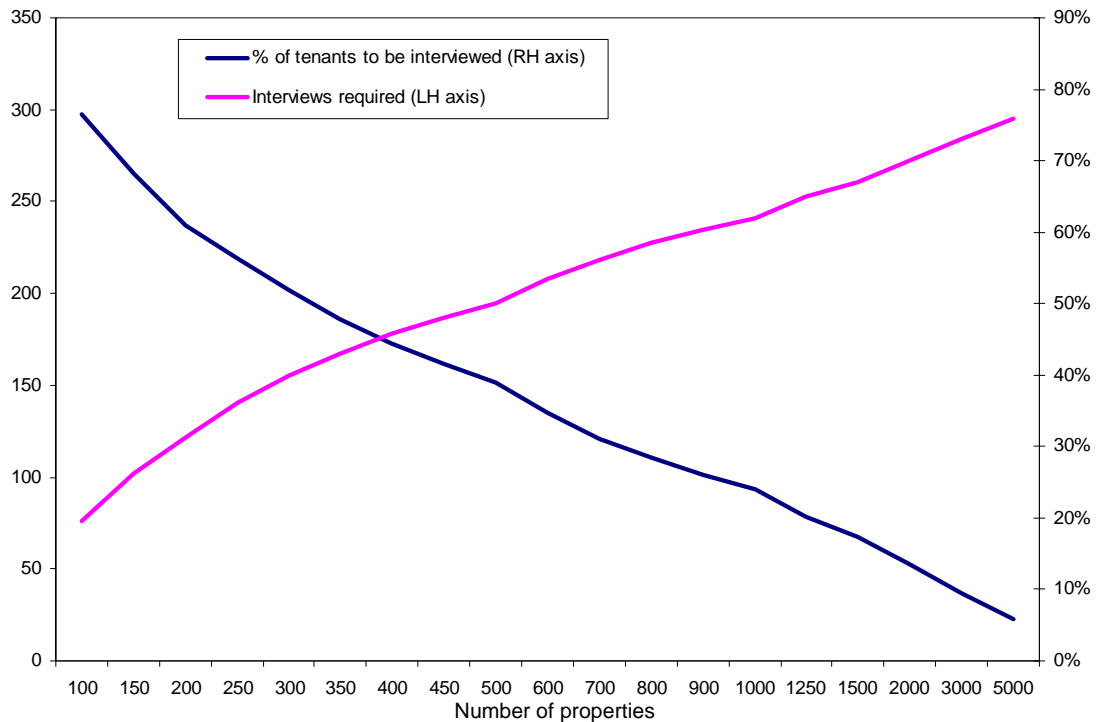
Considered from a survey methodologist's perspective, the most reliable and precise assessment of risk will come from the most representative and reliable data. This would mean commissioning a face-to-face survey of a large, random sample of tenants and achieving a high response rate. To illustrate the impact of this on landlords, Figure 2 shows the number of interviews that would be needed from landlords of varying size to provide data accurate to  $\pm 5\%$  for a response given by 70% of respondents (the percentage who typically say they are very or fairly satisfied with their landlord). Small landlords, with say 200 properties would need to conduct 122 interviews at 61% of all dwellings. Large landlords would need to interview at a much smaller proportion of their properties to achieve the same level of precision. A typical RSL, with 800 properties would need to interview 456 tenants at 28% of their properties.

For the sake of comparison, if we assume that the cost per interview of this type of face-to-face survey were the same (and let's say it is about £30 per interview) then the organisational burden (the total cost spread over all tenants) of a survey of this type sits more heavily on the smaller landlord who pays £18.28 per property for the survey whereas the typical landlord pays just £8.53 per property. The largest landlords, those with 3,000 properties would pay on £2.84 per tenant for a survey providing this level of precision while the GHA, with its 69,000 properties would pay just 14p for each.

Even if the expectation of high levels of precision did not impose a disproportionate burden on smaller landlords, the practicalities of survey research mean that the target of  $\pm 5\%$  would be unattainable for the smallest landlords. Our landlord with 200 properties could expect to achieve 114 interviews, assuming 5% vacancy and a 60%

response rate.<sup>15</sup> Indeed, only landlords with more than 400 properties could be comfortable conducting less than a full census of their tenants to achieve this target.

**Figure 2: Number of interviews and percentage of tenants to be interviewed to achieve data providing  $\pm 5\%$  precision for a 70% estimate**



A more equitable burden, and a better balance between burden and survey precision, would be obtained by allowing smaller landlords to collect data using cheaper methods, provided response rates and data quality were still able to provide some assurance that the data made a useful contribution to the regulatory assessment. The alternative is to reduce the burden on small landlords by subsidising or carrying the cost of collecting data on their behalf.

Allowing a mix of methods to be used would bring some risks:

- differences in sampling frame coverage means that telephone surveys will not cover the whole population and may not be feasible at all unless landlords have landline and mobile telephone for almost all tenants.
- lower response rates to telephone and postal surveys increase the risk of non-response bias

<sup>15</sup> The consortium for the SHS achieves an average response rate of around 60% at households in neighbourhoods characterised by social rented housing.

- differential response rates – the tendency for particular modes to improve the response among particular sub-groups – can accentuate general problems of non-response bias.

However, these need to be kept in some perspective. The potential for bias might be greater with a postal survey that achieves a 40% response than a face-to-face survey achieving 60% response but that does not mean that the postal survey is inherently unreliable. This is particularly the case in the context of a regulatory assessment where the data will sit alongside a range of indicators. The risk, in terms of how the SHR judges performance, that even a grossly biased postal survey would lead to a different decision on how the SHR should engage with the landlord, must be slight. That survey would still need to confirm and be confirmed by indications of poor performance from a number of other indicators.

The third alternative would be to maintain consistency in data collection by basing this on the least expensive forms of data collection – postal surveys. This would have the consequence of elevating the goal of consistency above the goal of data quality and precision. Alternatively, SHR could set a postal survey as a minimum standard that would be expected of every landlord while also making it clear that the minimal survey might (depending on what evidence of other tenant engagement activities being undertaken is available) be seen as an inadequate response to the goals of engaging with tenants for all but the smallest landlords.

### 2.1.1 Compulsion and comparability

Currently, there is no obligation on social landlords in Scotland to regularly conduct research among their tenants, although the evidence outlined above suggests that most do. There was some support for landlords to be required to undertake regular tenant surveys, with more discussion around the balance between landlords and the SHR in terms of centralisation of design and implementation. This was examined by presenting two models of how performance data might be collected, both drawn from the NHS, and asking which they thought would provide the better model for social landlords.

There was a general belief, stated more strongly by some stakeholders than others, that landlords should be collecting information about tenants' perceptions of their performance and using it to improve services. Indeed, given the general conformity with the regulatory expectation that a survey should be done, the issue is less about

the need for compulsion to ensure surveys are carried out than having them conducted well and having the results fed into decision making and service delivery.

**I don't feel if there's a requirement that it would have any real impact, because every landlord in town is doing it. I think the issue is just how sophisticated the approach is...**

**I think it should be compulsory. It's vital. It really is vital, it's no good somebody can get a triple 'A' rating from the housing regulator and they haven't spoken to their tenants.**

**They do it because they feel pressure to produce that kind of information. ... you don't often see examples of housing associations or local authorities saying, "you told us that our repair system was poor so we changed our repair system"**

However, an important concern expressed in the stakeholder interviews was the limited comparability of the data collected in these surveys, due largely to a perception that the surveys varied in significant respects:

- in the degree of rigour in the survey approach used, especially if landlords were using satisfaction slips / postcards for service satisfaction in repairs or newsletter inserts for gauging tenant satisfaction
- in the frequency with which the research is conducted – some landlords were cited as conducting surveys at five-year intervals, which was considered too long
- in the lack of consistency of questions asked across different landlords.

It's not clear from the discussions how much these were real difficulties – that data couldn't be compared or was genuinely of inadequate quality to properly judge real service quality and how much it was a problem of making comparisons that landlords would accept reflected real differences in performance, with relatively minor methodological differences providing a 'escape route' from comparisons of performance.

Stakeholders interviewed were keen to raise these concerns:

**it's that incomparability of the actual questions that's asked. So we say what was your last level of overall satisfaction, but again that doesn't, if you analyzed how authorities had asked the question, there would probably be quite significant differences in there because there is no standardized way of asking the question.**

Given the relatively small pool of contractors conducting these surveys, the widespread availability of sample and standard questionnaires and the similarity of the topics that

are asked about in tenant surveys, it seems likely that many of the key questions about tenant satisfaction with housing services will be broadly comparable albeit with differences in wording or different response options. Nevertheless there was a common view that these concerns could be easily remedied by the development and promotion of a set of standard questions that were rigidly adhered to. There was a fair degree of certainty about the need for rigidity about the questions...

**I think this is probably what we would recommend that the core ones should be rigid and not tweaked**

... although with a degree of flexibility about methods, recognising that both organisational preferences and different topics might require different approaches.

**I think probably the best way of doing it, if there is one is not to allow flexibility on the questions asked. ... but the way that's actually delivered ... some people like the clipboard survey ... Things like tenants satisfaction survey and residents is probably a little bit more suited to a postal one.**

Previous attempts to establish truly harmonised questions, started by the Scottish Housing Best Value Network, were suspended while Consumer Focus Scotland and The Improvement Service were undertaking work to develop a suite of harmonised questions for local government.<sup>16</sup> Now, SBVHN is likely to recommend landlords use STATUS. The Housemark benchmarking service is also available to social landlords in Scotland provided they have followed the STATUS methodology.<sup>17</sup>

### 2.1.2 A co-ordinated approach

The main interest of this study is how a local survey would be used by the SHR in judging the performance of landlords as part of a regulatory assessment exercise but stakeholders suggested that the local survey should have two other uses. First, many advocated landlords using survey data to drive improvement in service delivery as part of a self-improvement agenda.

**It ought in the long run, to yield some sort of benefit in terms of both informing the regulator but also informing the Board or councillors, depending on the organisation, just how well their organisation is doing and what people think of it.**

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<sup>16</sup> This has now been published and can be found at <http://www.improvementservice.org.uk/news-2010/june-2010/scottish-councils-pioneer-national-customer-satisfaction-standard/>

<sup>17</sup> <http://www.housemark.co.uk/hm.nsf/0/2B8B1106CC51DBB380257568003DE533?opendocument>

**I think what they should do is to inform how they improve services to identify weaknesses in what they're doing and use that information to focus on those areas and find out what was going wrong.**

Secondly, the data could also empower tenants, allowing them to compare their landlord's performance to other landlords and to demand improvements where needed. Stakeholders felt that the public reporting of data, mirroring England where STATUS data for RSLs is published on the TSA website, would allow tenants to make more informed judgements about the service they receive and question their landlord where they are receiving lower scores than others.

**[It would allow the tenants to] know what [they're] getting in terms of customer satisfaction is actually equivalent to others or not and, if it is really low, [They] ought to be able to challenge that.**

Having accepted that a coordinated approach to tenant satisfaction surveys is both desirable and desired (by stakeholders), the question is how should it be implemented, how prescriptive should it be and to what extent should it draw on existing models? We set out our recommendations in the sections below. We start by looking at other possible models before outlining an overview of our approach and looking at individual survey design elements.

## 2.2 Learning from other models

### 2.2.1 The STATUS model

The STATUS survey was introduced in England in 2000, and is now an accepted part of the ongoing monitoring used by regulators, landlords and tenants.<sup>18</sup> The guidance underpinning STATUS requires all social landlords with stock of 1,000 units or more to undertake a regular survey of their tenants using a standard questionnaire for the purposes of generating officially validated satisfaction ratings. However, the regime for housing associations and Councils/ALMOs differs.

Housing associations are required to:

- report three statistics to the TSA as part of their annual RSRs - these allow comparison between housing associations on these key performance indicators,

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<sup>18</sup> However, STATUS has been scrapped for local authorities as part of the Government's savings in 2011.

while the publication of this data on the TSA's website provides accountability and transparency to tenants who can compare the performance of landlords

- collect the data following very strict guidelines (outlined below), using the prescribed STATUS questionnaire (outlined below) and associated fieldwork methods – it was originally prescribed as a postal survey but this has since been relaxed in the RSL sector and many landlords carry out telephone and face-to-face surveys
- carry out the survey every three years
- include 'don't know/no opinion' response in submitting their performance indicators.

By comparison, local authorities are required to:

- submit their raw data to the Audit Commission for central analysis and publication
- collect the data using the prescribed STATUS but they must do so using a postal approach
- conduct the survey with general needs housing tenants only
- carry out the survey every two years and conduct fieldwork within a specified time period
- submit their performance indicators without including 'don't know/no opinion' responses

The guidance recommends that any landlord with a stock of 2,000 or fewer should survey their entire tenanted stock. The guidance notes:

**The general rule is that the smaller the stock size, the higher the percentage of returned questionnaires required so a census is more likely to be needed. As an indicator, local authorities with stock of 1,500 will require a census, while those with stock up to 2,000 are also likely to need a census to ensure that they receive enough surveys returned.<sup>19</sup>**

Landlords should base sampling on a margin of error at the 95% confidence level of  $\pm 4\%$  for the total stock. This would mean that when reporting on a result of 50% satisfied, that we can be 95% confident that the 'true' answer which would have been obtained from asking all tenants would fall between 46% and 54%. If they decide to do

analysis on any sub-groups, these should be calculated separately with a margin of error of  $\pm 10\%$  or better.

The guidance for both RSLs and local authorities provides a table indicating the sample needed to achieve the 95% confidence level and  $\pm 4\%$  margin of error, the mailing size if a response rate of **40% is assumed**. For Local authorities, The LGPF National Indicator 160 specifies that a minimum of **625 responses** should be received for reporting on STATUS survey results, and the response rate required for that mailing size if 625 returns is to be reached.<sup>20</sup> It is difficult to reconcile the requirement of  $\pm 4\%$ , which needs between 429 and 566 responses depending on landlord size with the expectation of a sample of 625 responses since this is between 150-200 more than required and it has the rather perverse consequence of seeking the highest response rates from the smallest landlords.

Units	Sample needed (95%, +/-4%)	Mailing size (if 40% response rate (RR))	RR for 625
1500	429	1073	58.3%
2000	462	1153	54.1%
2500	484	1210	51.7%
3000	500	1250	50.0%
4000	522	1305	47.9%
5000	536	1340	46.6%
6000	546	1365	45.8%
7000	553	1383	45.2%
8000	558	1395	44.8%
9000	563	1408	44.4%
10000	566	1415	44.2%

The guidance also provides details of how to check the representativeness of the achieved sample by comparing it to the profile of the landlord's tenanted stock (not the personal characteristics of tenants). Any discrepancies should be corrected for using weighting and the guidance outlines how this should be carried out.

The questionnaire is standardised and landlords must use the questionnaire provided but do have the option of adding some of their own questions at the end of appropriate sections or at the very end of the standard questionnaire. All RSLs are required to report on three indicators to the TSA:

- percentage of tenants satisfied with overall services

<sup>19</sup> National Housing Federation (2008) Carrying Out STATUS for LAs and ALMOs: Short Guidance, [http://www.housing.org.uk/Uploads/File/PolicyBriefings/LA-ALMO\\_guidance.pdf](http://www.housing.org.uk/Uploads/File/PolicyBriefings/LA-ALMO_guidance.pdf)

<sup>20</sup> NHF (2008)

- percentage satisfied with repairs and maintenance services
- percentage satisfied that their views are taken into account.

In addition, where relevant, RSLs are required to report on two indicators related to shared ownership and leaseholder satisfaction:

- percentage satisfied with services provided by the RSL
- percentage satisfied with the sales process when buying their current home.

Versions of the questionnaire for RSLs and local authorities are largely the same with only a few differences. There is only one version of the questionnaire for LAs – for general needs tenants – but the survey for RSLs has grown to the extent that there are now four versions for different types of tenant:

- general needs tenants
- tenants in sheltered housing
- home owners (in properties where the landlord has a management/factoring role)
- tenants in supported housing.

This expansion of STATUS – from surveys of general needs tenants to multiple surveys addressed to specific sub-groups, as well expansion in terms of the range of questions now included in the survey – is one of a number of criticisms of the approach. A recent review of STATUS conducted by Housemark<sup>21</sup> concluded that:

- the questionnaire is too complex, borne out of trying to use it for too many purposes, including informing policy
- as the survey methodology for RSLs is not tightly prescribed, many use different methodologies which is likely to affect the comparability of the data
- the necessity to carry out a survey every three years, but with no guidance to do so within a specific timeframe, means that comparisons might be made using data that is up to three years apart.

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<sup>21</sup> Lupton, M., Fraser, R. and Green, H. (2009) *Driving up Performance: Producing effective local information* Coventry: Housemark

Many of these criticisms are consistent with a more recent review of STATUS by Ipsos MORI and Heriot-Watt University.<sup>22</sup> The review concluded that, while it has served the sector well – it has intrinsic managerial value for social landlords, particularly in terms of facilitating benchmarking and setting managerial priorities for improvement – there were a number of criticisms of the approach:

- the questionnaire is too long considering that only three key indicators from it are reported to the TSA
- some of the information captured using the prescribed questionnaire is of only “ephemeral interest” and not used by landlords
- some of the questions are poorly phrased
- some landlords felt that the stark reporting of a limited number of performance indicators from STATUS fails to take into account local contextual factors which may impact on tenant satisfaction, such as the demographic of the local area or the condition of the stock.

If it adopted a STATUS approach, many of these criticisms could be avoided by SHR by maintaining a simple core of questions needed for regulatory assessment and leaving it to individual landlords how much additional information, and what type of additional information they want to collect alongside the core. Perhaps of greater relevance in terms of informing our recommendations, the review of the most recent cohort of STATUS surveys also highlighted limitations about the extent to which the approach can yield robust and comparable data. First, while there is a perception that the guidance is very strict, the review found that, it “allows considerable leeway” to adapt the approach. In practice, most housing associations adapt the STATUS model to some extent and sometimes, “resemblance to the standard framework is limited to just a few STATUS questions included in ‘continuous’ or annual surveys”. Similarly, the guidance specifies that landlords can change the wording of some questions provided it ‘does not remove the ability to make comparisons with other landlords’. Importantly, because RSL data is not submitted to an organisation for central analysis, as is the case for local authorities, there are limited checks on any deviation from official guidance.

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<sup>22</sup> Pawson, H. and Sosenko, F., Heriot-Watt University and Ipsos MORI (2009) *Assessing Resident satisfaction*. London: Ipsos MORI The review included: a review of the official STATUS survey guidance; analysis of national tenant satisfaction results; a review of a cohort of STATUS surveys; a literature review; interviews with key stakeholders; and a telephone survey of 46 housing associations

However, as noted above in relation to stakeholders' views of comparability issues, it is difficult to see to what extent these criticisms represent an assessment that the deviations from the guidance are so significant that comparison is impossible or that the fact of deviation makes comparisons 'fuzzy' and instead of comparing like with like, the comparisons are being made between very similar surveys. Second, only about half of all surveys used weighting to correct for differential response rates, particularly where this involved lower response among generally less satisfied young tenants and higher response among older tenants who generally report higher levels of satisfaction. The effect of this is that those who did not weight their data might have obtained "unduly flattering satisfaction ratings".

Third, a minority of landlords did not follow the guidance and excluded the 'No opinion/don't know' responses from the denominator when calculating their satisfaction performance indicators. As a result, these landlords had a higher rating than if they had followed the guidance.

Greater consistency could be introduced by making the STATUS guidance less permissive, making it a requirement to use specific approaches. In addition, they suggested that results for each response option – the dissatisfied and don't know/no opinion percentage as well as the satisfied percentages – of the key indicators should be returned to the TSA.

More fundamental changes recommended were making RSLs follow the same rules for analysis as LAs and submit their data to the TSA (or a central contractor) for centralised analysis. Alternatively, another possibility would be to transfer responsibility for carrying out the survey from landlords to the regulator. The cost of carrying out such an exercise centrally, it was argued, would not be prohibitive, would make the process more efficient and could be funded through a regulated body fee. However, the review also acknowledged that such an approach would remove the ability for landlords to add locally relevant questions and remove landlords' sense of ownership of the process.

In terms of reporting results, the review recommended revisiting the possibility of developing 'peer groups', groups of similar RSLs which would facilitate greater confidence in making comparisons across RSLs.

STATUS appears to have many of the features that would be required in a relatively simple, inexpensive approach that would allow landlords to collect basic tenant opinion information. The most serious shortcoming of the approach – the tendency for the questionnaires to have grown and multiplied over time can be avoided by retaining a

clear focus on the key indicators needed for regulatory assessment. Indeed, the recommendation we made in 2002, that

**As a first step, we would recommend that a STATUS exercise should be the minimum requirement for each RSL with fewer than 500 properties.**

remains relevant although in the current context, where the information is feeding into a quantitative regulatory assessment, the qualification on landlord size could only be removed if guidance was available that made it clear for smaller landlords what alternative evidence of tenant consultation and responsiveness to tenant opinion could be provided in place of the tenant survey expected in the APSR.

### 2.2.2 Models used in the NHS

STATUS may be the obvious model from housing but similar objectives are being pursued in health to capture the experience of patients in ways that provide high level national indicators and local level, comparable performance measures. They combine the features of the national benchmark and local surveys being discussed for the SHR but involve a high level of centralisation and prescription.

Two standardised surveys models are used in the health sector to capture the views of patients. In interviews, stakeholders were asked to give their views on these approaches, and whether or not there would be benefit in similar approaches being used to capture the views of tenants of social landlords. These approaches were used as they provided easy to understand approaches that could be explained during interviews. Moreover, they also highlight key considerations for our recommended approach that could be drawn out in discussion: landlord customisation versus prescription and centralised versus landlord administration.

### 2.2.3 The Better Together GP Patient Experience Survey

The Better Together GP Patient Experience Survey is an annual survey distributed by post to a random sample of around 490,000 people registered with each of Scotland's 1,015 (approximately) GP practices.

Notably, individual GP practices themselves are not involved at any stage of the survey, other than displaying survey promotional materials in their surgery. The questionnaire is designed by the Scottish Government and includes 27 questions relating to patient experience of accessing their GP Practice; making an appointment; visiting reception; seeing either a nurse and/or doctor at the surgery; receiving prescribed medicine; and the overall care provided by the practice. To ensure the

survey is accessible to all users, the survey is also made available online and by telephone, if required.

The Scottish Government runs a mini competition to determine which of their approved contractors will be appointed to undertake the GP survey fieldwork and is responsible for payment of the contractor. Once a contractor is in place, ISD Scotland manages day-to-day liaison with the contractor.

The contractor is responsible for all aspects of survey administration and the processed data is sent to ISD and the Scottish Government for analysis. Analysis and reporting is based at the GP practice.<sup>23</sup>

#### 2.2.4 The Primary Care Trust Survey

While the Better Together survey is carried out by one central contractor, the Primary Care Trust Survey is carried out by individual Health Trusts, with guidance from a central contractor at key stages in the research process.

The central contractor draws a sample of 1,200 patients for each trust in England. Trusts are responsible for survey administration and data processing, which is carried out either by a contractor appointed by the Trust (from a pool of approved contractors) or by the Trust itself.

The processed survey data is sent to the central contractor in a prescribed format for analysis. Throughout the whole process, strict, standardised guidance is provided for trusts:

- questionnaires must be administered by post
- questionnaire must include 56 compulsory questions
- trusts can choose to add additional questions but only from a bank of approved questions and only at the end of the questionnaire
- data entry must be in a pre-designed excel file
- there are templates for questionnaires, advance letters and marketing materials.

Stakeholders were largely in favour of an approach that was 'bottom-up', that is, an approach that is managed by landlords themselves (The Primary Care Trust Survey of

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<sup>23</sup> For more information on how the results are reported see:  
<http://surveyresults.bettertogetherscotland.com/>

STATUS model) rather than a 'top-down' approach. However, they also believed that any approach should be, to some extent at least, framed by guidance provided by the SHR. A national survey run by the SHR (the Patient Experience Model), with no landlord involvement, was not seen as appropriate. Indeed, it was argued by stakeholders that such an approach would prevent landlords from acquiring an understanding of their customers, a key aim of tenant surveys according to stakeholders.

**You can get it at national level, you could for example, have some kind of rolling survey, but actually it's much better for local service providers to really understand what their customers need...I don't think that is particularly well resolved by the patient experience survey. I know that they do provide data at a service level but there is an issue and I haven't seen evaluation of what is done with that data. I suspect a model that provides services with more ownership of collecting it might also provide them with more opportunities to use it.**

While on balance stakeholders did favour the Primary Care Trust Model, they did feel it was too standardised to be appropriate for capturing tenants' views, as it would fail to account for the varying challenges different landlords face across Scotland and would be inappropriate to impose an approach on the landlords who already carry out extensive surveys. Rather than prescribing a fully standardised approach, therefore, stakeholders argued that the SHR should develop guidelines that set the minimum standard landlords should meet, particularly in relation to the quality of the data. However, if a landlord wanted to adopt an approach that exceeded this minimum standard, they could. In this regard, the role of the SHR in the process would be to provide guidance on (but not prescribe) the approach landlords should use and ensure that the data that is collected is high quality.

**The role of the regulator is to make sure that the method of collecting that information are robust enough so that they are satisfied that it is high quality information and that's the challenge that's part of their inspection and enquiry work to make sure that they're getting that.**

### **2.3 Overview of recommended approach**

A standardised local survey, compulsory for all social housing landlords in Scotland, could take a number of forms. The extent to which the survey is prescribed is important not just to the quality of the data and comparability, but to the extent to which it is accepted and embraced by landlords across Scotland. There are a range of decisions

which need made about the design and management of the survey. In the sections below we outline the main issues to consider and our recommendations.

Preceding discussion has looked at the need for evidence both for the SHR's regulatory assessments and to report on progress towards the outcomes of the Scottish Social Housing Charter. We see the information needs associated with the high level, strategic, national and sectoral outcomes of the Housing Charter being met from the national survey we discussed in Chapter 2. Local surveys would primarily inform the regulatory assessment undertaken by the SHR, which would also draw on the national data for comparison.

Our overview approach is based on the belief that a standardised survey should set **minimum requirements** that could be expected of **all social landlords in Scotland** (RSLs and local authorities). The minimum requirements we set out should not entail disproportionate cost or effort for any individual landlord and, like the STATUS requirements, should be seen as essential by any landlord wishing to improve its performance. The survey should not be seen as a burden on either landlords or tenants but as a positive contribution to improving service and performance.

There are two potential variations. First, there is the question of whether there is a size below which landlords would not be expected to carry out a periodic survey of their tenants. We noted above that in England housing associations with fewer than 1,000 units are not required to conduct a STATUS survey. Unless there is evidence that small landlords are inherently better landlords whose governance presents lower risk, we cannot see a strong argument for this but can see a number of arguments against. First, that even if small landlords were not required to conduct a survey, the question of how these landlords would demonstrate engagement with tenants and responsiveness to tenant opinion would remain. Size would not, we presume, relieve a small landlord of these responsibilities. Second, the cost of carrying out the type of postal survey we recommend as the minimum requirement is low and would be in proportion to the number of tenants, especially since, if the STATUS model were adopted, the main work of designing the questionnaire would already be done. If a landlord only had a small number of tenants, the remaining administrative work could be conducted in house. It would be open to landlords to come to joint arrangements with larger neighbouring landlords to commission a combined survey and there would also be the potential for SHR, Scottish Government or SFHA to offer financial, technical or administrative support to smaller landlords to specify, design, procure, undertake or analyse a survey. The NHS models – the Scottish Government's Patient Experience

model (itself based on the Healthcare Commission's model) – show the form that such an approach might take, although the potential for these models to conflict with the desire for 'ownership' at a local level is clear.

The second variation would be to allow variation in the methods used by landlords. Given the availability of national data that would provide reliable national, regional, and sectoral measures of tenant opinion, we place less emphasis on the local surveys facilitating comparison between individual landlords so there is no over-riding need for each to collect their data using exactly the same methods. Indeed, given the tendency elsewhere for "comparability" to be achieved by levelling down to the least robust methods, our recommendations are that SHR should not pursue comparability for its own sake and instead might expect larger landlords to be engaged in a broader range of tenant engagement activities and to have a more sophisticated approach to research. This could be argued in terms of the greater physical and organisational distance between management and tenant, the greater organisational complexity in larger organisations and the greater need for processes and structures that might impede responsiveness to and engagement with tenants. This type of flexibility, leading to different approaches by different landlords, should still allow landlords to report to the SHR on key indicators so could only lead to landlords being better informed about tenants' experiences and priorities.

If there was a general expectation that landlords might do more than the basic survey, there is also the positive potential for the regulatory assessment question to change from the tick-box "have you done a tenant satisfaction survey in the last three years?" to one that is inherently more demanding and evidence-based: "what have you done to engage with and respond to the needs, expectations and aspirations of your tenants?". While "yes" might be an acceptable answer to the first question, "a tenant survey" is unlikely to be acceptable in response to the second.

In reaching the conclusions and recommendations, we have attempted to strike a balance between a number of, sometimes competing, factors. We have attempted to represent the views of the national stakeholder organisations we engaged since their 'buy-in' to this process will be crucial to its success. We have also tried to reflect the following considerations:

**Data quality and comparability** – first and foremost the data collected in these surveys must be of sufficient quality to inform the SHR's regulatory assessment. Response rates must be sufficiently high to give confidence of basic representativeness, with weighting applied to account for variations in response.

**Costs** – our recommendations must be mindful of the current financial climate across the public sector in Scotland. This means that there should be no compulsion for expensive methodological approaches

**Burden** – the demands placed on landlords should be proportionate to the information needs of SHR in being able to conduct regulatory assessments. Our recommendations must reflect the Crerar principles that scrutiny be risk-based and proportionate, minimising the burden on social landlords.

**What happens already** – almost all landlords already undertake tenant surveys. To the extent that they use this to track their performance they might feel that adopting a different approach would lose valuable time series data. This view would overstate the position given the likelihood that there is already considerable similarity between surveys and question so our view would be that if a landlord can show that all the key indicators are collected in a suitably reliable way then the SHR should be less concerned about methods than about the use to which the information is put.

**What works** – we must consider existing standardised approaches for capturing customer feedback such as the STATUS model used among social housing tenants in England and any new requirements from the SHR and Housing Charter.

**Tradition and context** – a basic standardised survey of tenant satisfaction would represent a change in how the public sector in Scotland measures the views of its customers although it seems likely that there is a great deal of *de facto* standardisation of methods and questions already. If this is the case, providing a clear framework and specifying minimum standards would do little to disrupt what is already in place.

**Local flexibility** – we must recognise the need for local flexibility in any forthcoming model, for example allowing the questionnaire to include some questions designed by individual landlords.

Our approach to a standard survey reflects the thrust of stakeholder opinion we sought. In general terms, the stakeholder organisations we consulted were in favour of a 'bottom-up' approach to a standardised survey, meaning that landlords had ownership and management of the survey using guidance supplied by SHR.

The consensus among stakeholder organisations was that landlords required expert guidance on how to set up and manage a survey but that they should retain ownership of it. Stakeholders pointed out that, while the data gathered in a survey is to be used by

SHR in its regulatory assessment of landlords, it should also be central to a landlord's improvement strategy ensuring services meet the standards expected by tenants.

Stakeholders saw the benefits of a standardised approach, saving landlords time and money in developing their own questionnaires and in raising standards by compelling **all** landlords to undertake a survey. The general feeling, however, was that the approach should set out minimum standards and guidelines rather than be heavily centralised and prescriptive.

**I suppose one of the issues that we're looking at is the range of landlords in Scotland and wondering whether something like STATUS would be an acceptable minimum standard... that wouldn't put an undue burden on very small landlords. At the same time the larger landlords like GHA have much more sophisticated research programmes anyway, so finding the balance between comparability and the cost that the landlords are left to face.**

Standardisation of approach is a challenge in a sector made up of landlords of varying sizes facing different issues to prioritise and where current practice in tenant surveys is so varied. For these reasons stakeholders appreciate the need for flexibility in designing a standardised approach.

**One of the difficulties that you come across is some of the larger ones are locked in and they like to be able to track over time so they would want to keep their questions. Buying into something else, or being required to do something else is going to lose them that trend data ... Others won't be doing much at all and that's fine they can just pick up something that's been ready made and signed for them and run with it."**

## 2.4 Detailed approach

In the sections below we outline the detail of the approach we recommend for each element of the survey design. As stated, our approach is to set minimum standards to which all social landlords should adhere. We feel that this approach represents the best way of ensuring the quality of data from the surveys is high while striving to keep costs low, minimising burden on landlords and ensuring all landlords buy into the process.

While these minimum standards will allow benchmarking and comparability across landlords, SHR will expect to see additional evidence of tenant consultation, especially among larger landlords who have large an often diverse range of tenants to consult, and who have the capacity to undertake a wider range of consultation work.

Many landlords currently undertake regular and robust surveys among their tenants. Any standardised approach must complement this existing activity. Our view is that, providing the minimum standards set out below are met by all landlords and reported to SHR, existing programmes of consultation should continue unaffected.

The following sections set out our recommendations on minimum standard on all aspects of the survey, including:

- data collection method
- questionnaire
- sample sizes
- response rates and data weighting
- survey timing and regularity

#### 2.4.1 Data collection method

Like STATUS, we recommend flexibility in the approach to data collection. **The minimum requirement should be a self-completion postal survey.** This is the most cost-effective option in the sense that a properly conducted survey can yield good response rates for the least expense. However, postal surveys tend to yield lower response rates than telephone and face-to-face surveys and therefore have greater scope for non-response bias.

Given the role of the survey in assessing risk and since the SHR will decide on future engagement with each landlord based on a range of performance indicators, we do not think that the regulatory assessment requires more robust data than can be provided by a well designed and well managed postal survey.

Although we think a postal survey would be the minimum requirement to feed into the regulatory assessment, we think that landlords should be allowed flexibility in this matter and, indeed, should be encouraged to adopt more robust methods if that best meets their own needs. Landlords committed to service improvement and tenant consultation will probably want better response rates and higher data quality (and also larger samples, which we discuss below). These could be obtained from telephone or face-to-face surveys provided issues of sample frame coverage can be addressed for

local telephone surveys.<sup>24</sup> They should not be prevented from doing so, provided these can still provide the SHR's key performance information.

It has been argued that the motivation for using a telephone or face to face survey is that it is likely to yield higher levels of satisfaction<sup>25</sup> but it needs to be shown whether this is because the telephone surveys is less biased than a self-completion survey (in which case, the improved satisfaction level compared with self-completion is entirely justified) or whether it is because the telephone survey is differently biased (in which case, it might be no better and no worse than the self-completion survey). Our view is that while survey bias is an issue worthy of consideration, the likelihood of it changing survey results to an extent that it would result in the SHR making the wrong inspection decision is remote. Understanding the causes of bias and taking that into account when reviewing performance indicators would allow the SHR to factor this into decision making.

Nevertheless, landlords considering telephone surveys should be aware of the potential problems of coverage bias (where tenants without a telephone or where the landlord does not have their (correct) telephone number are excluded) and non-response bias (where people who work shifts or are regularly not at home when telephone surveys are generally conducted might be excluded). Refusal rates might be less likely to be mode-specific.

When publishing and comparing levels of satisfaction between different landlords, knowing how the data collection was collected will help to understand the impact this might have on survey results. For instance, the Ofcom data discussed at section 2.2.2 suggests that a telephone survey that excluded mobile phones would tend to exclude younger adults, lower income households and, in general, those who tend to use their land line only for internet access. Analysis of the national survey results will give an indication of the extent to the satisfaction of these excluded groups differs from other tenants. Our view is that such contextualising (knowing, for example, that the survey probably over-states satisfaction by 5-10%) is sufficient in making comparisons and outweighs the alternative approach of prescribing a single methodology for all. In addition, some landlords will have existing telephone or face-to-face surveys and we would not recommend prescribing a change to these existing arrangements.

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<sup>24</sup> This would require the landlord to have telephone numbers for all (or almost all) tenants.

<sup>25</sup> Pawson, H. and Sosenko, F., Heriot-Watt University and Ipsos MORI (2009) Assessing Resident satisfaction

***Summary recommendation – a minimum standard of a postal self completion survey with the flexibility for landlords to choose alternative methods should they wish.***

### 2.4.2 Survey questionnaire

Although the questions used for reporting results to SHR need to be standardised, we recommend that this can be a relatively short set of key indicators and certainly shorter than the 12-page STATUS questionnaire. These would be the core questions that must be asked whatever methodology is chosen. Analysis by Ipsos MORI has established the key drivers of satisfaction<sup>26</sup> and this analysis would be reflected in the questions designed and would cover:

- overall satisfaction with landlord
- satisfaction with the repairs service
- satisfaction with customer service
- satisfaction with opportunities to participate in decision making.

We would recommend that, over and above the core questions, landlords should be free to include any additional questions they wish, although a bank of common questions could be established to aid comparability on non-core topic.

***Summary recommendation – establish a small set of core questions that must be asked by all landlords. We recommend flexibility for landlords to ask additional questions.***

### 2.4.3 Sample sizes and response rates

Given the size and structure of social landlords in Scotland, the question of sample sizes quickly resolves itself to a simple one of which landlords would not need to sample all of their tenants. Assuming a postal survey, landlords with up to 1,500 units will need to send questionnaires to everyone so that the expected response rate of 40% will provide data for analysis that is accurate to  $\pm 5\%$ .<sup>27</sup> Only 13% of landlords have more than 1,500 units and for many of these the sample required would constitute a large proportion of all tenants. Considering the time required for extracting data and

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<sup>26</sup> See, for example, Ipsos MORI (2004) What drives satisfaction with local government? London: Ipsos MORI, Ipsos MORI (2007) Frontiers of Performance in Local Government IV London: Ipsos MORI

<sup>27</sup> This assumes an unbiased sample and all discussions of sample size are based on an estimate of 70% - typical of the levels of satisfaction reported for landlord services

organising sampling, it is probably more cost-effective for landlords with up to 2,500 units to mail questionnaires to all tenants rather than sample.

This suggests that only a few RSLs and most local authorities would need to sample. For the SHR's purposes, requiring a minimum sample that would provide data with a nominal precision of  $\pm 5\%$ <sup>28</sup> would seem to us to be in proportion to the survey's use as part of the regulatory assessment. Deviation from the national benchmark of all tenants of more than 10% could comfortably be considered unlikely to have occurred by chance and this is probably about the level where material differences in service quality would be apparent.

The assumption that a postal survey will yield a response rate of around 40% means that the smallest landlords would be unable to meet a requirement of data accurate to  $\pm 5\%$ . A 40% response rate means that a landlord with 100 units would only receive 40 returns from a postal survey but a requirement for data accurate to  $\pm 5\%$  would need 76 responses. A 40% response rate for this landlord would provide data accurate to  $\pm 11\%$  and differences from the benchmark would need to exceed 15% before they could be considered unlikely to have occurred by chance. This will mean that the survey results can only reliably identify poor performance where differences from the benchmark are large. However, even differences that might have occurred by chance can contribute evidence if the picture emerging from other information also shows indicators of poor performance.

Of course, where they were able to, landlords would be free to exceed minimum number of interviews and most would probably want to in order to understand variation across the areas they hold stock and to analyse variation between groups of tenants.

Failure to achieve a response rate of 40% would not invalidate the data. In all cases there would need to be some judgement about the impact of the response rate on the representativeness of the data since a 40% response leaves adequate scope for the survey results to be affected by non-response bias. The key considerations would be:

- Whether non-response varies between areas or groups of tenants. Is non-response higher among young people or people living in particular areas or property types?

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<sup>28</sup> The actual number of responses would vary according to the number of units managed. For the median landlord with 742 units, the required achieved sample size would be 250.

- Whether non-response is an indicator of a general lack of engagement with tenants. Do other indicators suggest that a low response rate might be symptomatic of poor management, regardless of what responding tenants say about service quality?
- The likely impact of non-response on key indicators – are the results more likely to over-state or under-state the true level of satisfaction among the population as a whole?

The data collected in the surveys needs to be of sufficient quality that the SHR can conduct its regulatory assessments but as we noted for small landlords, even if the representativeness of the survey can be questioned, it can still play a role in contributing to the overall picture being formed by other information. The issue of achieving as high a response rate as possible is therefore more pressing for landlords who want to use the survey as a source of sufficiently detailed and reliable information to allow them to establish where improvements in services are required and to inform service improvements.

#### 2.4.4 Post-survey weighting

Ordinarily, where the profile of a sample is seen to deviate from known population characteristics, the solution is to use post-survey weighting to try to address any underlying bias in the survey response by correcting the sample profile to match the population.

One of the challenges for landlords or the SHR would be to assess the extent of bias and either factor the potential for bias into the regulatory assessment or undertake weighting to establish a more accurate estimate of satisfaction. Landlords who have surveys undertaken by external contractors should expect issues of non-response bias to be considered and addressed as part of that contract and the SHR need do no more than note that bias has been considered and, as far as possible, rectified.

The greater problem is likely to be that reliable population profile information may be unavailable. Of course, it might be a reasonable measure of engagement itself to ask how an organisation can properly serve its customers if it doesn't know with some reliability the most basic characteristics of those people but there are other sources that can be used.

- If the landlord's stock is geographically concentrated, approximate population information can be obtained from the Census, Scottish Neighbourhood Statistics or other sources
- Property information can be used as a measure of representativeness – if the stock profile in the survey varies substantially from the known property characteristics, weighting this might correct some underlying bias in terms of the occupants of under-represented stock, especially if opinions are related to property types and condition.

Although we do not see the problem of bias as being critical to the SHR's use of the data, if landlords cannot weight their data there is scope for the SHR to develop tenant profiles for broad classes of landlord from the national benchmark data. This would show, for example, the extent of variation in satisfaction levels among tenant sub-groups, allowing this to be used to assess the likely scale and direction of bias and for this to be factored into the assessment of survey results. We would propose that alongside the key performance indicators, landlords submit additional information – the percentage in different property types, household types and age groups etc.

Finally, if weighting were considered important and no tenant or stock information were available from the landlord, it would still be possible for the SHR to obtain a comparison. We would expect, even in a biased survey, for poor landlord performance to be reflected in the opinions of those tenants who take the time to respond to a survey. The analytical difficulty is to judge the performance of a biased sample against a representative benchmark. Ordinarily the sample would be weighted but it would be possible to use the national survey data to model the results that would have been achieved by a landlord of that type, from tenants with the combination of characteristics shown in the responding sample. In effect, this would involve weighting the benchmark data to match the profile of the achieved sample and comparing the level of satisfaction implied by the national results with the actual results obtained by the landlord from their survey.

***Summary recommendation – in addition to performance information, landlords should submit information to enable data quality to be assessed and appropriate benchmark comparisons to be made.***

#### **2.4.5 Survey timing and regularity**

The frequency with which surveys should be conducted is one aspect of the landlord 'burden' that needs to be carefully considered. In terms of the SHR's requirements

there would appear to be a strong case that regulatory assessments should be based on information that is current or at least that the picture provided by the data would be unlikely to have significantly changed since the data were collected.

Much will depend on individual landlords – changes in management, merger or a significant change to governance can quickly feed through to service delivery in a way that would make last year's satisfaction survey data meaningless. But in the context of a regulatory assessment informed by a range of indicators, the satisfaction data, whatever it says, would probably be overwhelmed by the other indicators and the SHR would, appropriately, attach little importance to an assessment from a year ago.

In normal circumstances, change happens relatively slowly and impacts on opinions over an extended period. For regulation, a survey every two years seems frequent enough and leaves scope for landlords who wish it to increase the frequency, especially during periods of significant change. Landlords assessed as being at risk might, at the discretion of the SHR be expected or required to conduct more frequent surveys as a means of tracking their performance.

Housing associations we spoke to support regular capture of tenant opinion in order to demonstrate a willingness to listen and to highlight improvements in services which have previously been highlighted as poor, thus reinforcing the cycle of continuous improvement.

***Summary recommendation – the standardised survey should be run at least every two years.***

## 3 A national survey of tenant opinion

### 3.1 The role of the national survey

In considering the role of a national survey of tenant opinion, we need to clearly distinguish its role in assisting the SHR in meeting its objectives and the wider uses that a survey might have in informing Government policy and in helping landlords compare and contextualise the results of their own surveys.

The results of local surveys could be an important set of indicators for the SHR's assessment of individual landlords' progress against the outcomes in the Charter, which in turn will inform the SHR's regulatory assessment of each RSL.

A potential use of a national survey could be to consider the extent to which the ratings of landlords vary consistently according to features of either the area that tenants live in, characteristics of the landlord and characteristics of the tenant population. To the extent that variations like this can be observed, a more appropriate question might be to consider whether the rating of each landlord's performance is consistent with that achieved by similar landlords. This might give a method of benchmarking that is fairer to individual landlords, since it gives consideration to, for example, differences caused by delivering services in geographically dispersed areas or where the stock is older or where the tenant population experiences multiple deprivation. Comparing with national data and other similar landlords gives three dimensions to the exercise:

- tenants of a particular landlord compared with all tenants in Scotland
- tenants of a particular landlord compared with other tenants in the same region or in a similar type of area (i.e. other rural areas or other areas of deprivation)
- tenants of that landlord compared with tenants of similar landlords in other parts of Scotland.

A national survey may also be relevant to individual landlords, who want to identify a need for service improvement and identify the extent to which their performance is similar to (or different from) similar organisations. It would assist policymakers in understanding what factors influence tenant satisfaction and the extent to which this is driven by factors within or outwith the control of landlords.

A more refined benchmark might also be of use to the SHR in its assessments, allowing assessors to gain a clear idea of whether the opinions of an individual

landlord's tenants are more or less positive than those of similar tenants more generally.

These different purposes for a national survey place distinctive demands on the data. First, a national survey would need to be fully national in its scope, with a sample size sufficiently large to allow the types of disaggregation discussed above. Second, the benchmark data needs to be unbiased, suggesting that it should be based on data collection methods that do not systematically exclude significant parts of the tenant population and where participation in the survey is not systematically biased. The limited role of a national survey in meeting the needs of the SHR also needs to be considered since, while it would be relatively easy to design a national survey, the options that would make such a survey a cost-effective option for SHR are more limited.

### 3.2 Methodological options for the national survey

The reliability of a survey depends on the ability of the survey designer to address four key questions:

- Is there a reliable sampling frame that covers the whole population of interest from which a sample can be selected?
- Would a particular proposed method achieve a high response rate?
- What is the likelihood that a sample achieved using a particular method would be biased i.e. that respondents to the survey would be systematically different from non-respondents?
- Would the achieved sample be large enough to support the analysis required?

To the extent that these features are present in a survey, we can be confident of its estimates. Conversely, the absence of these features calls into question the accuracy of the survey's estimates and requires additional corroborative evidence and post-survey corrective weighting to provide reassurance about precision.

It should be stressed that none of these aspects of survey design is meaningful on its own. A large sample is not necessarily accurate. A random sample is not necessarily precise, especially if the response rate is low. A high response rate only reduces the scope for bias and the likelihood of significant bias. It doesn't mean there is none. A combination of shortcomings can, however, significantly undermine confidence in the reliability of a survey.

Some survey approaches can be ruled out as being suitable for providing a reliable national benchmark on the basis of what can be expected in terms of these four key features.

### 3.2.1 Self-completion methods

Self-completion methods – surveys administered by post, email or using web-based data collection – can be ruled out for a number of reasons. First, there is no national sampling frame of social rented tenants from which a sample could be drawn. Assembling the details of all social rented **tenants** for sampling would be expensive and time consuming and would probably take so long that it would be significantly out of date before it could be used. A list of social rented **properties** would remain up-to-date, with only the relatively minor problem of properties being sold and becoming invalid over the life of the frame and newly built properties becoming eligible for inclusion between updates to the sampling frame. A postal survey of properties would therefore be possible, although there is a strong likelihood that unnamed letters would be viewed and treated as junk mail, leading to lower response rates and greater scope for bias.

Second, internet access is limited among social rented tenants so even if a sampling frame existed, email and web-based surveys would automatically exclude approximately 67% of social rented tenants.<sup>29</sup>

Finally, the response to a self-completion survey is likely to be no better than about 40% if conducted by post, with at least two reminders. This creates significant scope for non-response bias and would not provide assurance that the data was sufficiently reliable to provide an accurate national estimate of tenants' opinions.

### 3.2.2 Telephone surveys

Although telephone surveys are widely used in market and social research, there are some important drawbacks that are relevant to this study and which lead us to conclude that a telephone approach would be unsuitable for the national survey. Many of these are similar to the problems with self-completion methods.

First, there is no sampling frame that identifies social rented tenants for telephone surveys. Indeed, there is no effective sampling frame of telephone numbers. Most general population telephone surveys randomly generate telephone numbers and use

automatic dialling to filter out non-working and ineligible lines. Working and potentially eligible lines are dialled and passed to interviewers for screening to exclude ineligible households.

Social rented tenures represent only 24% of households, suggesting that while random number generation and screening would be possible, it would require around five households to be screened to identify each household eligible to participate. This would impose a substantial additional cost, which would need to be considered as part of comparing the relative costs and benefits of different survey methods.

A more serious problem with telephone interviewing is the likelihood that this approach would exclude a significant proportion of the population who only have mobile phones. Because mobile numbers have no geographical connection they are generally excluded from telephone surveys of the whole population and especially from surveys with geographical limits. The main problem with including mobile phones in telephone surveys is that randomly generated numbers could be anywhere in the UK, requiring a large and very expensive screening exercise to identify social rented tenants in Scotland from a randomly generated sample of mobile phone numbers covering the UK.<sup>30</sup>

The exclusion of mobile-only households would be potentially very problematic for a telephone survey of social rented tenants. There is very little data on mobile only households and what is available does not directly identify social rented tenants. For instance Ofcom's technology tracker<sup>31</sup> shows that 13% of all households do not have a landline telephone, with this rising to 27% of 15-24 year olds, 31% of low income households and 23% of respondents in social classes DE.

Even where households have a landline, they are often not used to make calls. The Ofcom data suggests that about 40% of adults see their mobile phone as their main way of making and receiving calls, with this rising to 75% of 15-24 year olds, 42% of adults in low income households and 42% of adults in social classes DE. The importance of this is that people who mainly use a mobile to make and receive personal calls are perhaps more likely to screen or ignore calls to a landline, which they are more likely to consider to be sales calls or, of course, research.

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<sup>29</sup> 2007/2008 Scottish Household Survey estimate of internet access from home.

<sup>30</sup> With approximately 10% of UK households in Scotland and 23% of these households in the social rented sector, eligible households would constitute only about 2% of a random sample of mobile phone numbers.

<sup>31</sup> [http://www.ofcom.org.uk/research/stats/Q1\\_Tech\\_Tracker\\_2009.pdf](http://www.ofcom.org.uk/research/stats/Q1_Tech_Tracker_2009.pdf)

Experience of trying to use a telephone survey to obtain high quality social survey data also suggests that it is not a viable approach. The Scottish Government experiment in collecting estimates of crime victimisation by telephone was abandoned after a review of the data from the telephone survey and a comparator face-to-face survey concluded that the telephone estimates were unreliable.<sup>32</sup>

Taken together, the under-coverage of a telephone sample and the increased likelihood than non-response to a telephone survey will be higher among the types of groups likely to be prevalent in the social rented sector, suggests that a telephone survey would be unlikely to be representative of the whole tenant population and therefore unreliable in providing a national estimate of tenant opinion.

### 3.3 Options for a face-to-face survey

Having discounted self-completion and telephone surveys as viable options, we need to consider the options for a face-to-face survey. We do this bearing in mind the limited role of the survey as a benchmark of landlord performance as part of the SHR's regulatory assessment. While the survey needs to provide robust estimates our expectation is that it needs to reliably measure a relatively small number of key performance indicators related to tenants' perceptions. These indicators are likely to be guided by the outcomes outlined in the Scottish Social Housing Charter. Our proposals that follow are based on an assumption, although these may change in accordance with the Charter, that the SHR would need indicators of tenant opinion about aspects of landlord performance that affect all tenants such as:

- overall landlord management performance
- customer care / complaints handling and dispute resolution
- quality of accommodations / quality of the repairs service
- value for money of rent
- tenant involvement / opportunities for participation
- estate management / neighbour complaints / anti-social behaviour.<sup>33</sup>

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<sup>32</sup> Hope, S. (2005) Scottish Crime and Victimisation Survey: Calibration Exercise: A Comparison of Survey Methodologies, Scottish Executive

<sup>33</sup> These types of issues encompass the main questions asked in many tenant opinion surveys and reflect the findings of research among tenants to identify their priorities for performance information.

There may be other issues but the broad implication of this is that the core information need of the SHR is for a relatively small number of indicators.

The sample size for a survey would depend on two aspects of the requirement that would need to be decided by the SHR. First, the extent to which the full sample would be divided into tenant or landlord sub-groups for analysis and benchmarking and, second, the trigger levels or gaps in performance that would be used to highlight poor performance as part of the regulatory assessment.

### 3.3.1 Benchmarking and peer groups

The principal issue in conducting a regulatory assessment is in determining what constitutes poor performance. Assuming for now that the proposals for collecting performance data about individual landlords provide a reliable measure of each landlord's performance, the key issue is in knowing if that landlord's performance is good or poor: good or poor compared with what? Absolute performance measures – the proportion of a landlord's tenants who say, for example, that they are dissatisfied with the landlord is one simple measure. On this basis, the landlords most at risk are those with the highest levels of dissatisfaction, especially if this is repeated across a number of survey indicators and supported by other non-survey indicators of performance.

This simple assessment might be complicated by a range of factors that are often beyond landlords' control and more importantly, given the known influences on customer satisfaction, might bias the regulatory assessment against particular types of landlord. We might expect, for example, stock condition to exert a powerful influence on tenants' opinions and since this is an aspect of a landlord not readily changed in the short term, we might expect, all other things being equal, that landlords managing post-war tenements in poorer condition would receive lower ratings than those managing high quality, new-build terraced homes. Similarly, it is well known that when rating similar services, older people give more positive assessments than younger people. It would be reasonable to expect a landlord serving an older tenant population to receive a more positive assessment than one serving a younger population even if the service were exactly the same.

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See for example, Lupton, M., Fraser, R., and Green, H (2009) Driving up performance: producing effective local information, Housemark.

The alternative view is that from the perspective of tenants, differences between landlords in terms of geography, property types, stock condition, area characteristics, tenant population etc, might present challenges for housing managers and landlords but it would be wrong to see them as factors justifying the acceptance of poorer service. But in essence, that is what higher and lower benchmarks for different types of landlord imply – that some tenants should accept lower performance, the poorer assessment given by younger tenants, for example, can simply be put aside when assessing their landlord's performance.

There is, of course, a balance to be struck between these positions and at least until the regulatory framework is well established and each landlord is able to be judged on their own record of performance and improvement, it will be necessary for the national survey to provide some insight into what drives variations in tenant opinion and provide an estimate of what might reasonably be expected in terms of tenant assessment. Knowing, for example, that landlords with a particular combination of property and tenant characteristics achieve, on average, a particular assessment from their tenants will more readily highlight those 'at risk' – individual landlords with a significantly worse assessment – than comparing against a national average for all landlords.

At this stage, the creation and composition of these typologies for benchmarking is only important because it will influence the sample size required for the national survey. In practice, analysis of the data from the survey will identify the characteristics that are most important in shaping tenant opinion and peer groups should be constructed on this basis. For this exercise, we have assumed that the key variables defining these typologies will be sectoral, property-related and household related but this is simply a reflection of the data available to us that can be used to estimate likely sample sizes and sample precision.<sup>34</sup> On this basis, we have looked at a split determined by:

- Sector – local authority tenants separate from RSLs
- Property-related – distinguishing flats from houses (although we would concede that age and condition would cut across this distinction)
- Age-groups – separating tenants into broad groups under 35 years of age, those between 36 and 59 and those aged 60 years and over.

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<sup>34</sup> In practice, we would expect logistic regression models to identify the characteristics that explain variation in satisfaction with landlords and for these to be used to calculate expected values for landlords with particular combinations of characteristics.

Using data from the Scottish Household Survey, we can see that these three broad parameters are distributed among the population of Scottish social rented tenants as shown below.

**Table 1: Distribution of tenant characteristics**

Sector	Age of householder	Houses	Flats	Total
RSL	16-35	2%	6%	8%
	36-59	6%	8%	14%
	60 and over	4%	8%	12%
	<b>RSL total</b>	<b>12%</b>	<b>22%</b>	<b>35%</b>
Local Authority	16-35	5%	9%	14%
	36-59	15%	13%	27%
	60 and over	13%	11%	24%
	<b>LA total</b>	<b>33%</b>	<b>32%</b>	<b>65%</b>
<b>All social rented</b>	<b>Grand total</b>	<b>45%</b>	<b>54%</b>	<b>100%</b>

In a proportionate survey design, the need for a particular level of precision from the smallest sub-group drives the total sample size. In this case, the smallest sub-group is 16-35 year olds renting houses from an RSL. Achieving a reasonable level of precision for this sub-group – say  $\pm 5\%$  at the 95% confidence intervals – would require a sample of 373 in this sub-group but this would lead to a total sample of almost 15,500 tenants as the other groups are represented in proportion.

Another way of looking at this is to take a particular sample size and calculate the likely precision of data from the various sub-groups. Based on a sample of 5,000, the precision of a 50% estimate from each sub-group is shown in table 2 overleaf.

**Table 2: Precision of estimates from sub-groups based on a sample of 5,000**

Sector	Age of householder	Houses	Flats	Total
RSL	16-35	$\pm 9\%$	$\pm 6\%$	$\pm 5\%$
	36-59	$\pm 6\%$	$\pm 5\%$	$\pm 4\%$
	60 and over	$\pm 7\%$	$\pm 5\%$	$\pm 4\%$
	<b>All RSL</b>	<b><math>\pm 4\%</math></b>	<b><math>\pm 3\%</math></b>	<b><math>\pm 2\%</math></b>
Rent - LA	16-35	$\pm 6\%$	$\pm 5\%$	$\pm 4\%$
	36-59	$\pm 4\%$	$\pm 4\%$	$\pm 3\%$
	60 and over	$\pm 4\%$	$\pm 4\%$	$\pm 3\%$
	<b>All LA</b>	<b><math>\pm 2\%</math></b>	<b><math>\pm 2\%</math></b>	<b><math>\pm 2\%</math></b>
<b>Whole sample</b>		<b><math>\pm 2\%</math></b>	<b><math>\pm 2\%</math></b>	<b><math>\pm 1\%</math></b>

This suggests that the lowest level of precision would be obtained for an estimate from the smallest sub-group – 16-35 year olds renting houses from RSLs. In terms of a regulatory assessment, the question that would need to be addressed for this sub-group is: what size of difference between the benchmark for this sub-group and the

results of a tenant satisfaction survey would be needed before an RSL might be considered 'at risk'?

In practice, the difference does not need to be very large before it would be possible to conclude that deviation from the benchmark is unlikely to be due to sample or other survey errors. In terms of assessing risk, the focus is perhaps more likely to be on levels of dissatisfaction than satisfaction so we consider an example of a small RSL characterised by young tenants in new build housing.

In this fictional example, we might find that the national benchmark for overall satisfaction suggests that 30% of tenants expressing dissatisfaction would be 'normal'. Our example RSL records 45% dissatisfaction among a sample of 500 tenants. Sampling errors mean that the benchmark estimate might be between 28% and 32% and that the range for the RSL sample is between 41% and 49%.<sup>35</sup> We can calculate that for these two samples a difference of more than percentage points (5pp) would be unlikely to occur by chance so the observed difference of 15pp could be considered significant.

Even if the observed difference were close to the threshold of 9pp the comparison would still be useful because the regulatory assessment involves a range of survey indicators and other non-survey indicators. Consistent indications of poor performance across the survey indicators combined with other indicators would strengthen the assessment that this particular RSL might be 'at risk'.

The important conclusion is that it appears that a sample of around 5,000 social rented tenants would provide data of sufficient accuracy, even for relatively small sub-groups, to provide a reliable benchmark for regulatory assessment. A survey of this size would also meet the requirements outlined in the study of objectives of enabling cross-sector comparison of tenant satisfaction, although most of the peer groups used by SHR, such as 'stock transfer with fewer than 1,000 units', are likely to have small samples even from a total sample of 5,000 because of the relative size of the RSL sector compared with the local authority rented sector and because of the distribution of stock within the RSL sector.

We have assumed that the main policy interest in terms of assessing progress in relation to the Scottish Housing Charter will be at a national level, reporting on change

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<sup>35</sup> The calculation of  $\pm 4\%$  assumes the sample is drawn from a large population. For a sample drawn from a small population of say 1000, the estimate would be more precise at around  $\pm 2\%$ .

over time. In this case, the main factor determining sample sizes would be the size of difference that would need to be measured in successive survey periods. For example, if at one point in time the benchmark showed that 15% of social rented tenants were dissatisfied with the repairs service provided by their landlord and the Charter envisaged that falling by 5% within five years, a sample of 5,000 would not be enough to be able to say with confidence that annual differences of 1% were unlikely to have occurred by chance because the sampling error on an estimate of 15% is  $\pm 1\%$  on a sample of 5,000 so a difference of 1% between two surveys could simply be a reflection of sampling variability. It would take two estimates, each showing a fall of 1pp or more to be reliably considered unlikely to have occurred by chance.

If the Charter is concerned with monitoring and reporting on improvements for specific sub-groups of tenants or geographical areas then to reliably detect small changes for these groups will require much larger sample sizes. The smallest sub-group would need a sample of just over 500 to be able to reliably detect a change of 5pp between two surveys but this would imply a total sample of about 25,000 in each survey.

This illustrates a more general issue that while a sample of 5,000 might be adequate for regulatory assessment, detailed reporting of performance in relation to Housing Charter outcomes is likely to require a trade off between sample size and precision in that smaller sample sizes will only allow reliable measurement of relatively large changes for sub-groups. It will be necessary to either make the resources available to fund the large sample sizes needed to accurately measure relatively small changes among small sub-groups or accept that while it is possible to reliably measure change at a national level with a relatively small sample, this will only provide an indication of short term change for sub-groups.

### 3.3.2 Data collection options

Given the limited role of the national survey, the relatively small number of indicators involved and the sample size needed to achieve reasonable precision in the smaller sub-groups, the most obvious option would be for the Scottish Government to include the necessary questions in the Scottish Household Survey, and providing these key variables to the SHR for its comparisons. Based on current sample sizes and sample design, this would provide a nationally representative sample of approximately 5,000 tenants, distributed throughout Scotland and including both the local authority and RSL sectors. As we have seen, a sample of 5,000 would provide sufficiently accurate data for the SHR's purposes.

Adding the questions to the Scottish Household Survey would fit with Government policy priorities of public service improvement and the questions would sit easily alongside existing survey topics about satisfaction with public services. The analytical potential to identify drivers of satisfaction would better reflect the policy interests of Government rather than the regulatory assessments of the SHR. Since tenure is established early in the survey, the internal routing of the survey would ensure that the questions were only asked of respondents who had identified themselves as tenants of a social landlord.

Including the questions on the SHS has many advantages:

- There would be little or no cost attached to adding the questions
- The SHS already collects a very wide range of demographic variables and other survey variables that would be relevant to analysing tenant opinion including
  - Age, sex, household composition
  - Income, deprivation, urban rural classification, working status
  - Perceptions of neighbourhood, access to green space
  - Experience of neighbourhood problems and discriminations.
- The sample design and geographical scope of the survey offers a level of precision and coverage that an ad hoc survey could only emulate at significant cost
- The structure of the sample and fieldwork ensures that nationally representative results are available each quarter.

The major potential drawback of the SHS, compared with an ad hoc survey of similar size, is that the sample of 5,000 tenants would accumulate over a two-year period. With the next two-year sweep beginning in 2011, it would be 2013 before the full sample was available for analysis and benchmarking.

If including the questions on the SHS were not available as a survey route, there is the option of using the SHS respondents as a sampling frame for a follow-up survey. This approach was successfully used for a recent national survey of tenants' priorities<sup>36</sup> and at first glance might appear to offer a cost-effective solution (since it would also bring

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<sup>36</sup> Diffley, M., Treanor, S., and Pawson, H. (2009) Identifying the Priorities of Tenants of Social Landlords, Scottish Government.

back the option of a telephone survey) but we would not recommend it for this exercise for a number of reasons.

- With only 5,000 tenants in the full sample (the tenants' priorities research required a sample of only 500 tenants to provide reasonably reliable national information), attrition at various stages means that the sample available for a follow-up survey would be substantially smaller – only two-thirds of survey respondents give consent to be recontacted and only 90% of these people provide a telephone number.
- Consent to recontact is not evenly distributed across areas, age groups and other characteristics.
- Although recontact of SHS respondents would address the sampling issues of a telephone survey, response rates and the potential for non-response bias would be the same.
- After sample attrition and non-participation, the starting sample of 5,000 would be likely to yield only about 1,500 interviews.

The main alternative to using the SHS would therefore be an ad hoc survey of tenants in social housing. An ad hoc survey would be relatively easy to design even though there is no central register of social rented tenants or properties in Scotland. The main barrier to an ad hoc of the scale needed to provide a reliable national benchmark and the sub-group analysis that is likely to be required from it is the cost.

Within each sampled area there would be a requirement to screen addresses to identify social rented households. This would apply whether addresses were pre-selected within each area or, as we would recommend, only areas were selected, with interviewers given quotas for the number of different types of household that they should interview. However, the fieldwork burden (and cost) would be substantially higher with pre-selected addresses since each sampled address would need to be screened even if the interviewer knew addresses were (or were not) social rented properties. With a quota sample, interviewers could use this knowledge since the priority in a quota sample is to meet quota targets not to verify the status of all addresses.

While pre-selected surveys are generally seen as the most appropriate way to obtain reliable survey estimates we would recommend that the SHR, if tendering for an ad hoc national survey, invites potential contractors to consider the methodological and financial costs and benefits associated with pre-selected and quota sampling. Our

view, given the purpose of the survey in providing benchmark data for regulatory assessment, and our experience<sup>37</sup> is that for an attitude survey like this, a well designed and executed quota sample can provide sufficiently reliable results.

An ad hoc survey of this type and similar in length (if not design) to the Existing Tenants Survey involving 5,000 interviews, quota sampling and an average interview length of 30 minutes would cost in the region of £250,000, making it a very significant undertaking. A pre-selected sample might cost an additional £35-£50,000 to reflect the additional fieldwork and screening costs involved. A shorter interview or smaller sample would reduce the cost, although only at the expense of precision and analytical capacity.

Given the preceding discussion about the role of a national survey for the SHR, it would be hard to recommend an ad hoc survey as a cost-effective solution to meeting these limited information needs.

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<sup>37</sup> Davidson S., Martin C. and Treanor S. (2009) Scottish Environmental Attitudes and Behaviours Survey 2008, Scottish Government