

The Barometer survey is used to gain on-going comparable data from organisations within the Asset Skills footprint every six months. The information below is from the 107 participating housing organisations.

Housing Sector Headlines

What challenges are facing the sector? A significant proportion of the challenges identified by those in the housing sector can be classed as either internal or financial. The main financial challenge – a cut in funding - has made it difficult for organisations to maintain their levels of service and meet a diverse range of needs.

How is the sector performing? Performance in the sector is strong when compared to six months ago and this time last year. There have been improvements in a number of areas in the last six months with notable rises in productivity and profitability. Performance is superior in every area when compared to 12 months ago, with the exception of running and recruitment costs which are reported to have risen in the period.

Investment in Training – 25% of employers in the housing sector claimed to be spending more money on training than they were this time last year – a higher proportion than any other sector.

The Future – 36% of housing organisations plan to move into new areas of activity in the next year – 36% of employers do not feel that their current staff have the skills to undertake these new activities, whilst a further 10% are unsure.

Current & Emerging Challenges Facing the Sector

Internal – A wide range of internal issues were given as challenges by employers in the housing sector. Improving the level of customer service was one of the most frequently cited challenges, whilst managing change as a result of restructuring or other operational changes was also identified on a number of occasions.

Financial – The main financial challenge identified by employers related to a lack of funding. This was reportedly making it difficult for those within the housing sector to continue to provide affordable housing and support the most vulnerable in society.

Residents & Tenants – Residents and tenants accounted for a variety of challenges. In the main these challenges related to employees and organisations having to deal with diverse and often conflicting agendas and needing to maintain high levels of customer satisfaction in the process.

Staffing – Challenges that were identified relating to staff included reducing sickness levels, keeping staff focused and motivated, and managing redundancies.

Current business performance of companies in the sector (mean score)

| | Optimism | Effectiveness | Profitability | Productivity | Staff morale | Costs | |
|------------------------|-------------|---------------|---------------|--------------|--------------|-------------|-------------|
| | | | | | | Running | Recruitment |
| May 2010 | 6.9 | 7.4 | 6.8 | 7.1 | 6.7 | 4.9 | 5.8 |
| Oct 2009 | 7.4 | 7.5 | 6.4 | 6.8 | 6.5 | 5.8 | 5.9 |
| 6 Month Change | -0.5 | -0.1 | +0.4 | +0.3 | +0.2 | -0.9 | -0.1 |
| May 2009 | 6.8 | 7.3 | 6.4 | 6.8 | 6.6 | 6.0 | 6.0 |
| 12 Month Change | +0.1 | +0.1 | +0.4 | +0.3 | +0.1 | -1.1 | -0.2 |

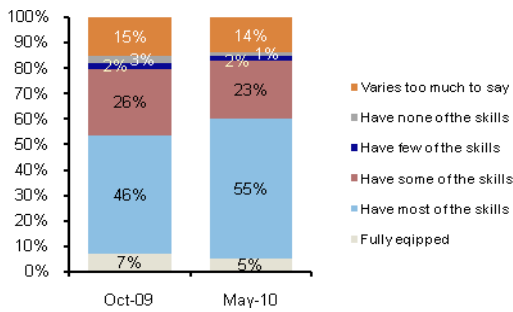
- Profitability, productivity and staff morale are all at higher levels than they were six months ago, whilst there has been a slight drop in the levels of optimism and effectiveness reported by employers. Running costs are reported to have risen substantially in the period.
- The sector is reported to be performing better than it was this time last year across the majority of areas, with the rises seen in profitability and productivity of particular note. Employers in the housing sector did however report a significant rise in running costs over the last 12 months.

Key: For optimism, effectiveness, profitability; productivity and staff morale 1 is very poor and 10 is excellent, so an increase is positive. In relation to running costs and recruitment costs 1 is a significant increase in costs and 10 is a significant decrease, so an increase is positive.

See overleaf for a more detailed explanation.

Skill levels of staff and investment in training

The extent to which new employees are 'job ready'



- Nearly half (49%) of all employers felt that, over the last six months, the skill level of new recruits had remained the same.

- 32% of employers claimed to be spending more time on training than they were this time last year and 25% claimed to be spending more money (a higher proportion than any other sector). Just under a third of all organisations (30%) stated that the level of investment in training was about the same as it had been 12 months previously.

Proportion of companies that have invested in training

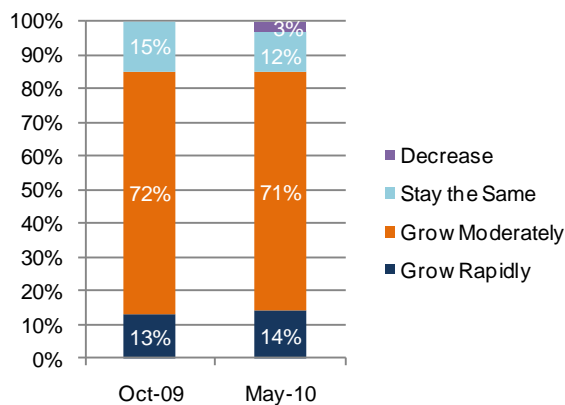
| Training in: | % of companies | Qualifications achieved (%) |
|--------------------------|----------------|-----------------------------|
| Management & Leadership | 80 | 67 |
| Technical training | 89 | 71 |
| Supervisory | 73 | 44 |
| Literacy, numeracy & ICT | 66 | 52 |
| Entry Level | 28 | 32 |

- The proportion of housing organisations that provided management & leadership training and technical training was higher than in any other sector in the Asset Skills footprint.

The Future

Future growth expectations

Companies were asked what their growth objectives were over the next 3 years.

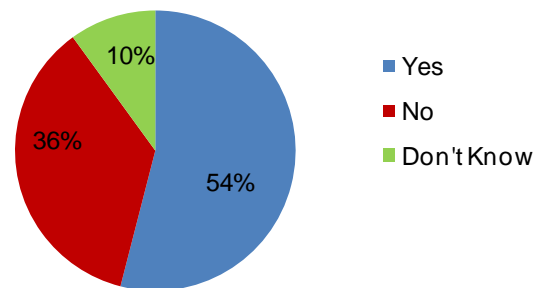


- The proportion of organisations looking to grow rapidly or moderately was similar to that seen across Asset Skills sectors as a whole.

Plans to expand into new areas

- 36% of housing organisations stated that they planned to move into new areas of activity in the next 12 months.

Do staff have the skills to undertake these activities?



- Specific areas in which it was claimed skills were required included working with tenants and providing mental health support services.

Current business performance explained

The questions within this table use a scoring system of 1-10 (1 being extremely pessimistic to 10 being extremely optimistic).

- Private companies are asked how optimistic they feel based on their current business opportunities
- Not for profit organisations are asked to rate their effectiveness in being able to respond to their national and/or regional agenda

All companies are asked how they would rate their performance over the last 6 months compared to a year ago in terms of:

- Profitability; productivity; staff morale; running costs and recruitment costs.

The scale of 1-10 is used with 1 being extremely poor to 10 being extremely positive.

An increase in optimism, effectiveness, profitability; productivity and staff morale is positive.

An increase in running costs and recruitment costs is a negative effect on the company.