**Minutes of the meeting of the CHC Housing Directors Strategic Group**

**20/03/15**

**Media Resource Centre, Llandrindod Wells**

**Attendees:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Bron Afon Community Housing** | **Lisa Charles** | **Community Investment & Inclusion Manager** |
|  | **Bron Afon Community Housing** | **Maria Jones** |  |
|  | **Cadwyn HA** | **Andrew Bateson** | **Director of Operations** |
|  | **Cardiff Community Housing Association** | **Matthew Thomas** | **Customer and Community Services Director** |
|  | **Cartrefi Cymunedol Gwynedd** | **Enid Roberts** | **Assistant Director Customers and Communities** |
|  | **Charter Housing Association** | **Steve Evans** | **Director of Housing** |
|  | **Clwyd Alyn HA** | **Neil Moffatt** | **Director Housing Services** |
|  | **Community Housing Cymru** | **Hugh Russell** | **Policy Officer** |
|  | **Derwen Cymru** | **Ian Bell** | **Director of Homes and communities** |
|  | **Grwp Cynefin** | **Carina Roberts** | **Director of Community Services** |
|  | **Grwp Cynefin** | **Noela Jones** | **Director of Housing and Communities** |
|  | **Hafod HA Ltd** | **Richard McQuillan** | **Head of Housing Services** |
|  | **Melin Homes** | **Justin Wigmore** | **Assistant Director of Housing** |
|  | **Merthyr Tydfil HA** | **Tim MacDermott** | **Director of Operations** |
|  | **Merthyr Valleys Homes** | **Victoria Slade** | **Director of Housing** |
|  | **Mid Wales HA Ltd** | **Aidan Ackerman** | **Director of Operational Services** |
|  | **Monmouthshire Housing Association** | **David Morris** | **Director of Housing & Communities** |
|  | **Newport City Homes** | **Sharon Wilkins** | **Head of Housing Services** |
|  | **Newydd HA** | **Jason Wroe** | **Housing Director** |
|  | **North Wales HA Ltd** | **Brett Sadler** | **Assistant Director Neighbourhoods** |
|  | **NPT Homes** | **Claire Maimone** | **Director of Housing and Community Regeneration** |
|  | **Pembrokeshire Housing** | **Graham Holmes** | **Housing Director** |
|  | **Taff HA Ltd** | **Joshua Dowdall** | **Head of Housing and Communities** |
|  | **Tai Ceredigion Cyf** | **Eleri Jenkins** | **Director of Housing and Support** |
|  | **United Welsh** | **Nia Roblin** | **Head of Governance and Compliance** |
|  | **Wales & West Housing** | **Steve Porter** | **Operations Director** |
|  | **Yarlington Housing Group** | **Caroline Moore** | **Executive Director of Finance and Corporate Services** |
|  | **Bro Myrddin HA Ltd** | **Mark Richards** | **Head of Housing Services** |

**Apologies:**

Nigel Draper Head of Neighbourhoods Valleys to Coast Housing Ltd

Scott Sanders Corporate Director Derwen Cymru

Robert Lynbeck Director of Housing & Regeneration Newport City Homes

**Actions to take forward from meeting:**

* **HR to liaise with Bron Afon and set a date for an ‘open day’ when other HAs can visit and learn from their support-based approach to achieving VFM**
* **HR to send out Bron Afon HACT report**
* **HR to ensure that everyone is invited into Directors Yammer group**
* **HR to ensure that details of future meetings are readily available on CHC’s website (those for today were not)**
* **HR to ensure that discussions on future of CHC’s role, the manner in which forums, networks run, etc. are raised within CHC – N.B. forthcoming meeting on the latter point is scheduled for May and chairs have been invited.**
* **HR to cancel the forthcoming HSF & inform attendees**
* **HR to discuss webinar provision within CHC**
* **HR to send out Yarlington VFM Self-Assessment Report (see link in relevant notes)**

**Feedback from HSF January**

* **Royal British Legion**
  + HR gave brief overview of speech from Jenny Wilson & progress made since (includes: 2 presentations already made to RHA and Melin; invitations to present from Linc, CC Gwynedd, Cadwyn, Taff, Tai Calon and United Welsh).
  + Also, 2 orgs came back to update on the collection of data on veteran numbers within their tenant group – Coastal and YMCAHA. Very low numbers (patchy collection of data).
  + Brief discussion of collection - NM made the point that it’s easy to ask new tenants but not so easy with 1000s of existing tenants. Some have experienced a lot of profiling.
  + HR said that if anyone came back with a novel or imaginative way of collecting this info, then he would share with the group.
* **Water Regulation**
  + HR updated on progress with Landlord TAP – advice is to avoid using this at this stage as it is ineffective and will not be updated in time for sector to meet the obligations upon it.
  + Instead send information in encrypted spreadsheets to [water.enquires@dwrcymru.com](mailto:water.enquires@dwrcymru.com) or [customer.services@deevalleygroup.com](mailto:customer.services@deevalleygroup.com)
* **Rhondda Housing Association – Find Your Future**
  + SE gave an overview of Find Your Future – an early intervention project to enable tenants who are out of employment,etc. to develop the skills, confidence etc. needed to progress to training, education or work- as presented by RHA at the Forum.
  + HR raised the point that Shelagh Iles (RHA Director of Finance), who had attended the forum, had stated that she had presented to their board the need to core fund this project.

**First Presentation – Lisa Charles – Community Investment Manager – Bron Afon**

* Specific approach to VFM, based on enabling tenants to move from being at risk of eviction to achieving sustainable tenancies through intensive support, if necessary.
* BA finding that they were experiencing extreme support demands, as the context in which living as a social tenant became increasingly difficult for many (welfare reform, increased cost of living, etc.).
* LC referenced a presentation undertaken at Tai Cymru 2014, when it was asked whether we as a sector can change the culture of housing – to put support at the heart of frontline delivery – LC stated that Bron Afon have achieved this!
* For 18 months, LC has run an externally funded ‘incubation unit’. A test bed for new social inclusion ideas. Created ‘Inclusion and Investment’ service area to mitigate challenges of Welfare reform.
* Pilot new ideas and if these work, they can present to their board for core funding to take forward, or embed them into other areas of their work
* Work on an outcomes based accountability level.
* Started with young NEETs. 5 years ago, at the peak of failed tenancies amongst this client group. This group was feeding back that their tenancies were failing because they have no support. A culmination of peer pressure, ASB, lack of income was leading to tenancy failure across this group.
* Bron Afon established the ‘Own Two Feet’ project, designed to provide holistic, wrap-around support for this particular client group.
* Since establishing this project they are yet to see a tenancy fail within the target group who have engaged in programme.
* The team operate key worker function and team around the family approach.
* They have saved £90K in eviction costs over a 12 month snapshot of ‘Own2Feet’ Programme.
* They feel they have demonstrated significant social value with this project too.
* They then moved to look at youth homelessness in Torfaen, establishing a forum for young tenants….’Young People driving services for young people.’
* This forum met to discuss how to tackle the issue and met with influential people within the sector, such as Dr Pete Mackie of Cardiff University
* The forum eventually presented to the Bron Afon board on various solutions how to mitigate the impact of youth homelessness in the borough by 2020
* Amongst the work the forum carried out was to work with Bron Afon to turn an extremely hard to let property, which Bron Afon had been considering for demolition (at a cost of £50,000) into a set of apartments for young people who would otherwise have been in danger of homelessness.
* The youth forum worked with architects to transform the building, implementing a live employability programme on the site, transforming into a set of 8 high quality apartments for young people. Very warmly received by the tenants: ‘I feel for the first time that I’m home’.
* The apartments were launched by Lesley Griffith, Welsh Government Housing Minister in 2014 and a Families First worker has supported the tenants since.
* All of the residents of this building now in education, employment or training.
* Bron Afon are now working in partnership with the Aneurin Bevan Health Board to meet gap in current services: youth mental health
* This is a further example of how they are working to add value to core services
* They’re looking to roll out similar themed approaches to tackling the issues of other groups within their tenant-base, such as families and young single parents.
* Bron Afon are investing in employability programmes:
  + Funding from various streams, inc. private contractors, care providers. Trusts
  + Working with Job Centre Plus – pooling resources and expertise
* They are developing an investment portfolio as part of an early intervention and prevention strategy, aimed at enabling their tenants to avoid crises – obvious knock on effect is that they’re spending less money dealing with the ramifications of these crises at later stages.
* One element of this is work is ‘Home Family Link’ , this programme includes, going into homes and schools (acting as key worker)using ‘team around the family TAF’ approach to reduce number of children entering statutory service threshold , so they can then work with the families and avoid crisis. i.e. losing home, broken family, debt, children moving into care.
* Home Family links (families First funded) programmes is leading to major financial savings – HACT monetary net value of this work is £6 million pounds; LC stated that this means that for every £1 they spend, they generate a £52.51 return on investment
* Recently launch ‘Don’t Walk By’ strategy, co-wrote by Bron Afon Chief Executive and deputy Chief Executive of Local Authority:
  + Bron Afon came across a number of homes in which they could see that there were serious issues for the tenants by the state of the properties (mess, no food, children sleeping on floors, etc.)
  + They then worked intensively to support people through the creation of ‘Homes that Work’ decluttering/hoarding service with these chaotic tenancies, rather than evicting tenants. The end result was a reduction in child protection issues, improved mental health for tenants and drop in arrears. This work leads to sustainable tenancies.
* They demonstrate their social impact using an outcomes star (see slides)
* This is used across 7 areas of the business
* Staff can run through it using tablets while they are with tenants, saving time later. Keen to promote agile working to capture hard and soft outcomes through ‘live data’.
* The tool demonstrates the distance travelled by each tenant and clearly shows Bron Afon where they are having a social impact and where to commit further resources.
* Conclusion:
* Collaboration is key
* Unlock external funding (they’ve received £2million in external grants over the past 2 years)
* This approach is not a short term fix, it requires complete culture change to put support at the heart of frontline services.
* Questions:
  + ??? What software are you using for the outcomes stars?
    - LC: We use the official software package – comes to less than £5K per year. Links to any web-based database, comes with 25 pre-programmed outcome stars
  + How did you manage the culture change with staff members?
    - LC: Recruited externally, from a community development perspective, as opposed to ‘traditional’ housing staff
    - LC: Bron Afon’s Manager of income was positive: ‘we’ve always enforced rent collection, you’ve provided a different method that works’ – the income collection team now adopts this approach with families who are in arrears. They’ve changed their method of working – we can’t save everyone, but this approach has proven to be effective.
  + AA: Can our staff come and visit?
    - **HR to liaise with Bron Afon and set a date**
  + NM: Your ROI figures are very impressive. How do you demonstrate these?
    - LC: HAC T – they mapped the data from families supported in the 1st year (54 different outcomes); they input these outcomes to produce a report for the year, which is publically available
    - **HR to send out HACT report**
  + SE: How did the finance team take the change in approach?
    - LC: It was a learning curve, but all new approaches were successfully piloted. That success leads to buy in from other staff. It’s a 3-year project and the CEO is right behind it.

**Presentation: Caroline Moore - Executive Director of Finance and Corporate Services – Yarlington Housing Group**

N.B. notes for this presentation less exhaustive due to slides being self-explanatory.

Yarlington’s last VFM Self-Assessment statement can be found at: <http://www.yhg.co.uk/downloads/About%20Us/Final%20VFM%20Self%20Assessment%202013-14%20for%20web.pdf>

CM gave introduction – laying out the different regulatory framework in England (and, recently, Scotland), updating the group on Yarlington as an organisation and providing a brief overview of the history of VFM regulation.

VfM Self-Assessment Statement: key requirements include:

* + Financial return on investment
  + Social return on investment
  + Environmental return on investment

Regulator provided a year’s lead-in.

YHG have 6 corporate strategies for different areas of the business. Decided that there is no need to include a standalone VFM strategy, rather integrated into others.

Despite CM’s initial worries about achieving buy-in, the whole exec team took it onboard. Put out message that YHG’s money should be treated ‘as if it were your own’!

Created pro-forma on which *anything* saved is recorded. These are collated in a VFM log, which the board look through quarterly.

Internal debate – should individuals or small teams have targets? Decided not to, to avoid silo working.

Include both quantitative and qualitative data in the VFM statement.

YHG created a procurement consortium in the South West, initially for the purchase of timber, but the scope has been broadened, membership has increased to 14 organisations and the consortium’s work has received government funding. This has led to huge savings. YHG alone saved half a million via this consortium last year.

Expansion of this approach has included moving into legal services costs. Led to 25% saving on legal fees.

They’re forecasting lower levels of voids next year, so part of VFM approach is to redeploy ‘surplus’ members of the voids team.

Benchmarking – not just Housemark – question whether they should be members every year.

* Financial benchmarking
  + Use Shape Up Benchmarking tool (<http://fsmd.co.uk/financial-modelling-solutions-in-excel/shape-up-performance-evaluation-tool-harp-100-database/>)
  + Underpins broader VFM work
* Development benchmarking
  + More detailed benchmarking against others
  + Looked at assumptions
* Salary benchmarking
  + Housemark provide info on salary so YHG can see how they’re doing against others
  + Exec team present this to board

Return on assets

* Need to understand our assets – what’s hard to let, what’s working well.
* Introduced standard asset appraisal which leads to (occasional) disposal of assets that aren’t providing sufficiently strong returns. Example given was of a lovely cottage in a village, which was not fuel efficient and was not connected to bus network, so it was not functioning for YHG and had to be sold.

Social value:

* Use HACT tool
* Also use their own tool
* Big social investment team, similar to Bron Afon

Understanding our own costs and value:

* Tricky – don’t want staff to be marking down time spent on each activity undertaken
* Piloted with Incomes team
* Focus on key activities – examining value added by these activities, not cost.

‘Baselining’

* Exercise they’re undertaking this year in which they strip back to the minimum what they’re statutorily required to do. What would this alone cost? Then add in the value of non-obligatory services, e.g. ASB services. They’ll know in a year what this all works out to.

**Questions:**

* RM: Our experience to date of dealing with the regulators suggests that we’re being forced down the HACT route. Finance is the focus, but it should be more than that. Does that match your experience in England?
  + CM: No. The first year of regulation saw 12 downgrades, the second year 4. The criticism of the process is that it rewards those who can write a good report, not necessarily those who can deliver VFM. The regulator is seeking to establish whether you understand your business and where you need to improve it. Yarlington highlighted an area of weakness (asset management), demonstrating awareness of the issue, then reported on what they were doing to overcome this. This was deemed acceptable.
* RM: I think it’s important that this is seen as a journey, not an immediate transformation: how long did the journey take you?
  + CM: Three years
* TM: MTHA have been used as a guinea pig; regulators picked us up on VFM. Hasn’t been prescriptive. Not pushing toward the English model.
* RM: CHC are suggesting that Welsh Government are pushing for the HACT model. VFM is about so much more than that.
* SP: If you were in our regulatory position, what would you do?
  + CM: We were already doing much of this work. Areas we focussed:
    - We’d put £1/2 a million into social impact work but needed to show SROI
    - Trying to show this in a financial figure is a false process
    - We weren’t forced to look into anything we wouldn’t have examined anyway
* SP: We ended up using a less prescriptive model – did you go through the same process?
  + CM: 2 parts to that:
    - SROI: we developed a model
    - Property VFM: We were aware that we weren’t demonstrating VFM in this area, insofar as we had some poor performing properties. Looked at systems to determine which ones weren’t performing well, but we found that actually, just by communicating with the lettings team we were able to establish which properties these were.
    - Now fuel efficiency has become of greater importance; when a house becomes void we check it’s fuel efficiency, then make a decision about whether to get rid of it based on that. We don’t need a £35,000 system to determine these things.
  + SP: We find that there are 2 main costs to asset management: the direct property costs and the costs of the time of the various members of staff involved in all the necessary meetings.
    - CM: We had similar experiences – we once had a property void for 9 months because no one department took ownership. Now as soon as a property has been void for a month, we make a decision about what to do with it.
* SE: If you’re now making greater £ efficiencies, how do you decide what to do with the surplus?
  + CM: When we record tracked savings, we agree to reinvest the £. We run a scheme called 20 pledges for 2020 – long term goals developed with stakeholders. We told our stakeholders that we’ve got £1/2 a million in cost savings put aside and asked them to put forward business cases to use this money. We then invested in the strongest ones.
* NR: How do you cost out particular departments?
  + CM – not about getting people to fill out details of everything they do and how long each activity takes them; we sat down with our lettings team for example and simply asked them how they are filling their time: turns out that they weren’t spending all that much time on the letting of properties! This method enabled us to find out where people were spending their time and then act on that knowledge.

**Presentations following Breakout**:

**Group 1 (Richard McQuillan presented):**

VFM is not always about £, e.g. tenant participation, though some services certainly are, such as repairs.

The VFM strategy taken has to reflect the needs and ethos of the organisation.

VFM shouldn’t be seen as a corporate priority – needs to be embedded across the entire organisation.

Is there an industry wide understanding of what VFM means?

Focus should be on what matters to the customers. The current perception, based on the information gleaned by the tenant survey, is that we’re not providing good value.

VFM is a tool – it ought be implemented because it’s a good thing to do.

Many of us operate within a culture in which budgets must be spent by year end – does this achieve VFM or waste? Wales and West have changed culture – doing away with a budgetary focus. Similarly Pembrokeshire Housing have achieved a change in culture by offering staff a bonus if they can come under budget at the end of the year (it was noted that this does have the potential to lead to the perverse incentivisation of, for example, skimping on repairs.

Tenant input is crucial to understanding how best to avoid waste and achieve VFM. As an example, RM noted the experience of a Local Authority replacing a street’s window frames with stronger, wooden ones, then as soon as they reached the top of the street, starting again at the bottom with PVC window frames – had they consulted tenants at the beginning they would not have wasted so much £.

Be honest about VFM – not a tick-box exercise. If it is not robust and challenging, it will not work.

We may already be doing what we need to do in some cases; often practice which we consider to be simply good management is actually achieving value for money.

VFM is not static. Should be a progressive, consistent process.

Very few members of this group could think of a time that they had stopped offering a service which was not providing VFM. A brave step.

Collaboration is important, but it’s also important that we are in competition for grants, customers, business, so just how collaborative can we actually be? Accepting that, we need to avoid an insular approach and consider how best to achieve VFM as a whole sector. As an example of how this can be achieved, Wales and West had a handful of properties in Anglesey, but realised that it was not providing good value for money for them to continue to manage these, so transferred them to another organisation with more stock in the area.

We operate in weird markets. Why haven’t we embedded ourselves in the normal market approaches taken by private agents, such as Rightmove?

Are Local Authorities looking at long or short term targets to address sector-wide issues?

CHC: expectations:

* They can lobby on our behalves/ protect our interests.
* Sharing of best practice
* Understand our pressures, properly representing our views
* Provision of a central point into which we can all feed info – identifying common needs, issues, etc.
* Their role is not to push people down the route of the HACT

**Group 2 (Mark Richards presented):**

Strategic collaboration – should this be across the country or regional? Gave the example of three Cardiff-based landlords having a strong working relationship.

Topic based collaboration would be effective. We all use AllPay services, as an example. Should we be grouping together to approach these types of organisations? Role for CHC in coordinating this collaboration.

Benchmarking – is there a pan-Wales model we can use aside from HouseMark?

VFM is ongoing in practice but not badged as such. Such practices include: stock appraisals, system reviews, considered procurement. We should recognise that we are achieving VFM in a number of areas whether we call it that or not.

Social return on investment – Identifying most vulnerable tenants and then concentrating on them.

CHC: good examples of case studies in Around the Houses but PR as a sector is poor. Positive PR is a role for CHC.

The Housing Directors network is a good example of collaboration.

Regional fora (not CHC led) – North Wales, West Wales, have dropped off...

CHC’s roles: support benchmarking and collaboration, improving the public perception of the sector via positive PR.

**Group 3 (Tim Macdermott presented):**

As a sector we should be recognising untapped potential for collaboration and joint procurement of, for example internal audit and legal services. CHC could provide support in collaboration for more efficient procurement – sharing specs, etc.

There exists a perception that RSLs are going to increasingly take on services currently undertaken by LAs. This is an opportunity, but we need to be adult about it! If there are a certain number of services available in a LA area in which a number of RSLs work, we should split them. Must avoid duplication of the services RSLs provide.

Working together increases purchasing power, enabling us to add value to our services and to pass discounts/ benefits on to our tenants.

CHC’s role could include the mapping of opportunities, e.g. frameworks, tendering cycles. They can also create space for discussion and sharing across the sector, but this must be focussed. N.B. Make things easy to find.

The sector should be speaking with one voice, allowing our values to drive VFM, leading by example with VFM. E.g. HARA content, expectations, shared outcomes framework, monitoring.

We can use CHC as a voice of the sector, but we need to be provide key points for cases to put forward, to enable CHC to make a cogent argument on our behalves.

CHC role: good practice sharing, to improve learning across the sector. Focussed sessions which lead to increase in working together, e.g. developing a RA VFM framework. Evaluation model. CHC to be a strong advocate for the sector on VFM, not focussed simply on opposing cuts. Could demonstrate impacts on individuals, impact on communities, on our partners in health, the police etc. by using case studies and evaluations.

Present system of forums and networks only scratches the surface of issues. We should be taking them forward further by, for example, arranging visits to practice-leading projects. Themed workshops would be valuable (N.B. notes here state Supporting People Grant… *something*… social impact).

We should bring partners along to achieve VFM, but must be careful not to become a dumping ground for services.

Does anyone ever revisit a business case for ROI? Perhaps we should!

Housing Services Forum -

Case studies and stories could be coming out of these

Work on themed (service) workshops to explore/ map cost, quality and performance (providing a narrative for our organisations and the regulator)

Housing Directors Network should link up better with the Finance Directors forum.

**Additional Points**

We need to avoid duplicating work done in other forums and networks on VFM, such as the Finance Directors forum. There was broad consensus for a VFM conference day which would bring together all involved in the process of achieving VFM. This day should focus on a small number of broad themes, say 5. We need to be on the front foot, ahead of the regulator, so best to set common themes for an agenda now. That’s our strength with CHC – we can use these sessions for themed workshops. We all get a lot more done working collaboratively in this forum than in isolation. These networks are useful for forming informal partnerships, can make links for IT procurement for example.

The idea of meeting as a wider group to discuss the achievement of sector–wide VFM isn’t mass agreement, but that we can leave convinced that our approach is the right one and can stand up to critique.

VFM makes good business sense, but we need to be able to capture how it’s being achieved/impact.

VFM is a journey – can’t expect it to happen overnight.

Housing Services Forum: the group agreed that the numbers for the forthcoming HSF were too low to run it successfully and that to do so would be to risk those who did attend having a poor experience and damaging the forum’s reputation. The agenda was too light and would not meet the needs of the prospective attendees. The time between the Directors and the HSF (1 week) is too short.

Need to avoid the various networks, etc. working in silos. A series of key themes should be agreed and these should then be worked on across forums and networks, with a long term process in place and cross-working days, like the conference noted, to work toward. National council could decide these themes with input from forum/network chairs and the groups could then work on these throughout the year.

Can CHC look at the provision of webinars on certain topics?

HR to ensure that Yammer group is populated.

**Any Other Business:**

CM: Has anyone used Housing Partners? They’ve approached her and she’d like some further feedback.

NJ: could feedback to CM about this next time.

HR, CM, SE: Fed back on the Universal Credit meeting and CHC/YBAC’s proposal to take this work forward.

HR: Can the group consider October’s One Big Housing conference? Who would like to present and what they would like to present on.

Finally the group thanked Graham Holmes for his contribution to the sector and congratulated him on his retirement.