



# Self Evaluation for Board members & Senior Management

# Self Assessment The Regulator's Take

Sarah Laing

Senior Regulation Manager

September 2014

- There was the Housing Act 1996 Section 33
  - (a)determine such standards of performance in connection with the provision of housing as, in its opinion, ought to be achieved by such landlords, and
  - (b)arrange for the publication, in such form and in such manner as it considers appropriate, of the standards so determined
- In Wales, performance standards are termed “delivery outcomes”
- Welsh Government must report landlords performance against delivery outcomes.

## Our remit

- Protect tenants
- Protect taxpayers

## Areas of Focus

- Governance
- Financial
- Service Delivery

## Some Core elements

- **Co-regulation**
- Health and Performance Assessment using agreed Delivery Outcomes
- A **Self Assessment** process supported by robust evidence base



*“Self Assessment is **the** core evidence used in the regulatory assessment”*

*Regulatory framework for Housing Association in Wales P9*

- *Onus on RSLs to share a robust self assessment*
- *Reliance on self assessment to form regulatory opinion*

### **10 “Purples” are Grouped under Governance, Finance & Service**

1. Demonstration points are the type of thing we are looking for – but are only guidance
2. They are not Regulation Team Delivery outcomes but developed in tandem with the sector
3. Acceptance that not all the Delivery Outcomes are actually outcomes

#### **Example:**

**We repair and maintain homes in an efficient, timely and cost effective way.**

We can demonstrate that:

- We have deliverable and affordable plans for the lifetime maintenance and improvement of our houses.
- We deliver maintenance programmes efficiently and effectively.
- We provide an efficient and effective responsive repairs service which meets the requirements of our tenants.

- How reliable is the self assessment undertaken by the RSL as basis for regulatory opinion?

Appraisal against RSL 33/09

- Does the RSLs view of its health and performance mirror OUR experience of the association

Triangulation against intelligence gathered as part of normal regulatory engagement

**YOU NEED A GOOD SELF  
ASSESSMENT**

## Learning the lessons from the past

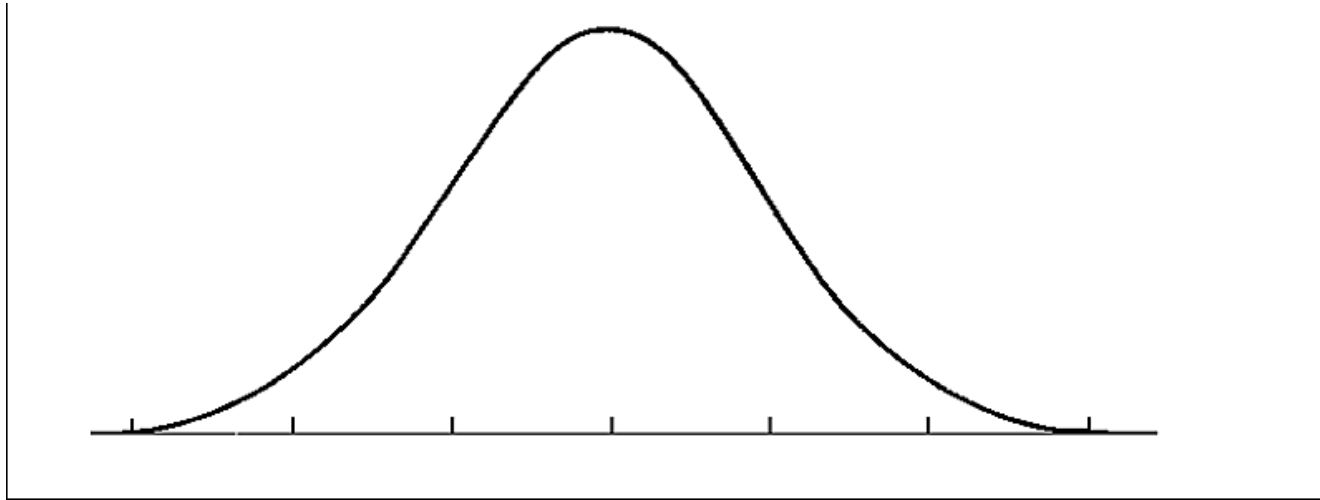
- Written with the regulator as the audience
- Approach not meet requirements of RSL33/09
- Too complex
- Too long with too much waffle
- Too long - to cover themselves
- Too much process - not related to the delivery outcomes
- Too hard –more comfort in numbers and activities
- Too dull – loss of momentum
- Not focused - telling every thing they know about homelessness.
- Separate from performance appraisal in RSLs we know is already going on
- Little appropriate contextual information
- Optimistic – lack of criticism with top marks for everything
- Lack of ownership by Board – junior staff do not lead on corporate or strategic planning

## Support to the sector so far

- 3 initial pilots with each RSL feeding back their experience to sector peers in pathfinder year
- WG wrote to each RSLs in 2010 setting out our view of SA to date
- Regulation team filled the gaps with resource as part of HARAs
- 1:1 support and feedback on developing SA from Regulation team
- Training sessions paid for by Welsh Government
- Regulation team speaking regularly at sector events on our expectations
- CHC employing Doug Elliott to provide support CHC members
- Sector organisations such as TPAS providing tailored training at the request of RSLs



No single Association has nailed it



- A) Some not there yet but flashes of genius
- B) Most trying hard, but finding it hard
- C) A few not too bothered



- Self Assessment is an **activity**  
Not necessarily a document but it can be a document  
It's up to you, as only you know what works for you

## Balance between bespoke and tell us what to do



- Principles remain unchanged
- We will provide more advice and guidance for those who want and need it *we are not telling you what to do*
- Regulation Team expectation will be made clearer *this is what we will be appraising your SA against to test its reliability*
- Latest thinking around core characteristics will be incorporated for associations to consider

**YOU NEED A GOOD SELF  
ASSESSMENT**

# Self Assessment

- ▶ The Pennaf Housing Group approach



# Methodology

- ▶ Introduced 2012/13
- ▶ Based on Results Based Accountability (RBA) approach focusing on Outcomes agreed with Stakeholders
- ▶ 7 Outcomes, 25 sub-outcomes
- ▶ RBA Groups established – 3 Residents, 3 Officers, 1 Board Member
- ▶ Consultative event to rate performance fed to Boards
- ▶ Identified areas requiring additional attention.



- ▶ 2013/14 process reviewed and amended
- ▶ Nov '13 RBA groups met collectively to review performance and Outcomes
- ▶ Identified a degree of duplication and questioned relevance of certain Outcomes
- ▶ 4 new primary Outcomes, 17 sub-Outcomes
- ▶ Fed into Boards Business Planning Dec '13
- ▶ Consultation with Voluntary & Statutory Partners, and Residents as part of Business Planning process
- ▶ Collective consultation with RBA Groups and RAG rated
- ▶ March '14 Boards approved Self Assessment



# Outcomes

1. Our People drive our services
2. We provide Homes People want to live in
3. We are Governed effectively
4. We are financially viable



# Advantages

- ▶ Involves all principle stakeholders, especially Residents
- ▶ Identifies what stakeholders want
- ▶ Opportunity to explain what can be delivered, if not why not – greater understanding
- ▶ Places stakeholders at the centre of activities
- ▶ Brings together Residents with Board Members and Officers
- ▶ Facilitates challenge by all and of each other
- ▶ Integration with Business Planning and Risk Management



# Tips

- ▶ Develop Business Plan around desired outcomes
- ▶ Be honest with self and others
- ▶ Be realistic
- ▶ Embrace challenge and embed in organisation
- ▶ Remember Co-regulation
- ▶ Avoid jargon
- ▶ Keep it simple – do not become a cottage industry
- ▶ Ask why
- ▶ You're not always right!



# Future Actions

- ▶ Develop better cross-referencing to 'Delivery Outcomes'
- ▶ Move away from 'annual mentality'
- ▶ Develop co-regulation
- ▶ Develop better Board reporting



## Leaseholders are satisfied that their services are delivered to an agreed standard

### Leasehold Rent Arrears - Current Tenants

### Measures

### Leasehold Rent Arrears - Former Tenants

#### What we are doing and why

We have completed a new leaseholder's handbook and have distributed it to 71% of our Residents

We contribute at least one page specifically for leaseholders in every issue of our resident's newsletter and as a result of consultation with our Residents we will be producing a Leaseholder specific Newsletter by October 2014

We have plans to more readily make contact with a range of 'dispersed' leaseholders to inspect the properties to ensure that the Welsh Government's investment is protected, gardens are maintained and standards are maintained in neighbourhoods. If the properties are found to be in disrepair they will go on an at risk register until they are brought up to an agreed standard

We advise all leaseholder groups of monthly expenditure recoverable from service charges and we hold formal budget meeting each year with them

⚠ Review of Admin Charges for all Leaseholders

▶ Reconsider how The Group and the Leaseholder Forum Benchmark our services and look at joining the Leasehold Excellence Network as an alternative to STAR →

▶ Attend a good practice group at least 4 times per year and feedback to all Leaseholders

▶ Implement the action plan following the Accountability Customer Satisfaction survey

⚠ Review how we deal with sales and set targets for Shared Ownership, Right to Buy and Right to Acquire

▶ Continue to expand the profiling exercise to include leaseholders

▶ Implement the first dedicated Leaseholder Newsletter and provide leaseholders with information that would be of interest to them

▶ Leaseholder Team to feedback to their residents/leaseholders what difference their involvement is making

✓ Gather support from Assembly Members and MP's for a change of rules to allow the NEST Scheme to carry out work on Leasehold Properties properties

⚠ Leaseholder Forum - Hold at least 5 Leasehold/RBA forums per year and feedback to Leaseholders

▶ Plan for a significant reduction in the Rent Arrears to bring in line with the General Needs Target of 2.5% →

#### What have we done?

We have introduced a Leaseholders Forum which meets 5 times per year. This group with 8 members set targets and scrutinises the work of Pennaf's Leasehold Team

The STAR survey was completed in 2013 and as a result an action plan has been agreed by the Leasehold Forum and reviewed at every Leaseholder Forum

We have and will continue to train contact centre staff regarding the work the Leasehold Team does and have give general advise to leaseholders regarding changes to Welfare Benefits and the Bedroom Tax

We recognise 4 scheme specific leaseholder groups and regularly meet them informally and formally and The Leasehold Team now attends all cross tenure consultation meetings and promotes all types of home ownership options

We have completed major window replacement works at all schemes

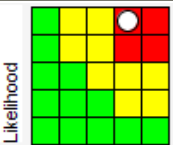

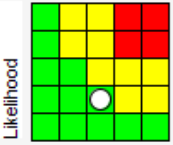
We have carried out a life cycle stock condition survey and share findings with leaseholder scheme groups and The Leasehold Team now deal with all leasehold responsive repairs reporting directly →



## Implement Leasehold Functional Service Plan 2014/15

Action Name	Due Date		Status	Latest Note	Progress	Assigned To
<b>BP15-1.09f3a Review of Admin Charges for all Leaseholders</b>	31-Dec-2014		Check Progress	LF 7.8.2014 to look at old and new figures	<b>33%</b>	Robert Hopkins
<b>BP15-1.09f3b Reconsider how The Group and the Leaseholder Forum Benchmark our services and look at joining the Leasehold Excellence Network as an alternative to STAR</b>	31-Mar-2015		In Progress	Pennaf now members of 3 leasehold best practise groups. CIH Wales, NWHOG and Weaver Vale asked CIH Wales to provide other Welsh Housing association names and contact so Pennaf can convene meeting RH 23.6.2014	<b>80%</b>	Robert Hopkins
<b>BP15-1.09f3c Attend a good practice group at least 4 times per year and feedback to all Leaseholders</b>	31-Mar-2015		In Progress	regular email contact with good practise groups sharing comments and experience regarding, lease extensions and admin fees	<b>83%</b>	Robert Hopkins
<b>BP15-1.09f3d Implement the action plan following the Accountability Customer Satisfaction survey</b>	31-Dec-2014		In Progress	internal satisfaction survey to be discussed LF 7.8.2014	<b>50%</b>	Robert Hopkins
<b>BP15-1.09f3e Leaseholder Forum - Hold at least 5 Leasehold/RBA forums per year and feedback to Leaseholders</b>	31-Mar-2015		Check Progress	LF TO BE HELD ON 7.8.2014 PREVIOUSLY HELD 29.5.2014 , 6.2.2014, 29.10.2013, 25.2.2013, 22.2.2013	<b>50%</b>	Robert Hopkins
<b>BP15-1.09f3f Plan for a significant reduction in the Rent Arrears to bring in line with the General Needs Target of 2.5%</b>	31-Mar-2015		In Progress	current arrears are £109,545 which is 8.5% taking off those properties that are being sold etc. arrears drop to £62,158 which is 4.8% as at 31.7.2014	<b>20%</b>	Robert Hopkins
<b>BP15-1.09f3g Review how we deal with sales and set targets for Shared Ownership, Right to Buy and Right to Acquire</b>	31-Aug-2014		Overdue	current policy reviewed and assessed by RH and KJ during PDR meeting. Time scales to be agreed with new sales spreadsheet by LF. Spreadsheet measures outcomes at each stage of the sales process	<b>75%</b>	Robert Hopkins
<b>BP15-1.09f3h Implement the first dedicated Leaseholder Newsletter and provide leaseholders with information that would be of interest to them</b>	31-Oct-2014		In Progress	newsletter signed off by AB 11/8/2014 LF reviewed contents 7/8/2014	<b>80%</b>	Robert Hopkins
<b>BP15-1.09f3i Continue to expand the profiling exercise to include leaseholders</b>	31-Mar-2015		In Progress	all new sales (20) done this year - contact centre targeting leaseholders	<b>11%</b>	Robert Hopkins
<b>BP15-1.09f3j Leaseholder Team to feedback to their residents/leaseholders what difference their involvement is making</b>	31-Mar-2015		In Progress	LF now are part of the RBA first meeting 29.5.2014 agreed targets and provided constructive feedback	<b>20%</b>	Robert Hopkins
<b>BP15-1.09f3k Gather support from Assembly Members and MP's for a change of rules to allow the NEST Scheme to carry out work on Leasehold Properties</b>	31-Mar-2015		Completed	all shared owners written to advising of changes to Nest qualification rules RH 24 6 2014	<b>100%</b>	Robert Hopkins

Performance Graphs	Current Position	WC 28-Apr-2014	WC 26-May-2014	WC 30-Jun-2014	Current Target	Long Trend - Same period last year	Traffic Light Icon	Latest Note																				
		Value	Value	Value																								
<b>CL0D26 CTA % of Rent Collectable - Leasehold &amp; Marketing</b> <table><thead><tr><th>Quarter</th><th>% of Rent Collectable</th></tr></thead><tbody><tr><td>Q1 2013/14</td><td>6.45%</td></tr><tr><td>Q2 2013/14</td><td>9.08%</td></tr><tr><td>Q3 2013/14</td><td>6.48%</td></tr><tr><td>Q4 2013/14</td><td>6.87%</td></tr><tr><td>Q1 2014/15</td><td>10.39%</td></tr><tr><td>Q2 2014/15</td><td>9.94%</td></tr></tbody></table>	Quarter	% of Rent Collectable	Q1 2013/14	6.45%	Q2 2013/14	9.08%	Q3 2013/14	6.48%	Q4 2013/14	6.87%	Q1 2014/15	10.39%	Q2 2014/15	9.94%	<p>WC 01-Sep-2014 result</p> <table><thead><tr><th>Value</th></tr></thead><tbody><tr><td>0.00%</td></tr><tr><td>3.03%</td></tr><tr><td>3.06%</td></tr><tr><td>9.94%</td></tr><tr><td>13.00%</td></tr></tbody></table>	Value	0.00%	3.03%	3.06%	9.94%	13.00%	7.13%	7.08%	10.39%	3.00%	Getting Worse		
Quarter	% of Rent Collectable																											
Q1 2013/14	6.45%																											
Q2 2013/14	9.08%																											
Q3 2013/14	6.48%																											
Q4 2013/14	6.87%																											
Q1 2014/15	10.39%																											
Q2 2014/15	9.94%																											
Value																												
0.00%																												
3.03%																												
3.06%																												
9.94%																												
13.00%																												
<b>CL0D27 FTA % of Rent Collectable - Leasehold &amp; Marketing</b> <table><thead><tr><th>Quarter</th><th>% of Rent Collectable</th></tr></thead><tbody><tr><td>Q1 2013/14</td><td>0.07%</td></tr><tr><td>Q2 2013/14</td><td>0.35%</td></tr><tr><td>Q3 2013/14</td><td>0.02%</td></tr><tr><td>Q4 2013/14</td><td>0.05%</td></tr><tr><td>Q1 2014/15</td><td>0.26%</td></tr><tr><td>Q2 2014/15</td><td>1.05%</td></tr></tbody></table>	Quarter	% of Rent Collectable	Q1 2013/14	0.07%	Q2 2013/14	0.35%	Q3 2013/14	0.02%	Q4 2013/14	0.05%	Q1 2014/15	0.26%	Q2 2014/15	1.05%	<p>WC 01-Sep-2014 result</p> <table><thead><tr><th>Value</th></tr></thead><tbody><tr><td>0.00%</td></tr><tr><td>0.00%</td></tr><tr><td>0.00%</td></tr><tr><td>1.05%</td></tr><tr><td>1.36%</td></tr></tbody></table>	Value	0.00%	0.00%	0.00%	1.05%	1.36%	0.13%	0.00%	0.26%	0.00%	Getting Worse		
Quarter	% of Rent Collectable																											
Q1 2013/14	0.07%																											
Q2 2013/14	0.35%																											
Q3 2013/14	0.02%																											
Q4 2013/14	0.05%																											
Q1 2014/15	0.26%																											
Q2 2014/15	1.05%																											
Value																												
0.00%																												
0.00%																												
0.00%																												
1.05%																												
1.36%																												

Risk Score 9		
Risk Code & Title	Cust02 Customer Satisfaction - Leasehold	Original Matrix
Description		
Target Date	31-Mar-2015	Current Risk Matrix
Potential Effect	Loss of income Inefficiency Complaints Increased numbers of voids Job losses Reputational damage due to loss of confidence of the stakeholders Lost opportunities for new business Breach of regulations	
Internal Controls	Customer Care Charter Community Involvement Strategy Welsh Housing Quality Standards met to ensure adequate standard of housing & DQR Complaints procedure Appropriate lettings strategy Managing Agent forums Quality Focus Group/Quality Partners completing service user audit of services Leaseholders Forum meetings	Target Risk Matrix
		



# Self Evaluation for Board members & Senior Management

**Doug Elliott**

Self-reflection proves difficult:



Bennett Chatterbox Times Free Press



## Self Evaluation : TODAY

- National developments and trends
- Focus on overall corporate “architecture” for SE
- emerging core characteristics of SE
- Shifting cultures and the emerging roles for boards/senior management



## Self-Evaluation: national focus/direction

- *Co-regulation* -Self evaluation and regulatory focus across other public sectors in Wales and beyond eg:
  - Health
  - Police and Fire
  - Local Government
- WG 's AIR review in 2013 -14
- *Public Services Commission*



## Self-Evaluation: national focus -housing impact

Housing regulatory framework- stands any comparison.....

- National/international shift
- WGs Interim Review of HA Regulatory Framework
- WG focus shift to LG voluntary use of DO's

**But.....**

- SE practices keeping pace across HA sector ??
- Regulatory evaluation keeping pace??
- Formal guidance etc needing refreshing (Circular 33/09)



## WLGA National & Local Work

### *Why ?*

- Consistent regulatory challenge and increased formal intervention
- View of inconsistent regulatory approach to assessing SE
- Not much recognised guidance: CIPFA etc

### *Designed to.....*

- Support national picture/local focus
- Support bespoke individual support
- Influence external review focus
- Identify core characteristics for self evaluation "self reflection"



## National common messages

- services subject to some form of “self-reflection” everywhere

### **But..... huge range of approach/quality around...**

- Why its done ! ( PM?/ future planning? /service plans?/ for the regulator !! /mix? )
- SE disciplines ( engagement, evidence, comparison, other models ?)
- How SE outcomes/judgements are challenged/tested internally
- The story SE's tell -How SE outcomes are used/timed to support decision making..... or not !!



## Focussing on the “architecture”

**Internal and external evaluation of SE arrangements -**

**No longer just about.....**

- How SE's are done

**But also about.....**

- How leadership drives /owns SE and creates cultural shift
- How internal challenge works and creates confidence
- How SE results are used/timed for strategic/financial planning



## Self-Evaluation – core characteristics

### Undertaking SEs

- Linked to strategic objectives/improvement objectives etc
- Comprehensive evidence base
- inclusivity - underpinned by effective internal involvement with staff/members/other depts
- External engagement-strong customers/service users, partners and external agency engagement
- SEs test other service models/ radical solutions



## Self-Evaluation – core characteristics

- Assessments of performance are honest and balanced, and based on outcomes or end results for customers
- SE outcomes identify service performance, identify improvement scope, risks implications and highlight resource implications for improvement

### Internal challenge

- Outcomes from all SEs are subject to some form of robust internal challenge



## Self-Evaluation – core characteristics

### Integrating SEs with other corporate planning and PMF arrangements

- SE outcomes/judgements transparently feed strategic planning, MTFS/budget processes, improvement reporting, risk management planning and other corporate processes
- Service plans bring together outcomes of SE and feed into HR strategy, training/development and leadership planning
- SEs support shared learning and knowledge transfer within the organisation.... and across sectors



# Self-Evaluation – core characteristics

## Corporate arrangements

- Strong member/board and s/management ownership and advocacy of the process
- All services included within common corporate framework
- Guided by common corporate guidance/advice/templates

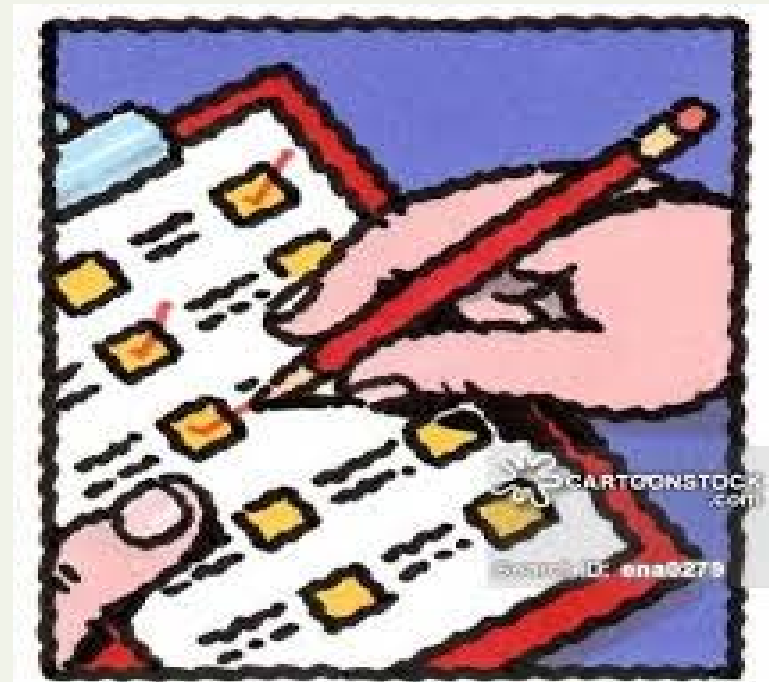


## Boards and Senior Managers- Top 5 SE issues

- Organisational maturity – what SE model for the organisation (the SPECTRUM)
- Honest SEs and the blame culture
- Creating Board/SM level confidence in SE outcomes
- Empowerment and accountability- SE outcomes supporting clear decision -making
- Involvement in SE ?



# Freeform v prescription

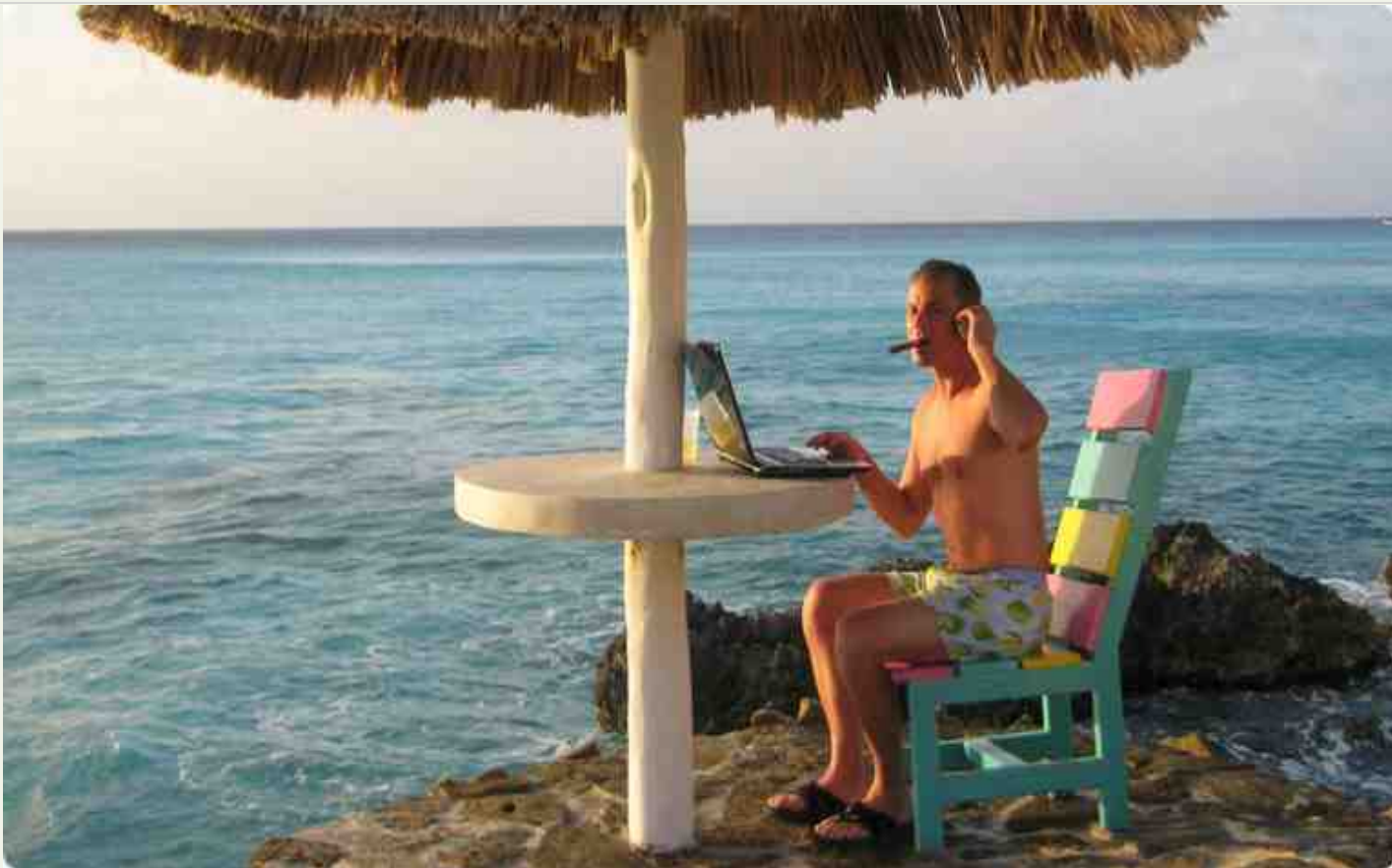




IT WAS ME  
I let the dogs out.

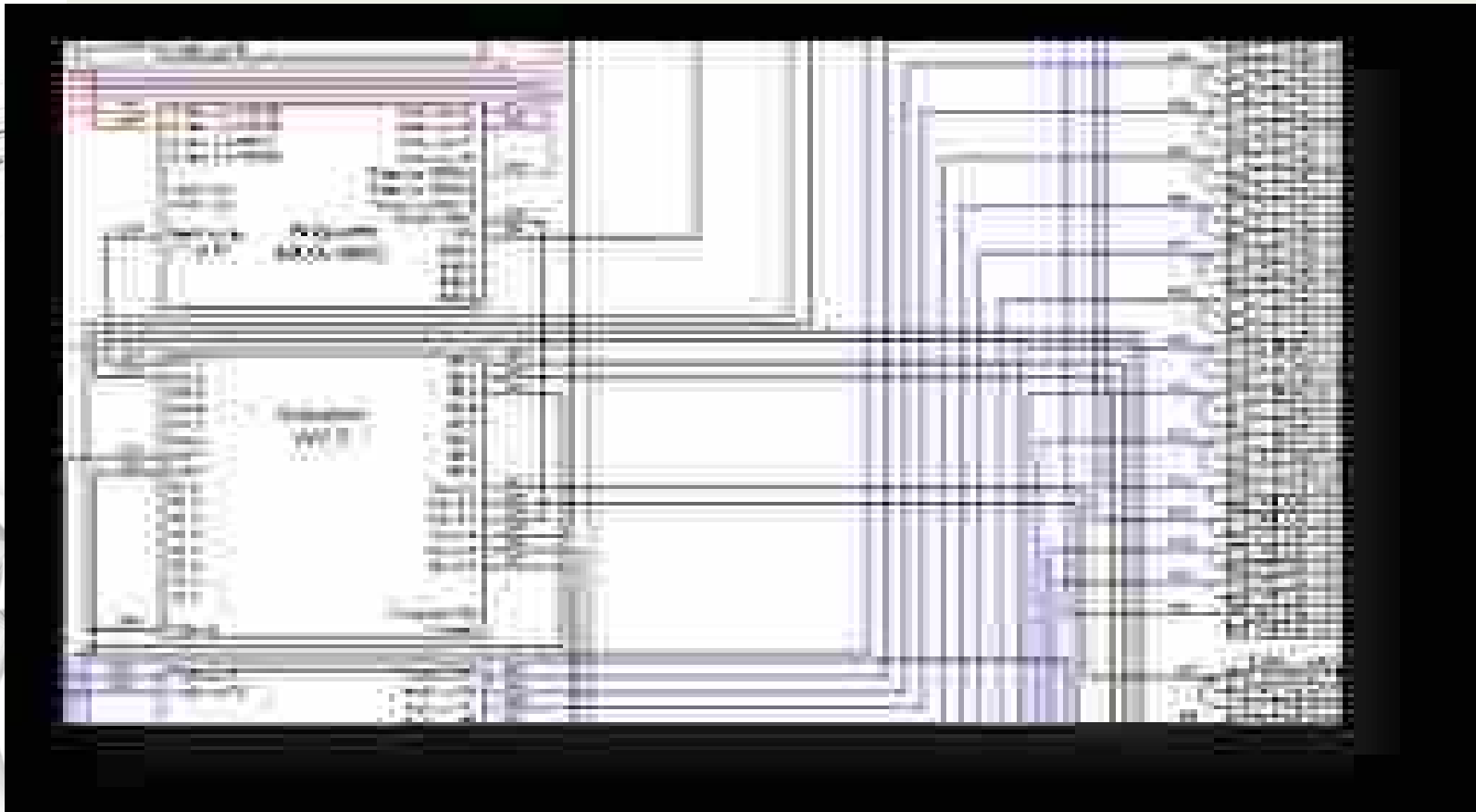


*“Trust me –everything’s great”*





# Decision making transparency





## board involvement in SE ?

### Corporate

- outcomes from SE informing decision making around corp. planning, PMF, and MTFS processes
- developing SE framework / quality itself

### Specific

- within the SE itself ? (*community interface , critical friend, advocacy*)
- within the challenge process ?



# Creating change momentum I

## Corporate

- Deciding on model, level of prescription and components
- Consider impact on corporate timings
- Communicate commitment to change/model impact
- Hearts and minds/cultural shift – face to face with staff
- Generating ownership/involvement from HoS and staff.. inc piloting
- empowerment - SE output analysis and clear evidence of judgement consideration for decision making



## Creating change momentum II

- Lessons learnt and feedback
- Reflect on impact on corp. centre

### Support available

- Critical friend overview evaluation
- More detailed support