ctBRIEF
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James Tickell partner, Campbell Tickell
Signs of *The Times*

CAMPBELL TICKELL

"A few weeks ago, readers of *The Times* were greeted by a front page savaging the house-building record of housing associations and pillorying a selection of chief executives. More detail followed and a stern editorial drove home the messages: housing associations are now part of the problem, not the solution; they are inefficient and need sorting. For good measure, the leader article called for privatisation of existing grants.

Never mind that the figures in *The Times* were highly suspect, and subject to swift rebuttal. Never mind that it's unclear how a grant – as opposed to a loan – can be privatised. The damage has been done, as was the intention of whoever chose to plant the article.

Few friends

For associations, it is clear that they have few friends in the policy establishment. The impact of rent and benefit cuts is unlikely to be their last unpleasant surprise. The Housing and Planning Bill going through parliament gets the ball rolling – some have portrayed it as an assault on the very existence of social housing.

Taking a step back, it's important not to let this less benign environment cause terminal alarm.

Associations have a good track record of delivering government targets. They can't be abolished overnight, even if they are, for now, technically a part of the public sector. So long as they can deliver (and be seen to deliver) a good number of new homes in time for the next general election, they should live to fight another day. But the next few years will not be easy, and there will be less to spend on providing services, and on maintaining and improving properties.

What might this all mean, beyond a need for general tightening of belts? (See box, overleaf: Finding efficiencies.)

There are risks. Cutting back on property maintenance is the easiest way to reduce costs in a hurry, even if this may end up being more expensive in the long run. Associations need to be ready to make that hard-headed business case for keeping properties in good order, rather than risk a spiral of deterioration. But there will need to be changes, perhaps best summarised as working smarter and more strategically.

The profit and loss approach

Well-run associations need good information about profitability, preferably for each property, and certainly by area and property type. Non-performing assets need to be sold or brought to profitability – this is where the strategic approach comes in.

A more intelligent approach to

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Out of favour: housing associations have few friends in the policy establishment

"So long as associations can deliver (and be seen to deliver) a good number of new homes in time for the next general election, they should live to fight another day."

James Tickell, Campbell Tickell

THIS ISSUE

Edited by Stuart Macdonald and Zina Smith

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component replacement will help, too. The days of ripping out kitchens and bathrooms just because they have reached a certain age should be over. Make do and mend will become more the spirit of the age – components should be inspected and an informed view taken about how much longer they may serve. Of course there should be no cutbacks to health and safety, nor to weatherproofing, but the intelligent approach will soon begin to yield dividends.

Behind an intelligent approach must lie modern information technology – the adage of 'invest to save' nowhere more true. Some associations are already investing millions into new IT, encouraging tenants to go digital and more. Smaller organisations may need to tap into the expertise of larger colleagues, or band together. Joint ventures, combined procurement and shared services need to become more common, overcoming traditional resistance to collaboration.

Being commercial

A commercial approach will feed through into other areas of work. Office processes need to be streamlined. Where tenants damage their properties, the costs should routinely be recharged, as under any private rental. The Audit Commission-inspired chase for ever-increasing tenant satisfaction needs to be balanced with a dose of managed expectations.

It is good business to have satisfied customers, but the law of diminishing returns applies. If satisfaction is in the 60 per cent range, then driving it up is necessary. But once it has reached the upper 80s, then good enough is good enough. Service standards need to be achievable, and safety-critical repairs must always be done fast. But the response time for non-urgent repairs can be stretched; having a timed appointment is the most important thing to tenants, whether after three days or 10.

The other win-win for tenants and landlords is getting repairs right first time. This is about logistics, and the intelligent application of data. Longer term, it may also be about using data from

Right first time: efficient and intelligent repairs and maintenance is key to freeing up resources to build

Finding efficiencies

- Housing associations must adopt a more intelligent approach to component replacement without cutting back on health and safety.
- Invest in modern technology and encourage more tenants to go digital.
- Increase collaboration between organisations, for example: joint ventures, combined procurement, and shared services.
- Take a more commercial approach to tenant satisfaction and service response times and recognise when good enough really is good enough.
- Aim to get repairs right first time. Ensure maintenance staff and contractors have both the skills and tools to do the job required there and then.

sensors embedded in (say) boilers, but few are ready to take technology to this stage. The range of tools and materials in vans needs fine-tuning if first-time fix is to be widely achieved. So too does the management of initial customer contacts.

For direct labour workforces, productivity needs to be upper-quartile, with oversight from people

"The chase for ever-increasing tenant satisfaction needs to be balanced with a dose of managed expectations."
James Tickell, Campbell Tickell

with relevant skills. VAT savings on direct labour are good, but can easily be wiped out by organisational flabbiness. Multi-skilling is becoming the norm, but is far from universal. Contractors need to be managed to follow the same disciplines, with a rigorous approach to performance and compliance. Customer service is vital – for many tenants, the interaction with an operative on-site will dictate their view of landlord performance.

Strategy and intelligence

All in all, a successful future is about strategy and intelligence. Costs need to be contained, but not necessarily at the expense of quality. Tenants must have a fair deal, but a realistic one. Jobs will change, for those in offices and depots, also for operatives who are interacting with tenants.

Times will be tough, but there can be a compelling vision for better ways of doing things. For agile, empowered workforces, and increasingly tech-savvy tenants, this will all help towards the mission-critical goal of freeing up resources to develop new homes.

This article was first written for the National Housing Maintenance Forum. To discuss this article and how Campbell Tickell can help you, email james@campbelltickell.com

Grahame Hindes chief executive, Octavia Housing

Meeting London's affordable housing needs

OCTAVIA HOUSING

"London has a problem. Since the turn of the millennium, we have been building just half the number of homes we need. With too many Londoners chasing too few homes, the inexorable laws of supply and demand have doubled house prices in just a decade. An average home in the capital now has a price tag of more than £500,000 – which is more than 12 times the median income in the city. The gap between income and aspiration has never been higher. Quite simply this is a crisis."

These words, at the start of Zac Goldsmith's housing manifesto, could have been drafted by the National Housing Federation. The problems of housing in the capital are now the number one issue in the race to be elected the next London mayor and seemingly everyone is in agreement that we need more housing and we need it soon (see graph: House building in London).

With all that political consensus around a problem you would have thought that progress would be just a few steps away, but there are reasons to be nervous.

The price of land

The single biggest issue is land, or to be more precise, the price of land. Anyone with land to sell is understandably looking to ensure the maximum gain. And with subsidy levels far below the amount needed to transform market price housing into affordable housing, it is that latter element which disappears. A subsidy of £30,000 if invested at 5 per cent (well above current market rates) would produce an income sufficient to reduce the rent on a property by £30 per week. This is not enough to make affordable rent a realistic alternative to market options.

And right to buy will make things worse as associations in the capital are incentivised to spend their receipts, so there will potentially be significant amounts of money chasing a fixed number of sites. Furthermore the incentives for the replacement tenure all favour homeownership options – it requires less initial subsidy, it has lower ongoing management costs and even has the advantage of being the current political priority. In all a variation of Gresham's Law – the economic principle that bad money drives out good – kicks in, with homeownership options driving out rented housing. But the difficulty is that a proposition which involves solving the housing problems of London by building more homes for sale and in the process driving down prices does not look like a vote winner.

Bleak outlook: the average London home costs 12 times the median income in the city

Need for rented housing

So you are left with the need for more rented housing. And with no cash for subsidy, value has to come through a combination of the planning system and restrictions on the holding of undeveloped land.

But we are going the other way with the implementation of the government's starter homes initiative to build 200,000 homes for first-time buyers by 2020. Although the investment is welcome, unfortunately this policy will further accelerate the demise of rented housing.

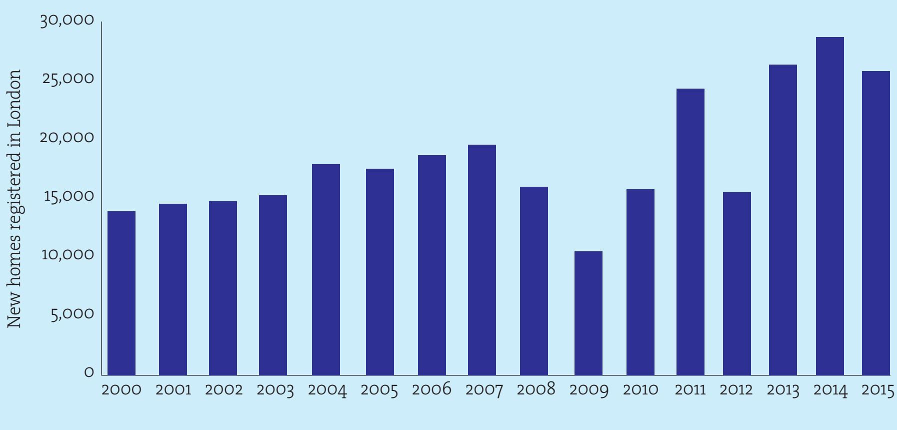
Evaluating the starter home effect on meeting section 106 obligations is not straightforward. Although, in theory at least, the additional income from a producing a homeownership product rather than providing rented homes will feed through the viability assessments and result in more affordable homes in total, until we have full transparency on those assessments and post-development audits of cost and income, no one can be certain just what sort of a leakage out of the system might result.

Fixed percentages

The simplest answer, and the one proposed by the Planning Officers Society in a recent paper and also the one adopted by mayor of New York, Bill de Blasio, is straightforward. And of course we have been here before, but really we do need to be clearer and firmer about the use of fixed percentages of affordable rented housing in all new developments.

The housing needs of London are complex and in such situations there is often value in simplicity. So let's make it that 50 per cent of all developments should be for affordable rent and be done with it.

House building in London (2000 to 2015)



Source: NHBC Annual New Home Statistics Review 2015

Zina Smith marketing and communications coordinator, Campbell Tickell

Refugee crisis: what housing providers can do to help

"Since the summer of 2015, we have seen the highest recorded movement of displaced people since 1992. In total 60 million people have been displaced, 20.2 million of whom are refugees and 11 million are Syrian. As a European-wide humanitarian policy of resettlement has yet to fully materialise, it has fallen on individual states to manage their own migration challenges.

Some have responded by constructing borders, forcing refugees to live in squalid campsites or to risk their lives by undertaking dangerous sea crossings. At the centre of this are the refugees and asylum seekers themselves, whose welfare needs are not being sufficiently met.

Maurice Wren, chief executive of the Refugee Council, notes that there is an important role for housing providers to play, not just in providing housing where possible, but also in sharing their knowledge and expertise. This article takes a look at the role some housing providers are playing, and what else could be done.

Nicolas Economou/Shutterstock.com

Desperate to escape conflict: Syrian refugees make the treacherous sea crossing to Turkey

Getting involved

In October 2015 the UK government announced it would take in 20,000 Syrian refugees by 2020, as part of an extension of the Vulnerable Persons Relocation Scheme (VPRS). Essentially, the United Nations High Commissioner for Refugees identifies the most vulnerable refugees in camps in Turkey, Jordan and Lebanon and refers them to the Home Office.

It is up to individual local authorities to contact their Regional Strategic Migration Partnership to express their interest in participating in the resettlement scheme. Once accepted, refugees are offered accommodation and welfare assistance. In the UK in 2015, a total of 1,864 people were resettled, of these, 64 per cent were granted protection under VPRS.

In a recent article, John Perry, policy advisor at the Chartered Institute of Housing, outlined two ways in which housing providers can assist with meeting the needs of Syrian refugees and destitute asylum seekers.

First, through providing accommodation, and second, by giving advice on housing rights to their tenants. Several social landlords have been assisting with both these needs and more.

Horton Housing Association in Bradford was the first organisation to sign up to the VPRS. It provides refugees with assistance with housing, healthcare and other kinds of support and has produced a Best Practice Guide to Syrian VPRS, which outlines the process from resettlement to integration over 12 months (www.tinyurl.com/hfa6yby). There is no doubt this type of assistance could be replicated by other housing providers seeking to help refugees.

Refugee resettlement

Ashley Community Housing in Bristol has also been working with refugees. Although not directly involved in the VPRS, it does have clients from Syria and other countries. More than 1,000 refugees a year have been resettled through its supported housing and individual training courses.

Ashley Community Housing notes "these two facets are key to helping to develop our tenants' independence, promoting their positive contribution to the community and ease of integration into UK life".

The association's expertise in the field of refugee resettlement has meant other organisations have asked it for advice. In particular Ashley Community Housing has established, Himilo, a training arm which works in partnership with further education colleges.

Hayley Kemp, who works in the communities team at Plymouth Community Homes, explains how the organisation "recognises and values the refugees and asylum seekers" who live in its properties and communities. PCH is the key sponsor of Plymouth Refugee Week, and has been for the last three years.

It also sponsors Plymouth Hope FC, a football team that tackles discrimination and integration through sport and is made up of Plymouth-born players, asylum seekers, refugees and migrant workers.

With the support of PCH, Hayley also sits on the planning committee for

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In numbers: the refugee crisis

60 million
people displaced worldwide

20.2 million
are refugees

11 million
are Syrian

20,000
number of Syrian refugees the UK will take in by 2020

1,864
number of people resettled in the UK in 2015

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Continued from page 4

Refugee Week and the Plymouth asylum seeker and refugee forum. She also works with asylum seeker and refugee agencies, demonstrating the various ways in which housing providers can assist.

Other associations have a long history of delivering support. Arhag, established in 1979 to provide housing for the UK's refugee and migrant community, has more than 900 properties, including a supported housing scheme, for refugees and migrants.

In its five-year business plan Arhag notes it will support refugees and migrants to: "Improve their social and economic wellbeing, for example, ensuring two innovative initiatives each year are designed to improve educational attainment or provide entry to the jobs market."

Short-term housing

Social integration is of course the ultimate end-goal, however, such organisations also have experience of providing short-term housing, which can help refugees in the interim.

A Joseph Rowntree Foundation report published last year notes that housing providers can "set aside a small number of properties from a large portfolio". There may be benefits: "In areas of low demand for housing projects, housing migrants may be a regenerative force."

"In areas of low demand for housing projects, housing migrants may be a regenerative force."

Voluntary organisations, such as NACCOM (the UK-wide No Accommodation Network), which seeks to alleviate destitution among vulnerable migrants by connecting those in need with hosts, is well placed to connect with social landlords.

NACCOM is working in partnership with The Strategic Alliance on Migrant Destitution, which brings together professionals from the homelessness, refugee and migrant sectors to create opportunities to work together more effectively.

Strategic involvement

There is real scope within this network for housing providers to assist at the strategic level. Indeed, the Refugee Council's Wren explains associations can contribute at "the design level and coordination of housing service, rather than just as providers of housing".

Associations' expertise can assist with discussions between local authorities and voluntary organisation about how best to manage accommodation. Other options include offering in-kind support, as outlined on the Chartered Institute of Housing website. Housing providers can help, for example, by sending donations to affected areas, as some have done, such as the Wheatley Group.

Of course, there are very real practical considerations for associations to consider, such as their own resources and business plans, but as outlined above, there is real scope for various kinds of assistance and collaboration across the housing, refugee and migrant sector. Creative thinking, as Wren notes, is key.

To discuss the issues raised in this article, email zina@campbelltickell.com

THEDIARY

The Government's New Sport Strategy and the Opportunity for Housing

10 May
The Midland Hotel, Manchester

This workshop organised by HACT will explore how housing associations' connections with local communities can positively influence and secure the benefits from sport and physical activities, including improved physical and mental wellbeing, individual and community development and social impact. Campbell Tickell consultant Liz Zacharias is attending.
www.hact.org.uk/events

Mergers: the here, the now and the future

25 May
Woburn House, London

This joint HouseMark and Campbell Tickell event will cover the debate over whether to merge, how to make the process as smooth as possible, and how well mergers have delivered on efficiency. Campbell Tickell director Sue Harvey will chair the workshop.
http://tinyurl.com/z9vw7gc

The Future of Social Housing

6 June
International Convention Centre, Birmingham

The conference has two plenary sessions and six interactive workshops themed to match your interests, where you can exchange ideas, learn about best practice and plan for a better future.
www.campbelltickell.com/events

Chartered Institute of Housing Annual Conference

28-30 June
Manchester Central, Manchester

This year's conference will explore the biggest questions facing the housing sector and identify the solutions that can help make a difference. Join Campbell Tickell at our stand G34.
www.cihhousing.com/

Andrew Heywood senior associate, Campbell Tickell

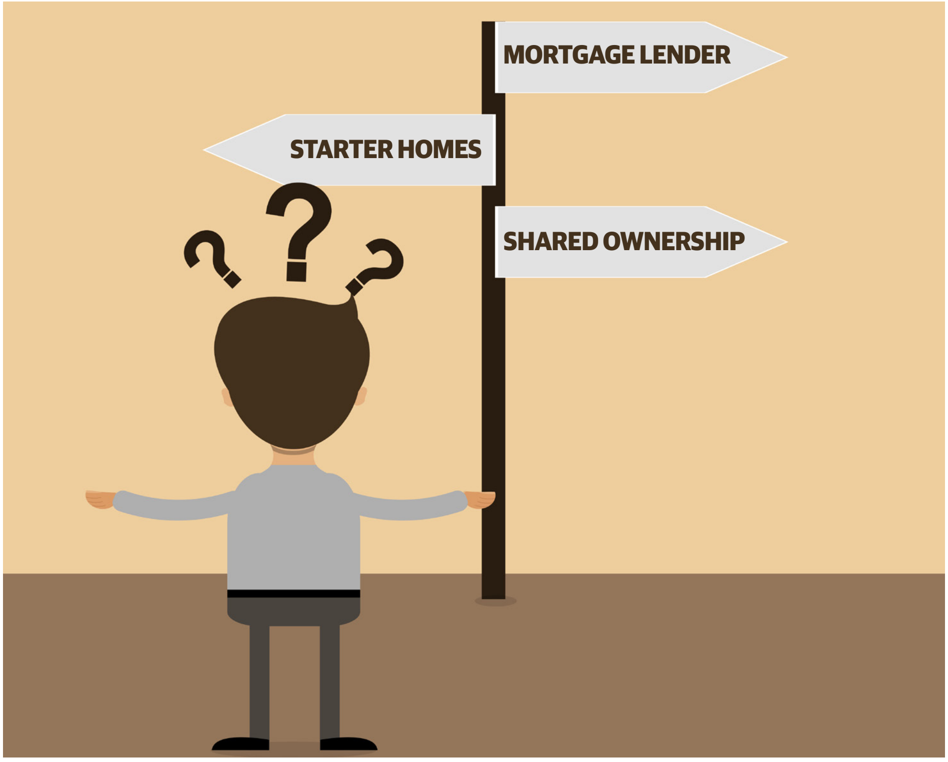
Starter homes: a panacea or a set of unanswered questions?

CAMPBELL TICKELL

"In a nutshell, the starter homes initiative in England is a scheme which will allow first-time buyers under the age of 40 to buy a home at a discount of at least 20 per cent. This discount will be funded by the utilisation of 'underused' industrial and commercial land not zoned for housing, and a relaxation of section 106 and community infrastructure levy requirements.

The government is so keen on the idea that the initial target to build 100,000 homes in five years was subsequently raised to 200,000. It is fair to say the starter homes initiative epitomises the thinking of the present Conservative government in its:

- overriding commitment to the promotion of homeownership;
- reliance on the private sector to achieve delivery;
- increased reliance on demand-side subsidy in the form of 20 per cent discounts, rather than supply-side subsidy in the form of grant;
- adherence to the aim of maximising the number of homes developed, rather than a balanced programme in terms of housing type, cost and provision of appropriate infrastructure.



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Unanswered questions

To a country such as England – which only completed 124,000 homes last year – little more than half of those required simply to keep up with household formation – the prospect of an additional 200,000 homes is exciting. However, there are currently a number of unanswered questions about the prospects for starter homes and their impact on other housing providers.

There are real doubts that the 200,000 homes will actually be additional. The private sector has a long history of failing to respond to demand-side subsidy by increasing its output. Developers are unlikely to be thrilled at the prospect of flooding their market with a glut of near-identical starter homes. It is not even clear that enough 'underused' commercial/industrial land will become available at the right time and in the right places. The government is already promising additional funds for land acquisition and remediation.

This is just the beginning. Answers are yet to be found to other important questions such as: How real will the 20 per cent discount be? How can it be policed? If buyers are competing for discounted starter homes, will they secure the best prices? In any case, in a free market, what is open market value beyond what people are prepared to pay? This is a concern not just for buyers but for mortgage lenders too, as they are asking what their loan security is actually worth.

Looking ahead

Once we move a few years down the line, a fresh set of issues will need to be addressed: What happens when stretched first-time buyers wish to become second-time buyers? Where is the provision of discounted second-time homes for those who were only able to buy their first home at a discount?

Also, the potential impact on other housing providers is a real concern. Housing associations fear increased competition for development land. The government is considering offering help to buy equity loans of 20 per cent to starter home purchasers across the country.

"Developers are unlikely to be thrilled at the prospect of flooding their market with a glut of near-identical starter homes."

Impact on shared ownership

If this option goes ahead, how will this affect the price for shared ownership properties? If a buyer has the choice of buying a new home outright, paying only 60 per cent of the value (100 per cent minus 20 per cent discount and 20 per cent equity loan) and putting down a 5 per cent deposit, or buying 40 per cent of a home, paying rent on the unsold share and putting down a larger deposit than that needed for an equivalent starter home, which will they choose? Will the government promote starter homes at the cost of a severe shrinkage of the shared ownership market?

There are no panaceas for the chronic under-supply of new housing in many parts of the country – the jury is out for starter homes.

To discuss the issues raised in this article, email zina@campbelltickell.com

Lisa Taylor director, Future of London

Workspace that works for the capital

"Employment space is under threat in London. In policy terms, workspace is being eroded in much of the capital by what can feel like a 'take no prisoners' prioritisation of housing.

The most zero-sum element of this approach is office-to-residential conversions under permitted development rights, with further threats from 'opportunity areas' like Old Kent Road; growing awareness of the value of back-of-high-street locations; and high-level murmurs about reclassifying strategic industrial land for residential development.

Rising rents

On the face of it, the wider English market is no help. Rising rents are driving big-floorplate employers from Barnet to Basingstoke, and artists' studios from Bermondsey to Bristol. Successful operator Makerversity's second location will be in Amsterdam – it didn't even look in London.

At the same time, commercial operators have arrived, with shiny, higher-rent offers like The Collective and WeWork challenging the scrappy ethos of operators like Bootstrap Company or the Hackney Wick & Fish Island clusters. Big serviced office providers like Workspace Group are lambasted by small outfits for converting property to residential use, and for – well, for being big and commercial.

There are glimmers of hope beyond and even in these trends. Recognising the risks, local enterprise partnerships, EU funds and the Greater London Authority are all directing regeneration grants toward workspace provision. Authorities like the London Borough of Islington are using planning powers to resist indiscriminate office-to-resi plans, and there is growing appetite for flexible space at all tenures and rates.

"Commercial operators have arrived, with shiny, higher-rent offers."

Future of London has been delivering workspace programming since 2014, and in 2016 is producing visits, case studies and a 'matching' event on "workspace that works" for our members. This group of councils, housing associations, the GLA, Transport for London and development trusts owns and/or manages thousands of properties and tracts of land. They choose partners and activities to serve priorities from economic development and employment to area regeneration and place marketing – rarely on purely commercial terms, and ideally on a self-sustaining basis.

While willing to use public assets and engage with operators, these organisations often don't know much about workspace options. The developers they work with are similarly in the dark – they want the buzz of tech or creative SMEs in their new or vacant premises, but aren't sure where to turn or who to trust.

Core requirements

Both host groups have core requirements: clear mechanisms for finding and installing workspace operators, and confidence that those operators will be reliable and add value, whatever the latter means in context. Helping navigate those areas is half the battle.

Broader factors are also being explored: location (access, amenity, population), planning (how will the council use its assets, or negotiate with developers, to prioritise affordable workspace?), design (are spaces suitable for desired uses?) and cost-effectiveness (is there rates relief? Who provides services?).

In short, reports of the death of affordable workspace are (somewhat) exaggerated. There are opportunities, if operators, occupiers, councils and developers talk to each other and start to build trust. That's what Future of London is trying to enable.

To get involved, email Alexei Schwab at alexei@futureoflondon.org.uk

WeWork's Aldgate Tower co-working space, where desks can be rented for £325 per month

Alice Smith consultant, Campbell Tickell

Restoring public confidence in charity fundraising

"When did you last give to charity? The Charities Aid Foundation's 2014 UK Giving study found that 44 per cent of people reported having donated to charity in the previous month. An estimated 23 million adults give to the tune of £10 billion per year. That's around one third of fundraising charities' income (see box: Charitable donations). So it's hardly surprising that last summer's fundraising fiascos gave charity fundraisers, directors and trustees, many a sleepless night.

How was your experience of donating to charity? Perhaps that would have been a more pertinent question. Last summer's string of bad news stories began after the death of Olive Cooke, whose suicide was linked in the press to fundraisers "hounding her" for money.

Essential fundraising: members of the public donate around £10 billion a year to charities in the UK

Lack of trust

What might have been a tragic but isolated incident was followed by *Daily Mail* reports about malpractice by fundraising agencies, damning articles on chief executive pay and the mishandling of data, and the very messy demise of Kids Company. In the autumn, it was reported that public trust in charities had fallen to an eight-year low.

This wasn't the first time fundraising has been in the spotlight for the wrong reasons, but this time it felt different. It showed that the near-sacred position of charities in the public eye cannot to be taken for granted. Something had to be done to restore public confidence: reform of fundraising regulation being an obvious place to start.

There had been calls for reform before – fundraising governance historically has been hampered by a confusing system with two regulatory bodies (membership voluntary) and two codes of conduct.

Back in 2012, Lord Hodgson's review of the charity sector recommended that a "sector-funded, public-facing, central self-regulatory body" be established "covering all aspects of fundraising". Last summer's media pressure provided the rocket fuel for reform; reviews by Stuart Etherington of NCVO and the Public Administration and Constitutional Affairs Committee supplied the finer detail.

A new, independent fundraising regulator has been set up, funded by a levy on the 50 largest fundraising charities (and described by some as the 'last chance' for fundraising self-regulation).

Charitable donations

23 million
adults give to charity per year.

£10.6 billion
total amount donated to charity by UK adults in 2014

one third
proportion of charities' income that comes from public donations

£14
average donation in 2014

£10
average monthly amount donated by sponsors

45-64
average age of people most likely to be involved in charitable actions

Source: The Charities Aid Foundation

The Charities (Protection and Social Investment) Act 2016 makes provisions which would enable the Charity Commission to act as a backstop to fundraising regulation if the need arose. The act also compels charities with an income of more than £1 million to report how many complaints they receive about fundraising and to outline their approach to fundraising in an annual report.

Unpopular proposals

There is further wrangling to come over the next few months. The RNIB has publicly expressed its opposition to the new regulator. Proposals for the implementation of a fundraising preference service, which would enable donors to 'turn off' mailings from charities, are being developed by NCVO (an unpopular idea among small charities). The future role and funding of the Charity Commission is also being discussed.

As for public trust and confidence, it remains to be seen what the long-term impact of the events of last summer will be on charitable giving. If you are a donor, perhaps next year you will be asked not just how much and how often you give to charity, but how you were approached and how you felt about the experience.

To discuss the issues raised in this article, email alice@campbelltickell.com

Niku Mawby senior associate, Campbell Tickell

What keeps you awake at night?

"Who will be the US president? Having to publish your Tax Return in *Inside Housing*? 1 per cent rent reduction? Funding for new rented homes? Or, the health and safety of customers and staff? These are all subjects that might prevent you from sleeping well at night.

It would be surprising not to see 'gas safety' compliance on board key performance indicator reports, especially since the well-publicised regulatory downgrades over the past three years. Boards tend to get reports on the proportion of fire risk assessments and asbestos surveys completed within target timescales. However, do KPI reports always tell the full story? Customer experience can often be overlooked.

Gas safety

Let's look at gas safety for example. Performance is usually reported on the proportion of properties with valid gas safety certificates by a given date, often at the month or quarter end. Without information about the number of homes 'at risk', those lacking a valid safety certificate during the reporting period, full assurance cannot be provided. For example, 10 properties might have been without a valid safety certificate throughout this period, yet if the position is recovered at month-end, performance will look good in any case.

"Do KPI reports always tell the full story? Customer experience can often be overlooked."

Fire risk

Let's take another example, fire risk assessments. The fact these are done in a timely fashion is only a starting point. How many boards and senior executives seek assurance that each fire risk assessment has resulted in dedicated fire procedures for the particular block or scheme?

When completing quality assurance reviews on fire safety we often find blanket fire evacuation policies applied across all stock, without considering scheme particulars. Most importantly, it seems fire risk assessments focus mainly on properties rather than on the residents in them. Basic procedures, such as what does "stay put" mean if a resident finds themselves in the common lounge during a fire alarm, are not always explained.

In recent quality assurance reviews of asbestos and legionella management we found robust management plans from the landlord and property perspective, yet little appreciation of customer experience. Clear procedures were lacking on what to do when something goes wrong, such as trigger points for involving housing management teams when asbestos is discovered and distributing safe drinking water if legionella bacteria is found in properties.

Health and safety laws are clear – boards and senior staff are responsible for ensuring the safety of residents, staff and others. If things go wrong, they are responsible. It wasn't long ago that a Scottish housing association was fined £75,000 because of extensive scalding caused by hot water, and more recently two women lost their lives in Lewisham following a serious fire.

At best, fines are levied, at worst lives are lost: enough to keep us all awake at night.

To discuss any of the issues raised in this article, email jon.slade@campbelltickell.com

CAPTION COMPETITION

Jon Slade, senior consultant at Campbell Tickell, presenting on new approaches to business transformation.

Email your best captions to zina@campbelltickell.com or tweet them to @campbelltickell1 before 31 May for the chance to win a mystery prize!

LAST ISSUE'S WINNER

Congratulations to Iain Turner, researcher at Campbell Tickell, for the winning entry for February's competition: "Gerri Green – always happy to sprinkle fairy dust across her consultancy work!"

Greg Falvey chief executive, Colchester Borough Homes

Trading up

Colchester Borough Homes

"Why diversify? I guess at first sight it's about spreading overheads, achieving economies of scale and adding to the future resilience of the organisation. In our case, it is these elements and a little more.

Colchester Borough Homes is an arm's-length management organisation wholly owned by Colchester Council. We have 7,000 homes (in what is said to be the oldest town in Britain), 220 staff and four of our wards are within the top 10 per cent of most deprived areas in the country.

The well-documented financial pressure on local authorities inevitably leads to council officers and elected members turning over many stones and CBH has been and remains well placed to help take on additional roles.

As a result, the past couple of years have seen us add to our core housing management, community and maintenance services. We now also look after:

- the housing register and temporary accommodation;
- co-ordination of the sub regional choice-based lettings service;
- the homeless services team and housing advisors;
- private sector and town centre anti-social behaviour team activities;
- disabled facilities grant work;
- a small engineering team, which looks after car parking areas and unadopted highway – providing a service to neighbouring councils;
- facilities management of more than 100 council-owned buildings, ranging from Colchester Castle to leisure centres, churches, museums, pavilions and more.

Additional benefits

Aside from the economic gain, this diversification allows us to manage a more comprehensive service and therefore provide an improved customer journey.

We have our own direct service organisation, asset management team and facilities management team. They provide a very credible offering of the full range of construction skills from design to project management and delivery.

We started trading last year and won a small health and safety consultancy contract, provided work for a local housing association, and sold professional advice around green technologies. It was a humble start but the learning was big. The key lesson has been: don't underestimate the transition from client to contractor!

> "The key lesson has been: don't underestimate the transition from client to contractor!"

Following the government decision to cut rents 1 per cent annually for four years from April 2016, our imperative for trading has shifted up a gear.

We've been used to an annual investment programme over recent years of about £13 million per annum. With the rent reduction we're entering a trough in our programme down each year to £9.5 million in 2019/20.

Our trading aspirations, therefore, will fill the gap in turnover so we can maintain our economies, retain our skills base and make a very useful surplus.

This year our trading has picked up to an annual project value of around £3 million and next year around £5.5 million. Our business case – compiled with external advice – set out a plan for trading to reach an annual value of £10 million by year four.

The work is interesting to boot. We are managing a project building a 'creative business centre' with office and work units, restaurant, café, and piazza. Next year we'll manage the re-build of a regional theatre with associated buildings and public spaces.

Trading strategy

In getting ready for trading we agreed a trading strategy. Sounds obvious, but without it there is the clear risk of misunderstanding what you are doing and why. We also agreed a trading protocol: if the value of a deal exceeds a particular threshold, or risk level, it is clear where the decision-making should sit. Agreeing this upfront takes away a lot of unnecessary fear.

Trading is new territory for our board and the 'what about the risks' versus 'get on with it' takes some balancing. The work is enriching and alluring, but we are determined that trading should not distract us from our core service and core purpose.

Diversification and trading does feel like something of a quiet organisational transformation. With it comes a vibrancy that also demands new skills. This impetus will have its impact on our culture and in time a redefinition of our core purpose.

To discuss the issues raised in this article, email jon.slade@campbelltickell.com

New responsibilities: Colchester Borough Homes manages the facilities at Colchester Castle

Liz Zacharias consultant, Campbell Tickell

Will we see a Supporting People II?

"The one-year delay to the implementation of the 1 per cent cut and the local housing allowance cap to supported housing has, on the one hand given providers a breather from changes that had the potential to make a lot of services unviable. On the other, it has prolonged uncertainty that has seen a number of providers mothball developments, particularly for extra care housing.

The exempt accommodation rules and the introduction of specified accommodation definitions last year was another attempt to shore up a creaking revenue funding system for the sector that has become increasingly precarious as local government cuts have taken their toll and budgets have been cut back repeatedly.

Providing support: the UK faces the significant challenge of housing an ageing population

More localised system

Universal credit and the proposed abolition of housing benefit means that a new revenue funding system is needed. All we know of the government's plans, however, is that the Department for Work and Pensions has stated that it is looking at a more 'localised system' to cover the housing costs for universal credit claimants and an attempt was made to cover the funding hole that would have been left by implementation of the local housing allowance cap to supported housing with discretionary housing payments.

The Westminster Hall debate on the future of supported housing on the 12 April has ensured the issue is moving up the agenda. Responding to the debate, housing minister Brandon Lewis said the government was committed to helping the most vulnerable people in society. He also said this was a government-wide policy, and that he and other ministers are committed to ensuring the future financing of supported housing is placed on a stable footing.

We now await the results of the Ipsos Mori research on supported accommodation, which is supposed to identify how much housing benefit is being spent on funding extra costs in supported housing and to provide evidence to shape a new system.

In the meantime the National Housing Federation has taken the initiative in setting up a group to look at developing a new revenue funding model.

Alternative funding models

Its briefing paper proposes four potential revenue funding options:

- a single funding stream administered locally that includes core housing costs, additional housing costs commonly incurred in supported housing and the care and support;
- a single funding stream as above but administered nationally;
- a mixed funding system with housing elements funded via the benefit system and care and support elements funded locally;
- a mixed funding system and nationally determined additional elements.

Of these, the most likely scenario will be a single housing stream administered locally. Central government has a long track record in divesting itself of responsibility for any service budgets. The push for devolution and integration of budgets that is underway reinforces this trend away from any national responsibility for something as contentious as housing support and care for vulnerable groups. Any need for reductions does not make good national headlines!

> "We need a once-and-for-all revenue funding model that acknowledges there is a definite place for supported accommodation."

Back to the 1980s?

The other interesting option would be that of a mixed funding system and nationally determined additional elements. This takes me back to the 1980s when additional needs attracted welfare benefit supplements, depending on whether a person needed to wash their clothes and bedding more often etc.

Funding for housing with care and support has always been a bit like trying to squeeze a balloon, and in some senses the shunting of revenue costs into housing benefit was inevitable given the cuts to local government funding and the pressure to meet statutory social care duties that has resulted in significant reductions to Supporting People budgets.

There have also been a number of organisations that have developed business models based on maximising access to rent levels funded through the

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Brian Leonard chief executive, Sporta
Sports facilities are under threat just when we need them most

sporta social enterprises within culture & leisure

"Sporta trusts hold a very significant position in local sports, leisure and cultural provision. They provide the operation and management of around 30 per cent of local facilities and programmes in the UK, with a very high concentration in London and Scotland.

Although most of these facilities are outsourced by local authorities, the roots of this provision by non-profit distributing organisations (NPDOs) go back ultimately to the 19th century, and a few Sporta members have been established for many decades.

Expansion

The major expansion in number of the trusts during the 1990s and 2000s was accompanied by some significant gradual developments in their nature and scale. In particular, the largest trusts are now very large. For instance GLL turns over some £200 million through operation of numerous contracts, and Glasgow Life acts as the operator of most of the facilities used for the 2014 Commonwealth Games, as well running several major galleries and cultural facilities in the city.

However, the impact of the austerity budgets of the past seven years, coupled with other external factors, is producing very significant changes.

Glasgow Life operates most of the facilities used in the 2014 Commonwealth Games

While, as always, not all the change is bad, the current pressures place the future of provision of leisure, sport and cultural services for public benefit under threat. This is ironically at a time when public policy, such as in the recent Sports Strategy in England: Sporting Future, is correctly emphasising the need for public investment to achieve social outcomes and to encourage inactive people to participate.

More social enterprise, efficiency and innovation is certainly needed to help overcome damaging impacts and Sporta trusts will be in the lead on this. The government could assist by ensuring that some of the changes that are eroding the current supportive environment for trusts, could be accompanied by equally positive and transformative change in some other aspects of the framework in which the trusts operate. There are several things which could be done in this regard. One major step would be to enable the transfer of ownership of more facilities to trusts, which could underpin the drive to encourage more social enterprises.

Government intervention

Unfortunately, radical needs and ambitions are seldom accompanied by new radical government interventions. However, the Department for Culture, Media & Sport and Sport England have been working hard on the case. So, let's hope we see a future which avoids a further drift to Americanisation, with continued emphasis on intermediary bodies and programmes rather than front-line investment; and pilot and demonstration projects, only some of which offer any enduring benefit beyond their short lifetimes.

Otherwise, we risk losing an infrastructure built up over decades, which can provide a fighting chance of better outcomes in health, social cohesion and other public policies, including for sport and culture in their own right.

Will we see a Supporting People II?

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exempt accommodation rules, particularly to revenue fund independent living schemes for people with learning disabilities.

There is no doubt that a new revenue funding model is needed – but will this model finally put supported housing on a firm revenue footing? The whole history of funding for supported accommodation has been characterised by an ongoing debate about who funds the extra costs of providing support and appropriate housing management services to people who are vulnerable.

First, funding lay with central government, then the Homes and Communities Agency, and then local government. Now it is funded through a patchwork of local government Supporting People funding, social care and housing benefit payments.

Difficult choices ahead

A revenue systems that sits wholly with local government is attractive to central government, because it leaves all decisions on how it is spent with the local authority, and as Supporting People promised back in 2003, it caps the amount available and leaves the difficult decisions on what to cut and how with the local authority. But it is highly likely that all the issues that arose with Supporting People funding will be reiterated in any new model.

However the system is drawn up, we will see difficult choices being made on what the funding should cover and who, in terms of levels of need and statutory responsibilities, should be prioritised for access to this funding.

One thing that is clear however is that a once-and-for-all revenue funding model is needed that acknowledges there is a definite place for supported accommodation within a housing pathway that focuses on prevention. We all need to make the case (yet again) that this form of housing needs to be properly recognised and funded if we are to meet the challenge of providing the housing required for an ageing population and ensure people who need support to maintain their accommodation and live as independently as possible, can have it. The only other option is a highly inefficient system that provides crisis-level help through more expensive statutory services.

To discuss the issues raised in this article, email liz@campbelltickell.com

Maggie Rafalowicz associate director, Campbell Tickell

Health and housing – it's time to work together!

"Health and housing have a shared history. Since 1848 there have been a number of Public Health Acts linking the two.

In 1951 the Ministry for Housing and Local Government took over responsibility for health. Today, the costs of housing-related ill health are staggering. One study estimated the annual cost to the NHS of conditions where poor housing is a main contributor at £2.5 billion.

Communication

Yet talk to anyone who works in either health or housing and you will be told that discussions between the two are difficult because 'they' do not speak the same language.

One of the main issues is different attitudes to evidence. Rigorous attention to statistical evidence is the main driver for health professionals, whereas housing does not require the same level of robustness in either making decisions or assessing impacts. Social Return on Investment methodologies, which some housing organisations use, are not recognised by health partners.

> **"Talk to anyone in either health or housing and you will be told that discussions between the two are difficult because 'they' do not speak the same language."**
> Maggie Rafalowicz, Campbell Tickell

While all of us at some stage of our lives use the health service, few health professionals have first-hand experience of being a customer of a housing or housing support organisation, or have ever visited a housing office. They have little idea of the breadth of work housing organisations do nor which housing organisations they should be engaging with.

At the same time, housing professionals often struggle to know at which level of the health system to engage – clinical commissioning groups; NHS trusts; hospital trusts; mental health trusts; health and wellbeing boards?

Dovetailing objectives

The objectives of the NHS dovetail with the capabilities, strengths and ethos of the social housing sector. Though budget constraints can lead to focus on short-term wins rather than looking at the potential for long-term benefits, there are good examples of joint working and opportunities such as:

- intermediate care and support services;
- hospital discharge respite accommodation;
- care support plus models for people with mental health needs;
- healthy living support for older and vulnerable tenants and for those not eligible for adult social care services;
- healthcare for homeless people;
- social housing providers with development skills and resource capacity can also be ideal development partners for NHS-owned land.

Cutting waste

Now more than ever there is a case for health and housing to find ways of working together, to help cut waste through providing supported move-on accommodation to reduce 'bed-blocking' and to reduce the incidence of housing-related health problems, as well as to maximise the use of spare NHS land to build new homes.

Current initiatives from the National Housing Federation and Chartered Institute of Housing are welcome, but much more remains to be done.

To explore the potential for encouraging health and housing providers to work more closely together, email maggie.rafalowicz@campbelltickell.com

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