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Kate Kennally

Chief executive, Cornwall Council

Collaboration is key



THIS ISSUE



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“As the public sector continues to shrink, but demand for its services continues to grow, there is an ever-increasing pressure to do things differently. Ambitious, even radical, changes are needed in some areas if customer expectations are to be met.

Cornwall Council realised some time ago that a new, open-minded approach was needed, deciding that collaboration and innovation would allow it to continue to deliver some services while easing some of the strain on its budget.

The option Cornwall Council decided to explore was the Teckal model. This allows councils to set up its services partly as a company, and with that comes an element of independence not traditionally seen within public sector structures.

Remaining totally owned by the local authority, a Teckal company also has the potential to return a dividend to the council through being allowed to trade up to 20 per cent of turnover in the open market.

Many councils will be familiar with the use of Teckal to create arm’s-length housing management companies, and latterly a number of authorities have set up development and property ownership companies.

But in Cornwall we have gone further, building a group of service companies covering a wide range of



Tim Green / Flickr.com

Delivering in Truro: The Teckal company is now Cornwall’s second-largest employer

“There are lots of entrepreneurs within the public sector. They do not always think of themselves in that way, but when they are given the opportunity, they flourish.”

activities. With a turnover of £237 million and 3,350 employees – making it the second-largest employer in Cornwall – the group can offer economies of scale in providing high-quality services. It also has the organisational capacity and commercial strength to deliver new services for our residents and to win work to provide services to others.

In 2011 Cornwall Council set up CORMAC Solutions Ltd, which became the first all highways-related Teckal company in the UK. Since its inception CORMAC has delivered a significant dividend back to the Council to reinvest in service delivery. The success of CORMAC paved the way for an effective place-making delivery arm to assist with creating the right economic and social conditions for further growth.

And so, CORSERV Ltd was born, which is now the parent company for all the council’s Teckal companies. CORSERV is now a national leader in developing the Teckal model for local authority companies and continues to bring funds back into Cornwall.

Cornwall’s geography makes it
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Stop press! PlaceShapers housebuilding

Campbell Tickell has completed research for the PlaceShapers group, examining development capacity of its 118 members. The report will be launched on 27 June at the CIH Conference in Manchester. See the CT website and next issue of CT Brief or email maggie.rafalowicz@campbelltickell.com for more details.



Ian Fitzpatrick director of service, Lewes and Eastbourne Council, and managing director, Eastbourne Homes Ltd

Councils return to housing development



“For a range of reasons councils are likely to want to play a much greater role in housing delivery. For some councils and arm’s-length management organisations (ALMOs), getting back into direct development will be easier than for others. But what makes for a successful programme and how hard is it to put together?”

Eastbourne Borough Council (EBC) resumed the development of new homes in 2015 via a new partnership initiative with its ALMO, Eastbourne Homes Ltd. The initiative was called the Housing & Economic Development Partnership (HEDP).

HEDP was set up to provide EBC with in-house delivery capacity for all aspects of housing development and regeneration. While there was a clear ambition to use new housing development to meet need, the programme had to work harder to kickstart the town’s economy through a community-led regeneration scheme focused in a priority ward.

Initially a programme of 100 homes was put together, predominantly within the Devonshire Ward, which is one block back from the town’s showcase seafront. The programme was designed to tackle the area’s long-term empty properties, bring forward derelict sites and create conditions for regeneration and outside investment.

To make this happen the ALMO set up a small team, bringing in commercial expertise to identify and appraise schemes. The team quickly identified a mixed programme of affordable rent, market rent, shared ownership and outright sale.

While some of this was done within the housing revenue account (HRA), the team

Key lessons

1 In February 2013 Cabinet approved £20m of funding for new development. Key to getting traction was the decision to put a joint EBC/ALMO HEDP Project Board together to provide strategic direction. The board includes the leader of the council, the lead member for housing, the council’s chief operating officer, the chair of the ALMO as well as other lead officers and cabinet/EHL board members.

2 An HEDP team of six people have been brought in to provide specialist skills and development experience from a mix of RP and commercial backgrounds.

3 An internal project review group appraises and risk assesses all potential schemes including lead officers from Finance, Housing, Planning and Regeneration.



grassrootsgroundswell / Flickr.com

also worked on a more commercial non-HRA development, via a new asset-holding company. Eastbourne Housing Investment Co Ltd (EHICL) was incorporated in May 2015 as a wholly-owned subsidiary of EBC.

EHICL now has two market rental schemes acquired as part of our strategic acquisitions programme. In addition, EHICL has a street purchase programme designed to expand temporary accommodation, and a number of sites undergoing appraisal. The team has also helped EBC to purchase a brownfield site with planning for 100 new homes, likely to be built via EHICL.

Overall the programme has been more successful than we ever planned. Initial critics have become our biggest supporters. Estate agents and businesses report a

catalytic effect with renewed interest in housing and commercial space.

Since the programme began we have learned a lot. Looking back, it helped to have clarity on strategic drivers and direction on main outcomes (see box, above). The programme has been further supported by:

a) An original decision to retain all delegated authority with the EBC Cabinet so that a full business case approval is required for larger individual schemes as well as a general approval for the whole programme.

b) The introduction of industry standard development appraisal software to provide viability assessments based on a set of formally adopted, and periodically reviewed, assumptions.

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Kate Kennally

Collaboration is the key to next-generation service

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difficult for us to sell our services to other parts of the country, but the establishment of CORSERV gives us a strong platform to explore working with other local authorities.

When Nottinghamshire County Council was looking for a partner to help run a Teckal company, CORSERV was the obvious choice. Via East Midlands Ltd, the first

highways joint venture of its kind in the UK, went live in July 2016 and now has a turnover of £40 million and around 630 staff. Via’s location in the middle of the country increases our visibility and, consequently, our potential to win contracts.

Getting to where we are today hasn’t been easy. It’s hard work, but it also presents an opportunity to develop services with a

strengthened customer-focus that meet the demands of a modern world. What we have also found is that there are lots of entrepreneurs in the public sector. They don’t always think of themselves as entrepreneurs, but when they are given the chance, they flourish.

To discuss issues raised in this article contact maggie.rafalowicz@campbelltickell.com



Greg Campbell partner, Campbell Tickell
**Council-owned companies –
 above and beyond**



“It would scarcely be new to predict the demise of the arm’s-length management organisation (ALMO) sector.

It would also be wrong.

True, the sector now comprises just half the number of organisations it once did. But those that remain are engaging in a greater range of service delivery than ever before. And in the broader context of council-owned companies, there is a significant set of future roles that ALMOs are well placed to deliver on behalf of their parent authorities.

There was always going to be a tipping point for ALMOs, once they had completed the Decent Homes programmes that most were set up to deliver. This was especially so for those councils that only established ALMOs to access government funding, and with no strong interest in the potential that a focused, efficient arm’s-length body could offer.

Others though have recognised this potential. Where ALMOs have proven their worth in improving services and

demonstrating value for money, and shown they are committed to advancing the agenda of their parent councils, and capable of delivering more, many have been given the chance.

Across the country now, we find ALMOs providing services ranging from social care to street cleaning, in addition to their housing management role. A growing number are building homes on behalf of their councils.

While there are particular elements of the housing ALMO that sets it apart from other forms of local authority trading companies (LATC) – such as the nature of

resident involvement – I would argue that the ALMO sector should sit alongside the broader LATC sector. After all, many councils are desperate to do more, especially in meeting housing need (a significant number are establishing development companies) and in raising revenue.

I would highlight five key messages for ALMOs and other council companies in planning their future:

“The NHA intervenes in the private rented sector and works in partnership to make homes accessible to vulnerable people.”

1 There is nothing magical about any one structure, though the inbuilt nature of ALMOs’ customer involvement and focus is a key strength

2 Whatever the precise delivery model, the council remains the single shareholder – a successful company will stay close to its council’s agenda

3 The greater the diversification that an ALMO undertakes, the more that the “new” risks need to be understood and managed

4 The greater the diversification, the more the board needs the skills to understand the business streams and provide appropriate challenge to its executive and the council

5 Any institution that fails to challenge itself, adapt and innovate will eventually become obsolete.

ALMOs have been around for 15 years – they are set to continue for at least the same again.

To discuss issues raised in this article contact greg.campbell@campbelltickell.com

Ian Fitzpatrick
 Councils return to housing development

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c) A full set of development procedures including reporting protocols at individual scheme and consolidated level – the project review group examines an updated programme consolidation monthly. The 100-unit programme under way is targeted on the Devonshire Ward in Eastbourne and has been assembled to directly focus on improving the quality of the housing offer and its impact on the local area.

We have sought to do this by:

1) Acquiring, off-market, the five highest priority empty properties in the ward, based on consultation with the local community led steering group. Refurbishment works to each property have been individually specified by in-house building surveyors to achieve highest possible standards and accommodate related works to improve the general retail offer, street scene and public

realm via supporting Coastal Communities Fund grant.

2) Acquiring/extending new build development sites on the same basis to include purchase of redundant light industrial units to expand and enhance planned schemes. All new build units have been individually architect-designed and built to incorporate the council’s newly developed design brief which sets exemplar standards for connectivity, space, public realm and environmental efficiency.

Through grant secured, and cross subsidy from sales, the 100-unit programme is entirely contained within the HRA and will deliver 85 new affordable rental homes at a time of increased housing need. Future housing development, via EHIC, is also targeted at improving affordability by looking at new housing offers in key areas.

Working with the LGA’s Productivity

Expert Programme we are bringing forward 150 units of housing for older people aimed at active elderly 50+ to:

- Accommodate different aspirations from new generation of older people
- Address concerns about affordability, management issues and security of tenure
- Offer rented and shared equity options within age restricted developments

The shared equity model improves affordability through entry at lowest possible purchase price, no rent charge on unsold equity and during occupancy by minimizing service charge and property running costs highlights variance to original cabinet approvals.

Local authorities want to play a much bigger role in housing delivery – and many, such as Eastbourne, already are!

To discuss issues raised in this article contact maggie.rafalowicz@campbelltickell.com



James Tickell partner, Campbell Tickell

Deregulation: Housing's own Big Bang?



“Just over 30 years ago, the Big Bang deregulated the City of London, and things were never the same again. Soon, the City's new position as a global financial centre was well established. Greed was good. Lunch was for wimps. And in 2008, the global financial crash eventually came, and then went. Now of course, Brexit looks set to undermine the City's preeminence, but that's another story. And three decades on, housing associations face their own deregulatory Big Bang. Will things ever be the same for them?”

Well ... let's take a deep breath, forget the hype, and have a look. Remember first of all that the only reason for deregulation is to shift housing associations back into the private sector – there was no great clamour for it to take place otherwise. When the pesky Office for National Statistics classified housing associations as public sector, deregulation was the only game in town to resolve that problem.

Our own deregulation certainly changes some rules of the game, but is it a Big Bang game-changer? We can now sell property and merge with each other, without having to get prior consent from the regulator. Some local authorities will have less sway over transfer organisations.

These are new freedoms. Certainly, admin will be reduced, but we still have to notify the regulator promptly of what we've done. If the actions taken don't find favour, then the big stick of an In-Depth Assessment is there, with the risk of a regulatory downgrade for the unwise.

Much of the relevant regulation remains in place. Charity law applies to most housing associations, and will need to play a larger part in their thinking from here on in. Other elements too need to figure prominently, such as compliance with employment, landlord and tenant, health and safety, data



Is deregulation going to be a Big Bang-style game-changer?

“If the actions taken don't find favour, then the big stick of an In-Depth Assessment is there, with the risk of a regulatory downgrade for the unwise.”

protection, equalities, and contract legislation.

Lenders and ratings agencies are pondering how far they will step into the vacuum left by the retreating regulator. The Value for Money agenda hasn't gone away. And if things go really pear-shaped, the regulator still has the powers of last resort to step in and close the show down, hopefully without too much fuss.

Behind that is the additional reality that politicians of all parties have long enjoyed pulling the levers of power for housing associations. In turn, associations have generally been obedient in delivering the policy of the day, with the present time no obvious exception to that rule.

Today's imperative is to build

more homes, albeit not necessarily for the poorest in society, and albeit with very little grant. We can be fairly sure that new levers will come to political hands, as required. For instance, the idea of future rent increases being linked to development programmes is a new one, but could be a powerful inducement to ensure delivery of more new homes.

So, yes – mergers will be faster, and stock will change hands more easily, but the Big Bang it ain't, at least not so far.

In my book, the impact of deregulation has been overstated, certainly if taken in isolation from other wider changes the sector faces. If the – relatively modest – measures taken allow re-classification, then

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James Tickell

Deregulation: Housing's own Big Bang?

Continued from page 4 so much the better.

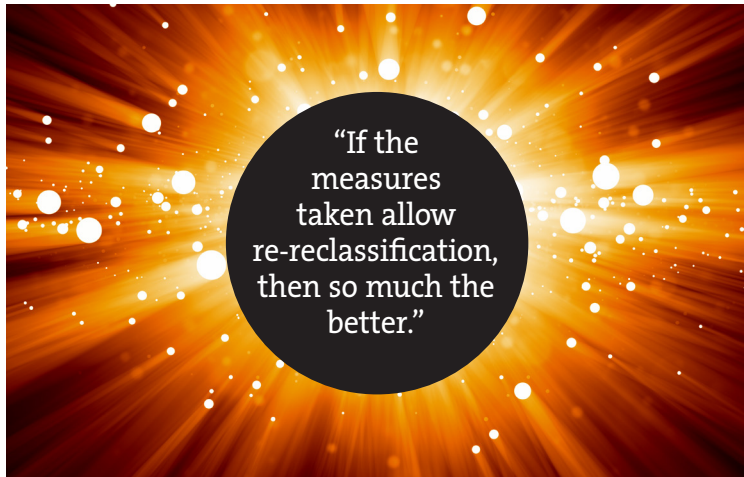
But the real game-changers are already under way, quite separately.

Benefit reform and austerity have yet to make their eventual impact felt, but will be devastating for many tenants and some landlords. The digitisation of services is, at last, moving ahead increasingly as part of ambitious transformation planning.

The emergence of very large new housing groups, with huge financial clout, but the inherent risks of giantism, is another important development, spurring merger activity at all levels. The blurring of the lines between for-profit and traditional registered providers may also prove to be significant over the next few years. And finally, the extent of diversified

activity by housing association can only continue to grow.

There are risks – deregulation



may allow some clever new wheezes, as unsuspected loopholes come to light. We may even see some trying to achieve a kind of stealth self-privatisation, for whatever

reason. Charity law will be a useful safeguard there.

The overall verdict then: housing

deregulation is no Big Bang – hardly even a big deal. But the wider momentum of wider change is unstoppable, and 10 years from now, the sector will be unrecognisable from today.

There will be opportunities, risks, challenges, successes and disasters. Above all, good governance will be at a premium, without a regulator to second guess board decisions. The big question for each and every board – how can we use the new freedoms most effectively to manage our risks, deliver our values, our mission and our objectives?

A version of this article was first published in Inside Housing. To discuss the issues raised in this article contact james.tickell@campbelltickell.com

LGBT*Q experiences of social housing
Volunteers needed for research project



“A new study, championed by HouseProud, the national LGBT network for social housing employees, is exploring lesbian, gay, bisexual, trans* queer and questioning (LGBT*Q) residents’ interactions with housing providers.

Researchers, based at the University of Surrey, will use three different research methods to expand the knowledge about the experiences and views of LGBT*Q people living in social housing.

Participants in the HomeSAFE study – the first sector-wide study to explore these issues – will be asked to consider a range of topics in relation to their home, their landlord, and their neighbourhood to help identify the practical steps that can be taken to address the main issues faced by LGBT*Q residents.

For example, researchers will ask participants about their experiences of contacting their landlord, to find out how approachable they consider their landlord to be and how supportive of LGBT*Q issues they think they are. They will also be asked

how they feel about having different people in their home, including their landlord.

Focus groups and interviews are taking place between June and July, and a residents’ survey will be available for completion online and via post.

The researchers hope to recruit as diverse a group as possible to take part in the study. They particularly want to make sure that LGBT*Q people from all age groups and Black, Asian and minority ethnic backgrounds are represented.

The funders would like to invite colleagues from across the public housing community and key partners to get involved in the project by publicising the research to LGBT*Q resident groups, tenants, and other housing providers.

As well as finding out more about LGBT*Q residents’ concerns, the study will ask whether the implementation of a charter mark scheme, similar to the Pink Passkey in the Netherlands or Rainbow Tick in Australia, would be a welcome step forward for LGBT*Q residents in the UK.

These schemes award certificates to providers in care and social service for LGBT+ benevolence and acceptance. Survey findings about this could also help guide possible actions for social landlords.

The report and recommendations will be made available later in the year and the key findings will be disseminated through a number of channels, including a public engagement event.

To find out more about the study, please contact Frances Sanders, the project research assistant at: f.sanders@surrey.ac.uk

HomeSAFE supporters

The research is being funded by six housing associations:

- Clarion Housing Group
- Genesis Housing Association
- Hanover Housing Association
- London & Quadrant Housing Trust
- Optivo
- The Riverside Group



Pat Billingham chair, Aldwyck Housing Group
 Equality and diversity – more than ticking a box



“As I complete my online training on Equality and Diversity legislation, I have been reflecting on what it means in practice for an organisation to be diverse.

The Equality Act 2010 now enshrines in law the principles of equality, fairness and diversity and to many it may seem that the argument is over and the case has been made. It seems self-evident that every individual should have the opportunity to achieve his or her potential, irrespective of their background.

In the workplace it is again self-evident that people should only be judged on their ability to do the job and not on their gender, religious beliefs, sexual orientation or other personal differences.

However, when one considers the statistics, it is clear that the representation of minorities as a proportion of the general population is not reflected in the workforce as a whole. It is not the intention of this article to examine why this might be or how society should seek to remedy the matter. Rather I will be addressing how I, as the first female chair of Aldwyck Housing Group, might address some of these issues within my own organisation.

The first point I should like to make is that diversity is often considered in

terms of the narrow definitions set out in the legislation, the so-called “protected” groups. To me diversity is more complex and is primarily about diversity of thought and approach.

An organisation may meet categorisation criteria and have a respectable quota of minorities within its workforce and on its board, but if the culture of the business is judgemental and oppressive and does not encourage challenge, innovation and sometimes failure, then it is at risk of falling into the trap of “group think”. This is not only not diverse, but carries considerable risk of making the wrong business decisions.

In order to realise the positive outcomes of diversity (see box), the culture of the organisation must itself support the aspirations of diversity. It is my view that organisations that have a shared and commonly understood set of values are more likely to succeed than those that do not.

This is because if everyone in an organisation is committed to a shared set of values, it is more likely that the leadership will make decisions that everyone is able to support and believe in – i.e. trust – even if the outcome of a decision is not quite what everyone would have wanted.

An organisation’s shared set of values underpins the way in which its people

“The strategic goal should be to drive innovation and to achieve excellence and not to achieve quota targets per se.”

Why diversity matters

The benefits of diversity will manifest in a number of ways:

- 1** Innovation of thought and approach
- 2** Stronger risk management as individuals bring different perspectives to problem-solving
- 3** Better customer service as the organisation is able to empathise more effectively with its customers
- 4** Better relationships with all stakeholders, including suppliers and regulators

work, how they treat their colleagues and customers and how they “do things around here”. Any number of rules or processes will not be effective if the way people behave is at odds with what it says in the codes of conduct.

A culture is created by what people do, not what they say and it is essential that this is the message from the top of the organisation and that the board and executives are aligned with the values.

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Sue Lukes director, MigrationWork, and board member, Arhag Housing Association

Make it fair, make it legal – housing migrants in difficult times



“I train and develop projects on housing and migration, across the UK, meeting housing professionals, social workers, lawyers, landlords, local authority staff and many others.

We all agree that this is the most challenging time we have ever faced. We work against the backdrop of the falling supply of really affordable housing, inaccessible home ownership, private sector accommodation that may be appalling, or simply out of reach.

Migrants face these problems but in greater measure: often exploited by landlords or employers, unaware of their options or rights, and subject to a bewildering mess of eligibility conditions for local services. There are changing “rights to reside” for EU migrants (and the knock-on effects on benefits), and the multiple document checks now required of private landlords in England.

The data shows that migrants generally live in worse conditions than others. And that is before we even consider the challenges presented by the need to house the small number of Syrian refugees accepted for resettlement.

There are migrants in every local authority area in the UK, and migrants are housing customers in all of them. They may be from the EU, living and working here but now frightened by the prospect of Brexit. They may have



“This is the most challenging time we have ever faced”

Sue Lukes, MigrationWork

arrived as refugees and still be dealing with the consequences of torture, loss and flight.

Some arrived to join family here and now have to flee domestic abuse. They may have fallen through the cracks and become destitute and homeless. They may be your tenants worrying about how to pay the rent.

MigrationWork, a not-for-profit consultancy with which I work, is now

Migrant housing conference

MigrationWork, Arhag Housing Association, Innisfree Housing Association and migrant support charity Praxis Community Projects have organised a major conference on migrants’ access to housing in London.

Speakers include:

- Terrie Alafat – chief executive of the Chartered Institute of Housing
- David Orr - chief executive of the National Housing Federation
- Barbara Roche - former Home Office immigration minister, former chair, Metropolitan Housing Trust
- Sally Daghlian – chief executive, Praxis Community Projects
- Dr Nigel de Noronha – University of Warwick

helping ARHAG and Innisfree Housing Associations and Praxis Community Projects respond to all these needs. We have organised a conference in London on 20 June (see above). The aim of the conference is to help housing providers understand what is going on, what they can do, and how they can “make it fair, make it legal”.

For details on the conference outcomes, email zina.smith@campbelltickell.com

Pat Billingham

Equality and diversity – more than ticking a box

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Communication of the values needs to be clear and consistent and be demonstrated in all aspects of the life and work of the organisation, from recruitment to succession planning, performance appraisal and promotion.

In terms of diversity, it is important to identify and develop the talent across the organisation to ensure that the opportunity for all to develop their full

potential is delivered.

A further point about diversity is that its strategic goal should be to drive innovation and to achieve excellence and not to achieve quota targets per se. The latter approach will not deliver the positive outcomes highlighted above nor will it align with the values of an open and transparent culture where people are able to be honest because the environment is supportive and based on trust.

In a culture as outlined above, diversity is a natural fit and consideration and it is my ambition while I chair Aldwyck to put diversity at the heart of our culture and aspirations. As a good starting point to demonstrate our commitment to diversity, the board has agreed to appoint a champion to hold the board and executive to account to deliver this strategic initiative.

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



Stuart Ropke chief executive, Community Housing Cymru
 Wales steers its own path



“For Wales, See England”. For seekers of knowledge before the Wikipedia age, the original edition of the Encyclopaedia Britannica underlined the lack of difference between Wales and its bigger neighbour when it came to public policy. Yes, Wales had a separate culture and its own language, but Westminster politics set the tone and shaped the environment.

Fast forward to 1999 and the devolution of power and competence to Cardiff Bay, allowed Wales to pursue a very different path. Along with the National Health Service, housing policy – especially since 2010 – has arguably been the area where the Welsh Government has differed most from the approach taken in Westminster.

So where England saw support for social housing slashed, successive Labour administrations in Cardiff, whether governing alone or in coalition, continued to invest, at grant rates that haven’t been seen in England for many years. When England legislated to cut housing association rents for successive years, the Welsh Government kept the above-inflation rent deal for Welsh housing associations in place, despite pressure from HM Treasury.

It’s that continued investment and focus which has enabled Community Housing Cymru to sign a ‘Housing Supply Pact’ on behalf of housing associations in Wales, committing the sector to build 13,000 of the 20,000 affordable homes target in this Assembly term. The 20,000 target represents a doubling of the previous administration’s target for affordable homes.

Of course, some of the challenges that associations in Wales are facing will be familiar to those working in other parts of the UK. Shortly after English housing associations were reclassified by the Office of National Statistics (ONS) into the public sector for accounting purposes, Welsh, Scottish and Northern Irish housing



“In the other devolved nations, action has been taken to mitigate the impacts of welfare reform. In comparison, mitigation in Wales has been limited.”

associations were also placed in the same box.

But good progress has been made in Wales in reversing the decision, and proposals for legislation to enable housing associations to resume their private, independent status are being consulted on. We can expect to see that legislation presented before the end of 2017.

The decision made by the ONS has also prompted a look at how the regulation of housing associations is carried out in Wales. For the first time, the regulator will use a judgement framework to indicate its appraisal publicly of an organisation’s governance and financial viability. Well-publicised difficulties in a small number of organisations have also led to an examination of how the regulator will use the powers available to it in a post-reclassified world.

All these developments have also meant that Assembly members in Cardiff Bay have paid increasing attention to the housing association sector. We are currently anticipating the publication of a Public Accounts Committee inquiry into regulation of housing associations. It is likely that

among the recommendations will be a call for greater transparency and openness from housing associations. Community Housing Cymru has embarked on a review of our Code of Governance and we are planning to incorporate some transparency principles within the revised code.

For all that, perhaps the greatest challenge comes from a policy area that remains within the control of Westminster. The introduction of Universal Credit and, most pressing, the imposition of local housing allowance for social rented homes, are high on the risk register.

For some organisations operating in areas where market rents are depressed, there are legitimate concerns about the deliverability of long-term business plans. In the other devolved nations, action has been taken to mitigate welfare reform. The mitigation in Wales has been limited in comparison. In the wake of the general election, it is clear that the top priority is to find a way through the impacts of a flawed and misguided policy.

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



Mike De'ath partner, HTA Design

Pre-fabulous – is modular housing the answer to supply problems?



“Offsite manufacture, designed for manufacture, fast build, modern methods of construction and pre manufacture are all jockeying for position to establish a brand that banishes the word “prefab” from the lexicon of housing.

Such is the desperate search for a panacea to solve the pressing issue of housing delivery – so finely described by my friend Mark Farmer in his aptly entitled report “Modernise or Die” – that we are in danger of losing focus in the plethora of new approaches set to flood the market.

As a design company with over 20 years of experience designing housing made from factory-made components through to full volumetric, there is only one basic objective for us at HTA – to make great housing. The fact it is made in a factory must always be secondary to quality, both in terms of its aesthetic, spatial and fabric performance.

We, and our clients and collaborators, are proud of the many homes and buildings we have constructed over the years using offsite approaches, from light-gauge steel developments at Oakridge, through £60,000 House projects at Allerton and Upton, zero-carbon Sipps Panel projects at Hanham Hall, to numerous high-rise modular projects, including the tallest in Europe, on site at Wembley.

To the casual observer, and most importantly the occupier, these homes look no different to well-designed houses and apartments made using more traditional methods. Indeed they are often better insulated, use less energy and are better at acoustic separation.

We have honed our craft over many years, often working consistently with a small group of consultants and systems. Consequently we are able to proceed with confidence that these are not exemplars or initiatives, but appropriate approaches to delivering high-quality homes.

“Appropriate” is a key word here,

“What were HTA doing before we began our offsite journey 20 years ago? Well, we were knocking down the last homes built in a rush for low-cost speedy delivery.”

as each site is different and the developer’s business model is key to selecting the best approach to delivery. The basic truths regarding offsite manufacturing are well rehearsed: homes are delivered faster with greater certainty of timing, quality and cost. There are few, if any, on-site defects and noise and waste on site are minimal.

Meanwhile, in the factories, staff work in warm, safe environments where productivity is optimised and is balanced by being able to work near to home, a rare treat for your jobbing trades on traditional sites.

But it is not for everyone. Some clients do not want homes delivered too quickly before they can be sold. Many prefer to delay decision-making, or push risk downstream to subcontractors and suppliers. Others worry about cash flow, with up to 70 per cent of project finance going offsite. But for those who look to retain the residential asset for the long term, either as social or market

rent, the benefits are clear.

And the cost – well, there are many claims about significantly lower costs but, frankly, we are yet to see this where the quality thresholds are to be maintained. It may happen when we get to delivery at scale but this is some way off.

What were HTA doing before we began our offsite journey 20 years ago? Well, we were knocking down the last homes built in a rush for low-cost speedy delivery. We feel, after 20 years of “false dawns”, that we are on the cusp of a time when offsite manufacture is accepted as mainstream to housing delivery.

Whatever its badge, we will have failed future residents if unproven systems are used as a quick fix for the current broken housing market, giving credence to the naysayers for whom “prefabs” are synonymous with the worst outcomes.

To discuss the issues raised here, email zina.smith@campbelltickell.com





Mia Rafalowicz-Campbell policy & research officer, Campbell Tickell

Innovating to adapt: Lessons from global cities



ErasmusoParis; Pedro Felipe

“The world is getting smaller and larger. As more people are born and more of us move into cities, the global population will approach 10 billion by 2050, with two-thirds living in urban areas. If our cities are going to be ready, there’s a lot of work to be done to make them the innovative and exciting places that they can be, rather than hubs of inequality and inefficiency that they often are.

We need to get smarter about how we move people around cities, how we provide them with affordable places to live, how we can keep intact their sense of community and ensure they feel at home. We need to think clearly about how we’re going to expand welfare services, provide sufficient leisure facilities for everyone to live healthily and happily, and ensure that everyone has equal to access to the myriad benefits of urban living.

Varied aims don’t need to be in competition with each other. Take Paris, where both banks of the Seine have been taken back from private vehicles and pedestrianised. The initiative started out as a summertime pop-up of sandy beaches, beer gardens and plazas on the left

“In US cities, not only are buses few and far between, often there are no pavements, because the idea of walking is close to laughable.”

bank. After a number of successful years, more road has been closed to be repurposed into a scenic park. As well as offering citizens more space to enjoy their city, showing pedestrians that those with cars don’t in fact deserve more space than them, the city has also cut its greenhouse gas emissions and air pollution from vehicles. And as more people use these spaces, the spaces themselves become better. Likewise the hope is that as more drivers ditch their cars, this should in turn help incentivise improved transport services.

Getting around is an essential part of urban life. From home to work and back again, to the shops, or out to meet friends and family, it takes a rare breed of urban resident that has no need for transport. Unfortunately in the UK more cities have seen the proportion of residents commuting by public transport fall than rise. But by no means are we alone.

In US cities, the situation has got so bad that only 30% of jobs are accessible by metropolitan residents within a 90-minute journey on public transport. Not only are bus routes few and far between, but often there are no pavements, because the idea of walking is close to laughable.

We may look at Seoul in awe and struggle to imagine how we

Above: Bogota’s TransMilenio is one of the world’s largest bus rapid transit systems, saving commuters an average of 40 minutes per journey since it began operation in 2000

Above left: The banks of the Seine in Paris have been turned into beaches and cycle paths

could implement such a smooth, wide and varied bus network when our roads aren’t eight lanes wide. But consider Bogotá, Colombia. Famous worldwide for its introduction of rapid bus system TransMilenio in 2000, the project was at first highly successful at reducing travel times and congestion, but later became insufficient as it suffered from intense overcrowding and resultant delays.

As a city with over 8 million residents, a metro train system has long been “in the works”. But it’s happening at last under mayor Enrique Penalosa, who is saving the city 4 billion pesos (over £1 billion) by implementing the network as an elevated train. He argues that thanks to modern technology, traditional criticisms of elevated rail, such as noise pollution, are irrelevant. And the money saved now may allow for an expansion of the 30km network. What we see in this case, is that the work is never done. Cities are organisms of change; people flow, places adapt. And so must we. To discuss the issues raised in this article, contact mia@campbelltickell.com



Philippa Jones chief executive, Bromford Group

Investing in what matters to customers

Bromford.

“Since the Bromford Deal was introduced in 2011, we’ve been on a journey to transform our future relationship with customers. We recognised then that many of the changes we are now seeing, with a shrinking welfare state and an increasingly challenging economic environment were going to hit our customers hard and that we could and should do much more to enable them to take more control of their lives.

So we redefined our core purpose as “inspiring people to be their best” to encourage and enable people to recognise and unlock their own untapped potential. We’re a people business, not a property business – what matters to us is what happens to people as a result of living in a Bromford home.

We designed and tested a number of new service approaches before deciding to pursue a multi-skilled coach role with a single colleague working with their customers across a wide range of issues. Through our Innovation Lab we ran a large-scale pilot with a control group for comparison.

Customer and colleague feedback was very positive; our customers liked having a single, personal point of contact and colleagues loved the autonomy and responsibility. So armed with hard evidence that anti-social behaviour, repairs and arrears could be reduced and the lives and wellbeing of our customers improved, we committed to investing £3 million to the rollout of our localities programme, with a new role – the neighbourhood coach – at its heart.

Each coach works with 175 households within one community, as opposed to the 500-plus homes a housing manager usually deals with. This means they can build proactive, lasting relationships with customers and be really embedded in local communities.

The coach’s focus is to understand the customers and their aspirations,



“A coaching approach isn’t soft – it means shaking off our traditional tendency to focus on how helpless and vulnerable our customers might be.”

helping them achieve these using a range of coaching techniques. By asking the right questions, listening more and digging deeper, we’re able to pick up issues before they escalate and provide a far more proactive service.

A coaching approach isn’t soft – it means shaking off our traditional tendency to focus on how helpless and vulnerable our customers might be. Instead we are now focusing on what our customers can or could do and how we can better connect them with their neighbours and their local communities.

Of course the maths tells you that moving from patches of 500-plus to 175 requires a lot more people. So as well as a major programme of retraining our existing colleagues into the new coach role, we’ve had a huge recruitment exercise. The results have been fascinating – the autonomy and holistic approach of these jobs has appealed to an amazing range of people. We’ve recruited from public services like teaching, police,

Key lessons

Where we are today reflects our journey on developing the Bromford Deal – so what have we learned?

- 1** Lasting change only happens when someone believes in and owns the change themselves.
- 2** Successful coaching relationships only occur when a real sense of trust has been created between people. Building trust takes time and is built on two-way commitments
- 3** Coaching is not a soft approach; it’s about purposeful, sometimes challenging, conversations that deliver actions.

probation, child protection, substance misuse, mental health and social work as well as people looking for a total career change from retail, banking or self-employment. That’s really enriching the skill sets in our locality teams.

Our coaches have already hit the streets in Staffordshire and Shropshire and we will be fully ‘patch live’ everywhere by the end of 2017. It’s a long-term approach as we appreciate relationships with customers won’t change overnight.

All the evidence from our pilots shows we’ll achieve more customers into work, training and education, fewer money issues, lower rent arrears, fewer repairs and tenancy issues. That drives a business case that will see our investment in additional colleagues pay off within 4-5 years. And as communities become more resilient the social value benefits for both customers and wider society are compelling.

To discuss issues raised here, contact zina.smith@campbelltickell.com



Maggie Rafalowicz associate director, Campbell Tickell

How can we support an ageing society



“We live in a rapidly ageing society. A girl born today has a 50 per cent chance of reaching 100. By 2024, one in four of us will be over 60 and 2 million people will be over 85.

Although many will start our “old age” healthy and active, we will inevitably become frailer as the growth in total life expectancy outpaces healthy life expectancy. For instance, as we live longer, more of us will suffer dementia at a time when social services are at breaking point.

A good later life depends on health, financial security and social connections. Helping people to stay well and maintain independence will improve the quality of life and reduce pressure on health services. Good housing can make a fundamental difference to health and wellbeing. A fifth of people aged over 65 rent their homes from a council or housing association, and one-third of housing association tenants are over 65.

The housing we provide in the future needs to be suitable for changing needs as people go through the different stages of ageing. It should be attractive, spacious and well-located, safe and secure, affordable, warm in winter and comfortable in summer. And as most of our older tenants will live in general needs homes, we need to improve the “90 per cent offer” for the vast majority not in specialist accommodation.

To prepare for our ageing population, we must be clear who the housing is for: gathering customer data in order to understand actual future needs rather than making decisions based on assumptions and stereotypes; recognising too that demand will vary between locations. This means examining population projections based on ONS, together with income levels, health statistics, tenure and social care needs.

There are over half a million sheltered homes in the social housing sector. Those with existing specialist stock need to assess its suitability. Does it comply with HAPPI standards? Are there bedsits and shared facilities? Is there lift access and communal areas for activities? Storage for large items like wheelchairs and buggies?

Access to local amenities?

The options for such homes could be to continue as sheltered, convert to older person specific housing, remodel as extra care, or use for an alternative client group. Some sites could be redeveloped for general needs; some schemes will be suitable for more than one function. Adapting general needs properties would enable many to remain in their home environment comfortably and safely.

Just as important as the physical surroundings is the support for older people. This is not just professional help, but support from peers and volunteers. Loneliness is a major problem for many older people. Enabling connections between people and facilitating informal help plays a critical role in maintaining health and well-being.

In short, a great deal needs to be done, but much can be achieved at relatively manageable cost. First and foremost, we must refocus our thinking, recognise the challenge and display imagination.

To discuss the issues raised in this article, contact maggie.rafalowicz@campbelltickell.com

By 2024,
2 million
people in the UK
will be over 85



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THE DIARY

Chartered Institute of Housing 2017 Conference

27-29 June

Manchester Central

Greg Campbell is chairing a session on mergers on Tuesday 27 June. You can find the CT team at stand G34.

PlaceShapers ‘We Build’ – research report launch

27 June, 12 noon to 2pm

Museum of Science & Industry, Manchester

Campbell Tickell has completed research for PlaceShapers examining development capacity of its 118 members. The report will be launched at the CIH Conference.

Mayor of Greater Manchester Digital and Tech Summit

6 July

Museum of Science & Industry, Manchester

CT partner Radojka Miljevic will be facilitating this event. For details, see <http://ow.ly/3pNq3ocLHS3>

Councils with ALMOs Group

7 July

Manchester

CT associate director, Maggie Rafalowicz will be running a session on the ‘new’ relationship between ALMOs and councils.

Check campbelltickell.com for all the latest events, news and views



Gerri Green *associate, Campbell Tickell*
Creativity in remuneration



“Each year, strategic planning discussions find employers grappling with the delicate balance of affordability and reward. The challenge of retaining and attracting talent and delivering first-class services to a demanding and expectant community is forefront in their minds.

Intelligent customers and clients, who quite rightly expect quality and value for money, are increasingly creating an environment where employers need to match these expectations with high-performing teams and individuals.

And while many are fearful of the future outside the EU, research from Willis Towers Watson found that 62% of British business leaders see Brexit as “another disruption”, compared with only 25% who classed it as a “fundamental challenge”.

More universal is the existence of limited budgets, meaning that the executive team expect their HR colleagues to deliver a remuneration package, which can support them to maintain competitiveness. Yet focusing on pay alone is insufficient to remain competitive in the recruitment market.

Employers are failing to align their

wellbeing programmes with their employees’ needs, according to research from Thomsons Online Benefits. The Employee Benefits Watch report found that while half of employees would prefer an allowance to support their wellbeing, only 4% of UK employers offer this.

Campbell Tickell has found from our annual pay award survey of over 50 public and non-profit sector employers that over half have decided to award 1% annual pay award for 2017, 10% are not increasing pay this year; with 12% offering 2-2.5%. Additionally, our research has shown that the level awarded did not greatly vary by region across the UK and Ireland.

Our projects over the past 12-18 months have increasingly taken a more holistic approach to reviewing and creating a remuneration package that suits the workforce. This approach is also reflected in the wider market too. Matthew Gregson, senior vice president of data and analytics at Thomsons Online Benefits,

highlighted the importance of employers aligning benefits programmes with the overarching people strategy, including wellbeing.

When it came to what employers hoped to achieve from their benefits programme, four in five (80%) cited improved engagement. “Wellness pots” that allow employees the flexibility to choose benefits that work for them were found to be particularly effective, with those offering them seeing a 23% rise in engagement on average.

“Wellness pots” that allow employees the flexibility to choose benefits that work for them were found to be particularly effective.”

Reviewing the offer and taking into account what staff want is increasingly becoming the more considered approach to making informed decisions about the best and most attractive offer to retain talent. Reflecting on the use of these benefits can offer a way to redirect resources and, where possible, offering choice can allow staff to tailor the package to adapt to their changed needs. *To discuss the issues raised in this article, contact gera.patel@campbelltickell.com*



CAPTION COMPETITION

Members of the CT team inspect modular housing in Wembley Park with Mike De’Ath from HTA Architects.

Email your best captions to zina.smith@campbelltickell.com or tweet them to @campbelltickell before 28 July 2017 for the chance to win a mystery prize!



LAST ISSUE’S WINNER

Congratulations to Campbell Tickell office administrator Ben Williams for his entry for April’s competition: “Strong and stable ... or weak and wobbly.” Second prize went to EA Stephanie Roberts-Morgan for: “New spectator sport ‘break-dancing on ice’ receives a frosty reception.”



Andrew Thompson associate, Campbell Tickell

Interims – a price worth paying



“You’ve got a problem in your asset management and property services side. It needs fixing. Fixing quick. The big question? Can we afford to bring in an interim executive? If you decide you must and that you have no alternative, then the feelers go out.

Interims know this situation. If they’re chosen for the assignment then they even know to expect the familiar question, “Can you come down on your day rate?”. It’s recognised that clients will want to minimise expenditure, but some even hope to pay less than the cost of a permanent member of staff. Worryingly, the question may show a fundamental misunderstanding of what interims can and will do.

You don’t usually turn to an interim if all is well. Rarely are they brought in to “hold the fort”. An assistant director or head of service can do that. The reality is that you get an interim in to address deep-rooted failings or under-performance.

With an interim, you’re not paying for someone to learn about your problem on the job. You’re paying for someone who can second-guess most, if not all, the issues. And before they even start the assignment. How? Because they’ve seen them before. And they’ve dealt with them.

If all is not rosy in one area, the chances are other parts of the garden will need serious work too. As an interim you may be brought in to address overspend on responsive repairs, only to find the statutory compliance side is nowhere near meeting regulatory requirements.

Equally you may be brought in to address failure within statutory compliance. Then find that under-performance is due to budgetary constraints. There’s no cash, however, as costs within the major works side are out of sync with current market conditions.

Spotting big black holes in business plans; knowing where backlogs are building; knowing the



market and where savings can be made. These elements are all part of being an interim executive. And this is a sprint, not a marathon. Interims can get three to six months to turn around years of under-performance.

So clients need to remember that you can’t make an omelette without breaking eggs. If you have limited time to turn around an organisation, then clients need to understand that rapid change is needed. That’s what Interims specialise in.

They’re not permanent members of staff. Not there to build long-term relationships. They are there to pick up issues and failings, and rectify them quickly. For that, they’ll need support. When a caretaker manager is brought into a team that isn’t performing to its potential, you don’t pick the team for them. You let them get on with the job.

With the introduction of real performance management, not cursory monthly glances at figures in a spreadsheet, the number of hiding places will disappear rapidly. Some will feel threatened. Even when performance is less than 50% of what it should be, there will be those in the team that tell you all is perfect, and

“With an interim, you’re not paying for someone to learn about your problem on the job. You’re paying for someone who can second-guess most, if not all, the issues.”

change isn’t needed. They may even seek to undermine.

Others, however, will thrive on the environment being created. They want to be part of a winning team. The interim knows this scenario. They’re prepared for it. It won’t distract them. They’ll work with those that want to move the organisation forward. The interim doesn’t have the time to do personal.

Given support, an interim will introduce an effective performance management framework to stabilise the environment. From there the client shouldn’t be surprised to see major savings, especially in relation to contract and contractor management. It’s all in the day rate. The interim soon becomes self-financing.

So the next time you turn over a stone and don’t like what you find; or internal audits pick up on major failings; or your spend busts the budget from the first quarter, you may want to change the question. Ask not whether you can afford to bring in an interim. Ask whether you can afford not to ...

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



Daniel Dean quantity surveyor, WT Partnership

What difference has the 2016-20 rent reduction made to housing associations in England?

“What difference have the social housing rent cuts made to the business plans of housing associations? This was the topic of my recent dissertation. I set out to tackle four objectives:

- 1 To analyse and compare the changes to housing association business plans, both prior to and after rent reductions.
- 2 To find out if the level of service provided by housing associations has been affected by the rent reductions.

- 3 To evaluate the impact of the rent reductions on housing association affordable housing development plans.
- 4 To find out what housing associations are expecting and preparing for after the four-year rent reduction period.

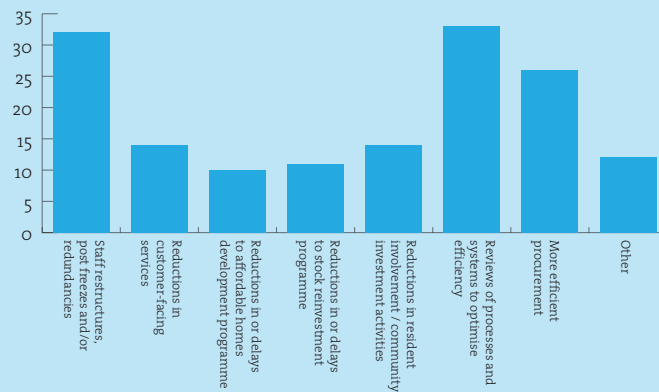
I adopted the methodology of case studies, interviews and questionnaires, and was very fortunate to have access to revised business plans. It was important to target a wide range of social housing professionals for the interviews, to see how they viewed the impact of the reductions.

I interviewed Paul Doe at Shepherd’s Bush HA and David Standfast at Saxon Weald as well as Greg Campbell of Campbell Tickell and consultants Michael Guest and Colin Wiles.

But I also wanted to see if there was any diversity throughout the sector, especially large housing associations. With the assistance of Paul Doe, I was able to issue my questionnaire to PlaceShapers, from which I received 39 responses. *To receive a full analysis of the results following the questionnaire, email daniel.dean@wtpartnership.com*

Objective 1 ►

The data collected concluded that the reductions had a negative effect on housing associations. Cost and efficiency savings were implemented into revised business plans. These savings were achieved in the following areas: staffing, which has led to recruitment freezes; internal restructures and redundancies; as well as back office / non customer-facing services.



Q5: What actions has your housing association taken to reduce the financial deficit created by the 1% rent reductions?

Objective 2

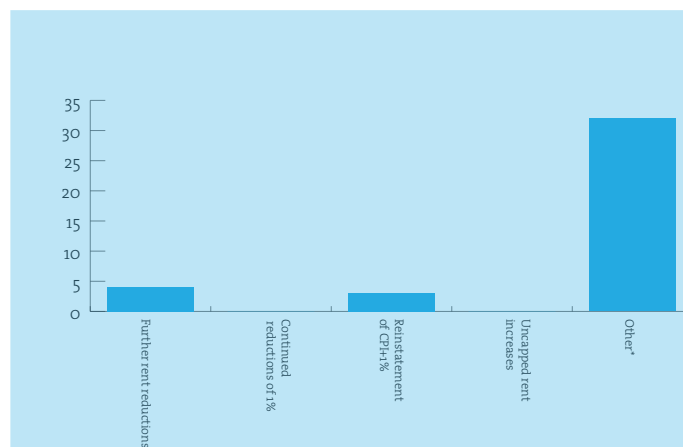
There was limited data available on whether customer satisfaction levels had been affected. This was due to the rent reductions not being in place for a full year, as well as the fact that not all housing associations had carried out customer satisfaction surveys. The data collected from the surveys suggested that the majority of housing associations had not seen a change in their customer satisfaction levels.

Q7: Have any changes in service affected customer satisfaction levels?
Yes: 18%
No: 82%

Objective 3

The data collected from the survey presents a balanced response: while some housing associations’ affordable homes development programmes had been affected, others had not. It was also apparent that housing associations were changing the type of developments to outright sale, shared ownership and market rents, providing them with alternative sources of income that isn’t affected by the 1% rent reduction.

Q4: Have the rent reductions had an impact on your ability to deliver your affordable homes development programme?
Yes: 59%
No: 41%



Q8: What are your expectations in relation to the Government’s position on social housing rents after 2020?

◀ Objective 4

When I was writing my dissertation, the Housing White Paper had not been published, nor was there any commitment from the government on rent levels after the four-year period. The responses received were varied; however most respondents expect social housing rents to increase only by CPI after 2020.

*** “Other” included:**
1% increase: 1 respondent
CPI only: 15
Rent increases in return for new homes: 5
Rent flexibility: 2
Capped to LHA allowances: 1
New, different rent formula: 4
Unsure: 3

Financial leadership: extracting value

The financial challenges for housing organisations are growing. New sources of funding and diversification bring new risks. Yet housing need is growing, as are the expectations of regulators and local authority partners. How can Finance remain an enabling force? How can Boards balance prudence and ambition?

We will work with you, bringing ideas and experiences from across the sector:

- ⊕ Reviewing risk appetite
- ⊕ Preparing you for IDA
- ⊕ Analysing exposures
- ⊕ Merger due diligence
- ⊕ Assessing potential partners
- ⊕ Challenging your stress-testing
- ⊕ Assessing Value for Money
- ⊕ Building and validating business plans
- ⊕ Training Boards in finance, risk and audit
- ⊕ Assessing development capacity and rationalisation potential
- ⊕ Sourcing interim, permanent and non-executive finance specialists