

CTBRIEF

June 2015
No. 19



Ian McDermott

chief operating officer, Sanctuary Group

Seven steps to success



“Sanctuary delivers housing, student accommodation and care services in local authorities from Aberdeenshire down to Cornwall and all the way in between. Managing a geography of this nature requires a subtle balance of central control and confident local teams that are able to make the correct call in circumstances that cannot be predicted. How do you empower staff while ensuring business compliance in large and complex organisations? Here are seven steps that have arisen from our work:

1 Have clear rules: These must be applied across the business and embedded, understood and enforced at all levels to ensure consistency. It's easy to confuse empowerment and decentralisation but a level playing field helps ensure customer service standards are met.

2 You need clear management information: The devil really is in the data. No subsidiary has ever joined Sanctuary and retained its housing or financial systems. We recognise that we need one version of the truth alongside aggressive escalation thresholds in order to spot and deal with any issues early on.

3 Have clear lines of sight: If you have an emerging issue you need to deal with it directly. Sanctuary has therefore avoided a federal structure with a number of subsidiary enquiries and found other ways to reflect local issues.



Resident Harry Dye with Sanctuary Care employee Ryan Comerford

“Too often targets are the comfort blanket of those who don't know how to manage.”

Ian McDermott,
Sanctuary Group

4 Create a positive culture: Having clear rules is important, but it means nothing without a positive culture that gives staff confidence to do the job and where they can speak up and challenge when things go wrong. Achieving organisational alignment where staff share common goals and purpose is challenging. Sanctuary has worked hard to embed the Sanctuary way of doing business through the Sanctuary Learning Academy, high-quality inductions, investment in apprenticeships, an inspiring graduate programme and senior and middle management talent development.

5 Stay focused and close to customers: Valuable insight is easily lost in process, large agendas and bureaucracy. At Sanctuary, we stay focused on answering simple, direct questions like “how can we improve repairs?” or “how can we better listen to our residents?”. We work hard to learn

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Terrie Alafat *chief executive, Chartered Institute of Housing*
Working together for a better future



“Since joining the Chartered Institute of Housing in April I’ve been struck by the number of different ideas that people both inside and outside the organisation have about what we do. I think this is partly down to our diversity of activity; we create and deliver qualifications for people who work in (or want to work in) housing; we’re a membership organisation supporting housing professionals across the world; we deliver training and events; and we come up with new ideas for policies which we think would improve housing for everyone.

But if I could sum up what we do in one sentence, it would be this: CIH’s goal is to equip housing professionals and organisations to deliver the housing that people need. That is my vision for the organisation, and our first challenge is to work as a team to communicate that effectively. Our policy positions are informed by two things: what the evidence tells us; and whether it will help or hinder housing professionals in doing the best job they can.

There is a huge amount of knowledge and expertise among CIH’s membership base. I think we can do more to harness that expertise and connect it to the way that policies are developed and put into practice.

Independent view

As an organisation, we are independent. We don’t represent any particular interest within the housing industry and we work hard to make sure that everything we say is based on evidence and what works in practice. There is something very powerful about that and I’m determined to ensure we get that right.

Since joining CIH I have visited colleagues in Belfast, Cardiff and Edinburgh and I’ve been really impressed with what’s going on in the devolved nations. I want to make certain that as an organisation we learn from

each other across the UK. In the light of the general election result, it’s clear that further devolution is firmly on the agenda and CIH’s teams in the devolved nations will have an important role to play as housing policy is developed and implemented.

“It’s clear that further devolution is firmly on the agenda and CIH’s teams in the devolved nations will have an important role to play as housing policy is developed and implemented.”

A passion for housing

I think what bonds us as housing professionals is a passionate belief in housing’s potential to improve people’s lives, strengthen communities, help vulnerable people and contribute to improving the economic and social health of our society. When we held our staff conference in May, we talked about what kind of organisation we want to be. One thing came across loud and clear – that everything we do should be about helping housing professionals and organisations deliver those goals.

Ian McDermott *chief operating officer, Sanctuary Group*
Seven steps to success

Continued from page 1 from the experience of the minority of dissatisfied customers and encourage purposeful conversations.

6 The right targets, correctly used: Too often targets are the comfort blanket for those who don’t know how to manage.

They can distort behaviours in unintended ways. Sanctuary has, like all organisations, a suite of targets and metrics but they inform our judgement rather than dominate it.

7 Have the confidence to take control of your own destiny: Four years ago, tired of the cost and frequently

patchy quality associated with external contractors, we brought our maintenance

In numbers: Sanctuary

97,984
Homes owned and managed in 2013/14

£592.3 million
Turnover in 2013/14

£8.8 million
Efficiency savings made in 2013/14

1,481
New homes completed in 2013/14

5,704
New homes in development in 2013/14

operation in-house. Today it delivers 75-80 per cent of Sanctuary’s repairs and voids, employs more than 1,000 staff, at a cost per job below £100, efficiency at eight jobs a day per employee and customer satisfaction at 95 per cent.

But we are not there yet. We are investing millions in creating a fully integrated technology infrastructure, which will provide the basis for our next round of improvements. We have some way to go, but with rent arrears at 3.1 per cent, other satisfaction ratings above their sector norm and an operational management fee (excluding maintenance and central overheads) that will dip below £400 per unit this year, we are making progress.

To discuss the points raised in this article, email talicza@campbelltickell.com



Greg Campbell partner, Campbell Tickell

Mystic Greg and his crystal ball



“Politics ain’t what it used to be. It’s become more complex. Take party political broadcasts. Remember when we had just a few television channels and they all showed party political broadcasts? Most people watched them. How many did you see in the run-up to May’s election? Probably very few.

People now get their news from different places. Print media is declining, while the internet and social media are prime information sources (and increasingly beyond the control of politicians and even those with big budgets).

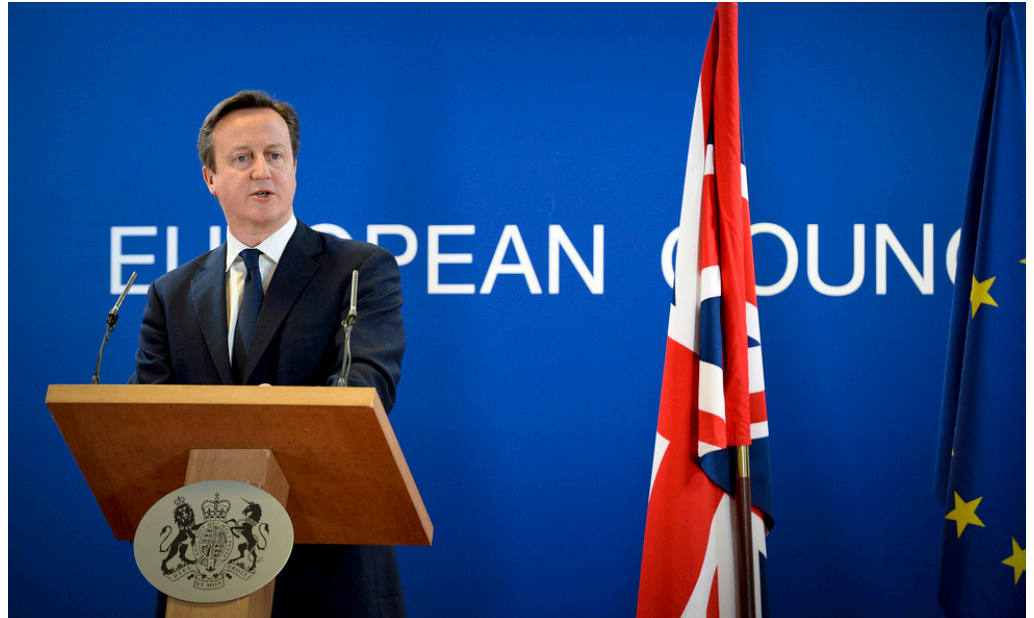
Traditional political parties are out of favour. The media has opened up politicians’ foibles to public scrutiny. The expenses scandals did further damage. Politicians compete with estate agents and bankers in public trust polls.

Party politics

This atomisation has contributed to the decline of the two ‘major parties’ with six parties breaking the million votes barrier in May. Yet the Conservatives won an overall parliamentary majority with 37 per cent of the vote, the SNP won 95 per cent of Scottish seats with half the vote, while UKIP and the Green Party are barely represented.

One might expect pressure for electoral reform. Yet with the Liberal Democrats out of government and Tories hostile, this is unlikely in the next five years. But many would say the disaffection with the political process needs an outlet. Might we see different kinds of political expression, more single-issue based? It doesn’t feel as though things will stand still.

Prediction time! The government will reach accommodation with the EU and the referendum vote will be ‘Yes’ to stay in. It will reach an accommodation over further Scottish devolution short of full fiscal autonomy (which Scotland may not be able to afford anyway). There will be further devolution within England



Britain’s future in Europe is just one question to be decided under David Cameron’s new government

“The extension of housing association right to buy will proceed, but more modestly than proposed.”

Greg Campbell, Campbell Tickell

and Wales, to multi-function big-budget city regions.

A deal will be found on welfare reform enabling local rule to continue in Northern Ireland. The economy will continue its upward trajectory, in fits and starts, patchily across the country. Interest rates will begin to rise, though modestly.

Housing under pressure

More homes will be built, but nowhere near enough to meet demand. Many will leave London for other parts of the country because of housing costs. But London and the south east will see further population growth. The chancellor will find his £12 billion welfare spending cuts (the reality – regrettable as it may seem – is that welfare benefit cuts are not unpopular). More broadly, the rich may well get richer; the poor may well get poorer.

In housing, the extension of housing association right to buy will proceed, but more modestly than proposed. The pressure for more development will not bring new grant. True ‘affordability’ for many, though, will not be easily achieved. More spare public land will be released, and regeneration will be prioritised. Value for money will

remain a priority, especially for housing associations, and non-developing associations can expect other pressures, such as on rent increases.

We may not see Dutch-style reforms of the housing association sector, but think tank Policy Exchange is influential in government. The bedroom tax could be extended. There will be a growing focus on older people’s housing needs. The private rented sector will be strongly encouraged. Meanwhile, there will be further pressure on council budgets, including for social care.

The Homes for Britain, SHOUT and Generation Rent campaigns will have to work together and take their message to the world outside, or they will falter and fail. And unless housing associations engage more effectively with the political process, they risk becoming less relevant. Increasingly, we are in danger of the movement splitting between those focusing on commerciality, and those focusing on social value.

There will also be unscripted “events, dear boy, events”. So many that I may have to eat my predictions next year.

Join the debate, email your views to talicza@campbelltickell.com



Alison Inman co-founder, Shout

Where next for the Shout campaign?



“It’s just about 12 months since we launched the Shout campaign in parliament, when we were joined by MPs and peers from across the political spectrum, tenants, housing professionals, journalists and campaigners.

Our starting point was, and remains, that social housing is a force for good, both fiscally and in broader public policy terms. Expenditure on housing benefit is increasing at a rate that should alarm everyone, regardless of their political affiliation. This particularly applies to people in work, and relying on homes let at affordable rents to meet increasing demand will do nothing to change this. Social housing is not the only answer to the housing crisis but we believe that it has to be a part of any long-term, economically sustainable plan.

The case for investment

Together with the National Federation of ALMOs we have commissioned a firm of City analysts to examine the economic and fiscal case for investment in 100,000 new

socially rented homes a year. Without giving too much away, the medium to long-term business case for our proposal is very strong and we look forward to launching the report very soon.

We are grateful to Campbell Tickell, and a number of housing associations for their financial support for this piece of work.

We believe the case for investment in social housing is intrinsically linked to the wider perception of social housing and the people living in it, as well as the wider communities shaped by social housing. Indeed, an anger at the growing demonisation of social housing tenants in the ‘poverty porn’ so beloved of some newspapers and TV channels, is what led to the formation of Shout. We cannot allow social policy to be determined on the basis of the ‘outliers’ portrayed in parts of the media and are determined to play our part

in demonstrating the wider benefits of social housing.

We are a cross-party group and will continue to work with politicians from all parties to make the case for social housing. This is often best done ‘behind the scenes’ but we also need to do more to ensure that we are not just talking to the ‘usual suspects’.

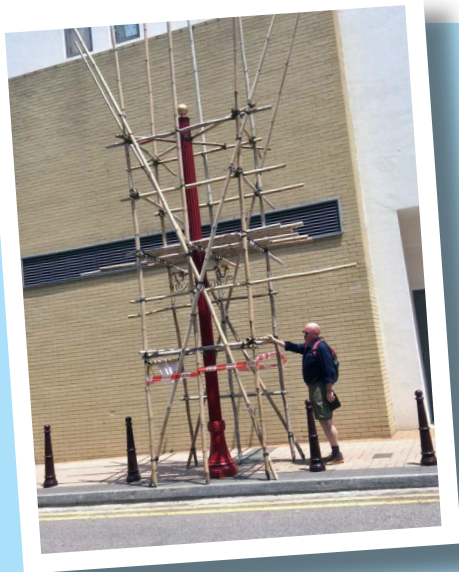
New approach

My personal view is that the next five years will be the age of the ‘hyperlocal’ campaign and maybe Shout needs to adopt that approach too?

We hope that, in some small part, we have enabled people living and working within the sector to stand up and make the case for investment in this most economically efficient form of housing. This is not an end in itself but an important part of the journey. We literally cannot afford to do anything different.

For more on the Shout campaign, visit www.4socialhousing.co.uk

“We cannot allow social policy to be determined on the basis of the ‘outliers’ portrayed in the media and are determined to play our part in demonstrating the wider benefits of social housing.”



CAPTION COMPETITION

Campbell Tickell partner Greg Campbell examines bamboo scaffolding in Hong Kong.

Email your best captions to stephanie@campbelltickell.com or tweet them to @campbelltickell before 20 July 2015 for the chance to win a mystery prize!



Campbell Tickell finance specialist Conor O’Shaughnessy with cooking implement.

LAST ISSUE’S WINNER

Congratulations to David Williams, partner at Campbell Tickell, for his winning entry in April’s issue: “Rugby fan finds flaw in electromagnetic theory by proving identical molecular structures attract.”



Tony Stacey chief executive of South Yorkshire Housing Association and chair of PlaceShapers

Housing movements are not history



“Light bulb moments can happen in the most unlikely settings. I was in a meeting a couple of years ago which had veered into one of those sterile discussions about terminology: “Are we housing associations?”; “Are we a sector?”; “Well, housing associations certainly aren’t a movement anymore.”

Housing associations not a movement? That must be right. Too many of us pull in different directions too much of the time. It was many years ago that former National Housing Federation chief executive Jim Coulter upbraided the NHF conference for splitting into the ‘Sharks’ and the ‘Jets’ as northern associations argued with southern associations over where the priority for capital funding should rest.

Moment of realisation

Then came the light bulb moment. Aha! PlaceShapers is exactly that – a movement. We are an alliance of organisations that share the same values, enjoy working together for the greater good, and want to change the world. That’s a movement. So I started trying the word ‘movement’ out with PlaceShapers friends and slipping it into presentations. Nobody contradicted me, but perhaps they were being polite.

At our awayday last December I put it to the rest of the PlaceShapers board. To my delight (and relief) everyone agreed. So it’s official. PlaceShapers is a movement and boy, doesn’t the housing world need the kind of energy and mission that comes with that?

PlaceShapers was originally set up as a reaction to the ‘big is best’ mantra that could be heard everywhere. Not that we are about size at all. I was stopped at a conference once by the deputy chair of the Housing Corporation, Shaukat Moledina, who asked: “Tony, I have

“As a movement we know what we are about and we do not forever have to touch base with the mother ship to ensure our message is congruent.”

Tony Stacey, PlaceShapers

forgotten, who are you merging with?” We weren’t merging with anyone, but Shaukat had just assumed we must be, as every forward-thinking association seemed to be pressing ahead with theirs.

PlaceShapers is not anti-merger. Nor am I for that matter. South Yorkshire Housing Association has merged with three organisations since I have been chief executive, but we have turned down two more because there was no strategic fit. Mergers should be driven by the best interests of customers, and too often, as we know, it is actually the interests of a retiring chief executive’s pension plan.

Similarly, PlaceShapers is not anti ‘big’. Our focus is commitment to our local area. We have large, medium and small associations in our current membership of 116 organisations, but the one thing we share in common is relationships and alliances in our

neighbourhoods. If one of our local authority partners upsets us, it is not an option to up sticks and go to work next door. We are family; we have to sort it out.

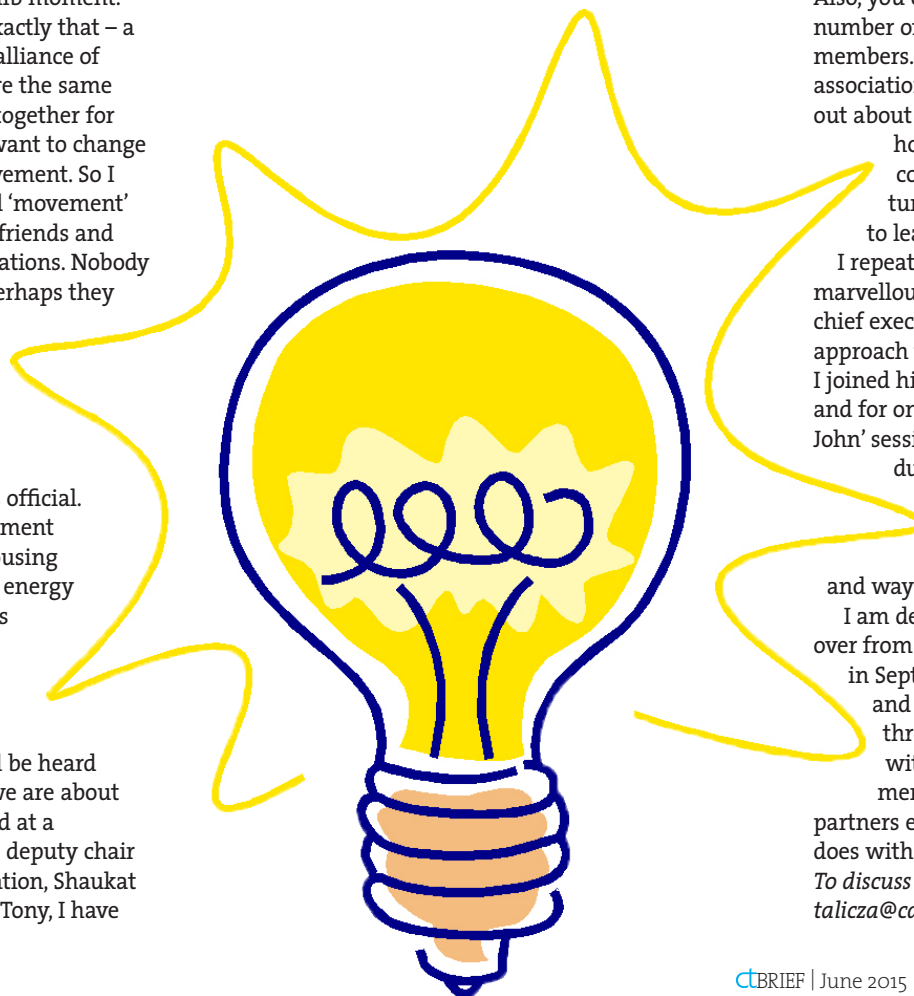
PlaceShapers has always done two things. The first is to ensure our voice is heard at both the national and local levels. As a movement, it is much easier for us to do this, because we know what we are about, and we do not forever have to touch base with the mother ship to ensure our message is congruent.

The second is to share best practice. We are doing more and more on this these days, including a grant-funded project to support the collective analysis of our membership’s contribution to the value-for-money agenda, work that we have engaged Campbell Tickell to help with.

Mutually beneficial

Also, you could not possibly count the number of visits between our members. At SYHA last year a dozen associations came to see us to find out about our care and supported housing journey and our commercial subsidiary. In turn, we visited many others to learn from them. One visit I repeated was to John Giesen’s marvellous association, B3Living. As chief executive, John has a great approach to staff engagement. I joined him for his staff conference and for one of his regular ‘tea with John’ sessions. I learnt so much during these visits to B3Living about staff engagement, moving away from ‘command and control’, and ways of having fun.

I am delighted that John will take over from me as chair of PlaceShapers in September. I am sure his values and approach will shine through and he will engage with the organisation’s members and our external partners every bit as effectively as he does with his own people. To discuss this article, email talicza@campbelltickell.com



The strategic choice for mergers and partnerships

Campbell Tickell is proud to have worked with the following organisations to make sure their mergers and partnerships have been a success.

thirteen

Fabrick Housing Group and Vela Group created Thirteen Group

isos

Cestria Community Housing created a partnership with Isos Housing Group

wm housing group

Family Housing Association (Birmingham) joined WM Housing Group

emh group

Three Valleys Housing joined East Midlands Housing Group

accord group

Heantun Housing Association joined Accord Group



Newport Housing Trust joined Seren Housing Group

Sanctuary Group

Cosmopolitan Housing Group and Carr Gomm Society joined Sanctuary Housing Group

Fortis LIVING

Festival Housing Group and Worcester Community Housing created Fortis Living

Symphony HOUSING GROUP
together we're better

Vicinity Housing Group and Contour Housing Group created Symphony Housing Group

 CAMPBELL TICKELL
CONSULTING

At the heart of housing and care

These represent a proportion of the successful merger and partnership assignments we have worked on in the last few years. To discuss how we can help, contact david.williams@campbelltickell.com, james.tickell@campbelltickell.com, sue.harvey@campbelltickell.com or greg.campbell@campbelltickell.com.



Roz Spencer contract specialist at Lewisham Council and associate consultant at Campbell Tickell



We must stop unscrupulous, greedy landlords

“Panorama’s The Great Housing Benefit Scandal did a great job exposing the national scale of the scandal of unscrupulous landlords profiting from the housing benefit system, while their tenants live in often poor-quality accommodation. Lewisham Council is acutely aware of this problem and is committed to ending it in the borough.

At the heart of this scandal lies greed and the greedy. Housing benefit claimants find it more difficult by the day to rent privately in Lewisham – one of the more affordable boroughs in London. Today the council has a list of more than 300 families at risk of homelessness who want a two-bedroom flat. The council’s Lewisham Letting Scheme partners with private landlords to source lettings to prevent homelessness. It has placed on average 18 households per year in the past three years. People who don’t get lucky in this scheme increasingly have to move out to towns like Chatham and Rochester in Kent from where they will be unlikely to be able to afford the commute back to a low-paid job in Lewisham.

The lack of effective controls over rent levels in this country, coupled with an excess of demand over supply mean rents keep rising to the level tenants are willing and able to pay. A new ‘generation rent’ who are locked out of homeownership are enabling landlords to push up rents, with some boroughs seeing rises of up to 25 per cent in a single year.

Feeding on our deepening housing crisis, are the ‘Rachman returns’ – a new generation of get-rich-quick unscrupulous entrepreneurs all too willing to exploit the situation.

“There will always be greed and there will always be the greedy. We must address the driver of the problem.”

Roz Spencer,
Lewisham Council

Tackling rogue landlords: proposed powers

- Further changes to the discretionary licensing scheme so councils in high-demand areas can introduce schemes and define the ‘fit and proper person’ test more clearly to more easily eliminate landlords who have been convicted of housing offences.
- Give councils power to withhold housing benefit to landlords who are being prosecuted for offences under the Housing Act and related crimes, if it fits their local enforcement strategies.
- Courts to impose punitive fines for housing offences proportionate to the profits of the landlords/agents and defer sentencing to allow convicted landlords the chance to comply, in return for lower fines.
- Give Planning enforcement power to de-convert or demolish property built without planning consent where it is substandard, abolishing the current four-year time limit



Misery mongers

Perhaps the most disturbing phenomenon in this crisis is the behaviour of those landlords and agents who deliberately target the housing benefit market. While they maximise their rents by overcrowding properties and charging the maximum local housing allowance for the area, they minimise their costs by refusing to maintain the property

– sometimes even hot-wiring it and then charging tenants rent inclusive of these stolen utilities.

Others are finding the most lucrative ratios of benefit income to floor area. This means converting family homes into nano-studios – rooms with a kitchen and a shower built into the corner or letting houses in multiple occupation to sharers on the ‘single room rate’ to which the under-35s are restricted for housing benefit purposes.

The worst landlords exploit not only the tenants and often the utility companies, but they also exploit hard-pressed housing charities, duping them into supplying homeless referrals

Continued on page 8



Atara Fridler chief executive, Lift

Helping disadvantaged people change their lives



“At Lift we’re extremely excited and proud to be chosen by Campbell Tickell as their charity of the year.

Lift is a small to medium-sized charity based in Brent, north London, and for 15 years we’ve been helping homeless and disadvantaged people to change their lives. Our user-led services focus on targeting the root causes of homelessness and social exclusion by empowering more than 400 people a year to achieve decent housing, employment and inclusion within their communities.

We live in very challenging times. Continuous cuts to the public sector and to welfare, the emergence of localism and huge development plans in our area, (including the recent establishment of the neighbouring Old Oak Common and Park Royal Development Corporation) are some of the key issues we are facing. At Lift we are committed to meeting these challenges head on.

From our work we know that the greatest impact is achieved when people are supported as individuals who have a combination of strengths and needs rather than as recipients of a single service. As a result, we are embarking on a new approach inspired by the localism agenda to develop neighbourhood-based work in Harlesden. We will facilitate neighbourhood planning and a

community hub in Harlesden while continuing to support more and more local people into jobs and homes.

We believe this is the only approach that will enable us to sustain our work and empower residents to influence and respond to major shifts in local services and infrastructure. And we are not alone.

“The greatest impact is achieved when people are supported as individuals who have a combination of strengths and needs.”

Locality, the national network for community organisations, has recently launched the Keep it Local campaign and the Joseph Rowntree Foundation has championed this approach with its chief executive Julia Unwin asserting: “Access to social capital and its uneven distribution affects levels of participation. Many communities have strong bonding capital at a very local level but often lack the bridging and linking capital that brings different parts of the community together to support their voice. This is needed to link them to networks and structures of influence that can help generate lasting change.”



Lift clients enjoy an awayday organised by the north London-based charity

Our aim is to respond to this inequity. We hope to show that it really is possible to develop person-centred services and spatial development in the current challenging environment by using a strategic, place-based model in one of the most deprived neighbourhoods in Brent and by building on our award-winning experience in developing community and user-led solutions to local problems.

Campbell Tickell’s contribution will provide crucial support for this vital and innovative work and we are extremely grateful for this recognition of our services. For more on Lift, visit www.liftpeople.org.uk

Roz Spencer contract specialist at Lewisham Council and associate consultant at Campbell Tickell

We must stop unscrupulous, greedy landlords

Continued from page 7 (no pesky lettings agency fees there). They also persuade unwary freeholders looking for a managing agent to lease to them, avoiding the problem of raising capital to get into the game (the ‘rent to rent’ model). This arrangement is harder for council enforcement teams to regulate, because when facing a legal challenge, it is easy for the agent to take down their business and move to another area.

So what can the government do? The key point to remember is that there will always be greed and there will always be the greedy. We must address the driver of the

problem. Money is its oxygen. Until the supply and demand problem is addressed, this problem will not go away and we will be left trying to manage the fallout.

Prioritise house building

The first priority is to invest in an ambitious programme of new, genuinely affordable house building. For those allergic to rent control, this at least is a market mechanism to stop house prices and rents from spiralling further. Stronger powers are also desperately needed (see box, page 7: Tackling rogue landlords). Councils are not in a position to throw

money at the problem.

First, a message to our new Conservative government. If you go ahead with your promise to gift housing association homes to their tenants, consider first what the result of right to buy council housing over the past 25 years. Today some 60 per cent of homes bought under right to buy in our borough are now in the private rented sector. Unless a housing association right to buy scheme had restrictions built into it, there is no reason to suppose this pattern will not be repeated.

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



Andrew Dench Head of strategy and customer engagement,
The Guinness Partnership

Tenancy sustainment – who’s it for?

“Completing our value for money assessment has forced us to ask ourselves the question of how well we understand what impact we are having for the £3 million we spend each year on tenancy sustainment.

We worked with our partners at CASE – a network of associations in the south east – and with Campbell Tickell, to compare our different approaches in the report *Tenancy Sustainment*. What we found was more complex and more interesting than a narrow focus on how to generate a meaningful quantified impact, important though that is.

Crisis support – is it sufficient?

We all provided reactive support, aimed at resolving immediate threats to a tenancy in different ways. However, we are also developing more proactive approaches, which improve tenants’ longer term prospects as well as fixing immediate problems – so, not just helping with benefit claims, but also with budgeting skills and with gaining jobs. We want to promote independence and self-reliance, not foster dependence.

Crisis support may offer more easily quantified benefits in the short term – helping with benefit claims gets money to tenants and reduces rent arrears. The staff time and the financial payback are measurable. It is less expensive in the long run to help tenants develop the confidence and skills to do it themselves, but it involves upfront costs, and the impacts are often delayed and hard to measure.

How do we identify who to help

Getting a tenancy is an opportunity for many new tenants who have faced serious problems to make a new start, but it is no guarantee. At this point, we have a relatively easy task of finding out about tenants, the chance to talk to them, and to assess what support they might need. But

“We want to promote independence and self-reliance, not foster dependence.”

Andrew Dench,
Guinness
Partnership

precariousness is a feature of many people’s lives, increasingly because, even if they are working, they have no savings and their jobs are insecure.

It is more difficult to track what happens after sign-up and conversion of probationary tenancies. Some organisations are making more systematic use of customer insight and management information to regularly review levels of risk at tenancy level, or to identify common patterns or indicators of households most at risk, as the basis for designing or targeting tenancy sustainment resources.

How do we deliver tenancy sustainment

There was an extraordinary wealth of ideas and practice, but these were the ‘must-solve’ delivery questions:

- Treat it as a strategy, not an initiative – be clear about the objectives and outcomes you want for tenancy sustainment and design services accordingly.
- Tenants who had used tenancy sustainment services often said they didn’t know we could help. Better communication about our services may increase demand for them, but it will also mean that we find out about problems earlier
- Building relationships – it should not be a surprise if tenants at risk of eviction are wary of engaging with their landlord. Tenancy support services need to engage with tenants to support them, without giving mixed or ambiguous messages
- Internal coordination and communication – all customer-facing staff need to understand these services, so they are able to spot the warning signs, provide information to tenants, and know where to refer tenants and when.

Our businesses will be more successful if our tenants can prosper in the homes we provide – successful tenancy sustainment is our business. *To discuss the issues raised here, email andrew.dench@guinness.org.uk*



To download the report, go to: www.campbelltickell.com/publications

THE DIARY

Chartered Institute of Housing Annual Conference and Exhibition

23-25 June 2015
Manchester Central, Windmill St

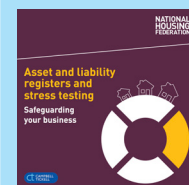
More than 200 speakers, including Campbell Tickell partners Greg Campbell and Gera Patel, will engage with delegates around all the critical strategic challenges facing housing. Visit Campbell Tickell at stand G35. www.cihhousing.com

National Federation of ALMOs Conference

15-16 July 2015
Hilton Manchester, Deansgate

Campbell Tickell partner Greg Campbell and associate director Maggie Rafalowicz, will speak on managing the risks associated with diversifying service delivery. www.almos.org.uk

NEW REPORTS



Asset and liability registers and stress testing
Safeguarding your business

Written by Sue Harvey, director at Campbell Tickell, and published by the National Housing Federation this guide examines how to protect your business against dramatic shocks to the economy.

www.campbelltickell.com/images/publications/Asset_and_Liability_Registers_web_vsn.pdf

Coming soon

With the benefit of hindsight
Learning from problem cases,
volume 4

Published by the Homes and Communities Agency, funded by I&Q and written by Campbell Tickell, this report examines how boards can learn from past cases.



Heather Ashton group director of resources, Thirteen Group
Reflections on a merger

thirteen

“Thirteen Group was formed just over a year ago in April 2014 by the merger of Fabrick Group and Vela Group. The merger was predicated on delivering efficiencies and freeing up capacity to invest in the Tees Valley. The shadow board produced a very clear strategic business case set around six key drivers and ambitions to produce around £9.5 million in efficiencies from year three.

Having agreed the financial plan for 2015/16 (year two), we can already see that we are making great inroads with £3.5 million savings in staffing costs and more than £1 million in overheads – but what about the capacity aspect? This comes with two challenges: where is it within the group and what should we invest in to make the best impact?

Hopefully it will come as no surprise that the capacity sits within the largest and longest established stock transfer landlord within the group, but the current funding arrangements preclude this from being shared with the other partners across the group. As a result, a project to create a funding vehicle is now well underway in advance of Thirteen Group potentially looking at accessing the bond market in 2016/17.

Local investment

Where to invest it has been the subject of debate both pre and post-merger. Investment in the Tees Valley has been the constant within those debates, but exploring how we can make our capacity go further and have a bigger impact has taken us down many routes.

When we first looked at this in 2012, we did not have the full picture of what the economic landscape would look like just three years later. However, we were very aware that it would be significantly tougher for us and for our customers, and hence we were certain any investment would be made with an eye to maintaining our income stream, protecting our assets and regenerating the communities we serve.



Beechfield Court, Thirteen Group’s new £9 million extra care housing development in Middlesbrough

“Partnerships with the health sector (public and private) are high on our agenda.”

Heather Ashton, Thirteen Group

Partnership working is a theme that ran through the business case and is already delivering significant benefits. Pre-merger, Fabrick Group had formed a joint venture with the local authority which kick-started a £10 million regeneration project and this is now being replicated in other parts of the Tees Valley. Partnerships with the health sector (public and private) are high on our agenda and we have already delivered a project in Middlesbrough that provides intensive care and rehabilitation, freeing up hospital beds and linked directly to longer-term housing need.

Challenges

Sounds simple, right? Far from it, but the length of this article does not permit me to go into detail on the

challenges faced in bringing two groups together. These include: a total staffing restructure; successfully signing a single recognition agreement with four trade unions; ensuring boards, at all levels, receive robust and timely performance and financial data ahead of the implementation of a single housing and property management system (due to go live in September); and all of this following the near-collapse of Cosmopolitan Housing Group and the resulting new regulatory code.

So, yes, it has been hard work, but, it has also provided a fantastic springboard to re-shape our business to ensure we continue to really make a difference in the north east.

To discuss this article, email Talicza@campbelltickell.com

In numbers: Thirteen Group

April 2014

Thirteen Group formed by the merger of Fabrick Group and Vela Group

£9.5 million

Predicted efficiencies from year three

1,400

Employees – making Thirteen one of the top 10 employers in the north east

£140 million

Turnover in year one post-merger

£990 million

Value of asset base

32,000

Homes

70,000

Tenants and service users



Rod Hunter associate consultant, Campbell Tickell

Scotland's post-election housing landscape



“One’s initial reaction might be, there will be little change in housing policy and direction in Scotland after the UK general election, as responsibility for housing is already devolved to the Scottish government.

Pre-election speculation centred on the implementation of the Smith Commission proposals for the devolution of more powers to Holyrood, particularly in relation to taxation and welfare, and how that might influence housing. Given the scale of the SNP’s victory last month, the Smith proposals are very much back in the melting pot. Uncertainty and speculation therefore continue.

Suffice to say the SNP wants more powers to be devolved, particularly on welfare, but the party will be cautious about how much, when and on what terms.

That isn’t to say there are not challenges in the housing sector, most of which will be familiar to readers outside Scotland but there are some differences.

The new UK government will be pressing ahead with welfare reform and rolling out universal credit. The Scottish government has largely mitigated the impact of the bedroom tax (sorry, spare room supplement) in a way that has probably attracted envious glances from south of the border, although this is on a year-by-year basis. However, universal credit could be a greater challenge. Evidence from the limited first roll-out to a Scottish local authority, Highland Council, does not bode well.

Key policy areas

Looking to other key policy areas, Scotland’s homelessness legislation is often touted as being the most progressive in Europe. The right to buy is in its death throes and will shortly be removed from the statute book, whereas the Conservative Party manifesto proposed reviving it in England.

There are no rent controls in Scotland (for registered social landlords or councils) although the Scottish Housing Regulator has spoken publicly on a number of occasions about the need for social landlords to consider their rent increases very carefully, given the economic challenges facing many of their tenants.

Innovative attempts to raise finance for new rented housing will continue although the level of new provision is unlikely to meet



Looking ahead: Nicola Sturgeon’s SNP faces challenges in Scotland’s housing sector

demand. Although the Scottish government has a target of producing 6,000 affordable homes a year, most commentators agree this figure falls a long way short of the real need in the country.

The Scottish government has been more positive about immigration than the UK government and Scotland’s population, which was predicted to decline not that long ago, is now rising.

“Although the Scottish government has a target of producing 6,000 affordable homes a year, most agree this figure falls a long way short of the real need.”

Like their English counterparts, the majority of Scottish social landlords are facing the challenge of underfunded pension schemes and many have moved to defined contribution schemes. The Scottish Housing Regulator has highlighted this as an issue as well as encouraging social landlords to improve their governance and constantly review their future strategy.

There have been blips by social landlords in Scotland (although not on the same scale

as the Cosmopolitan crisis in England) and some constitutional partnerships have resulted. One of the main beneficiaries of this has been Wheatley Group. It started life as Glasgow Council’s housing department. After stock transfer it became Glasgow Housing Association and having divested itself of about 19,000 homes to social landlords in the city, it became Wheatley Group with a bit of help from Campbell Tickell. Five social landlords have already joined or are due to join the group.

Private rented sector

The Scottish government is consulting on greater regulation of the private rented sector and this is generally welcomed by housing professionals and pressure groups, such as Shelter. Private landlords and investors are not quite so enthusiastic.

The social rented sector remains diverse, 160 social landlords ranging from the expanding Wheatley Group, to local authorities and smaller community-based housing providers. The smaller community-led housing associations still enjoy political support and Nicola Sturgeon – ‘Britain’s most dangerous woman’ or ‘the most popular politician in the UK’, depending on your point of view – has been a regular attendee at their conferences in recent years. Interesting times ahead.



Mike Gaskell partner, Trowers & Hamlin

We are failing the most basic human right



“Suspend reality for a moment, if you will, and allow me to pretend that I am the prime minister of Her Majesty’s new government contemplating the current housing crisis. What reforms do I want to introduce?”

Coming from a starting point that a decent home to live in is, in any civilised society, an essential human right (indeed I would argue the most basic one, upon which the ability to avail one’s self of most of the other things which we consider to be human rights depends), what structural reforms could one make to the housing market and the way it operates in the United Kingdom?

Most commentators and, I suspect, most of the electorate now accept that the supply of decent homes is woefully inadequate and that the prime cause of this has been housing policy from successive governments for the past 40 years or more.

Affordability

Tinkering at the edges will never solve the problems we face. Affordability (both for purchasers and renters, whether social or affordable) is directly influenced, indeed has its roots in, the supply problem. The only solution lies in a radical change of direction in planning policy, in so far as it relates to

The new government must find the political will to address the UK’s housing crisis

the provision of housing. If the availability of supply is going to have any real impact on prices in the medium to longer term, it seems to me that the absolute minimum which must be delivered is 300,000 new homes per year for the next 10 years.

Achieving this should make at least some improvement on the affordability front but I strongly doubt that on its own this would be enough. Even if it might be in the long term, it certainly will not be in the short term given the issues that we all understand all too well. Which brings me to my next major policy change.

Grant funding

Those of us around at the time will remember that the mantra in the mid to late 1980s was “let housing benefit take the strain”. I would reverse the trend of the past 25 years or more and introduce a proper grant-funded social housing programme to ensure that (notwithstanding welfare reform) there is an adequate supply of good-quality social housing (not grotty, dilapidated properties on the darker fringes of the private rented sector), where benefits enable those in need to take a tenancy in confidence that

they will be able to meet the rent.

In short, a clear linkage, for those in real need, between the available benefits and the amount of grant required to deliver the housing. Some changes to the tenancy regime for those tenants will also be needed.

“The availability to all of a decent home to live in must be a realistically achievable goal rather than a hopelessly unattainable aspiration.”

Determination

You might say my policy as prime minister is wildly optimistic and is undeliverable. I would reply that it will be delivered because my government is determined that it will be and will make the necessary legislative and policy changes to do so, irrespective of the many

vested interests which might seek to erect barriers. The availability to all of a decent home to live in must be a realistically achievable goal rather than a hopelessly unattainable aspiration.

Back in the real world, will this happen? Most commentators would say not, but if the political will could be summoned to address the many and diverse issues restricting delivery then making an attempt might at least bring some improvement in the current dire situation. *To discuss the issues raised in this article, email Talicza@campbelltickell.com*





Liz Zacharias consultant, Campbell Tickell
Understanding the Care Act



“Described as the biggest change to care law in 60 years, the Care Act 2014 for the first time establishes a wellbeing and preventative approach to the provision of care services in England. Part one of the act came into force in April (with the second phase, dealing with the cap on costs, being implemented in 2016).

The act gives general responsibility to local authorities for making sure people receive services that prevent their care needs from becoming more serious, or that delay the impact of their needs. Local authorities must also ensure people can access the information and advice they need to make good decisions about care and support, including independent financial advice, and have a range of providers offering a choice of high-quality, appropriate services (see box: The Care Act).

The act creates a single, consistent route to establishing an entitlement to care and creates the first ever entitlement to support for carers. Many things established as good practice for a number of years are now enshrined in law, such as the duty to carry out a needs assessment, a legal responsibility to provide a care and support plan, entitlement to a personal budget and direct payments, as well as putting Safeguarding Adults Boards on a statutory footing.

Integrated approach

The act is part of an overall progression towards the integration of health, care and housing and gives local authorities the role of shaping the market locally as well as looking at universal preventative services that can help people stay well for longer.

As a response to the failure of Southern Cross in 2011, the act places a duty on the Care Quality Commission to assess the financial sustainability of the most difficult to replace providers and to intervene where necessary. These providers are those who, because of their size, concentration or specialism, would be difficult to replace if they were to fail.

There is also now a legal duty of candour for any CQC registered provider and a requirement to report when things go wrong or when individuals in their services are harmed. This includes a duty to apologise and to state what further action is being taken.

The Care Act: new responsibilities for local authorities

Local authorities must ensure people who live in their areas:

- receive services that prevent their care needs from becoming more serious, or delay the impact of their needs;
- can get the information and advice they need to make good decisions about care and support;
- have a range of providers offering a choice of high-quality, appropriate services.

Local authorities must consider:

- what services, facilities and resources are already available in the area (for example voluntary and community groups), and how these might help people;
- identifying people in who might have care and support needs that are not being met;
- identifying carers who might have support needs that are not being met.

Local authorities must provide information on:

- the type of care and support are available (for example, specialised dementia care or befriending services);
- how people access the care and support available;
- independent financial advice about care and support and access to it;
- how people can raise concerns about the wellbeing of someone with care and support needs.

Arguably, the act represents one of the biggest opportunities for the housing support sector in many years with the inclusion of the suitability of living accommodation as a factor in prevention and wellbeing. But to benefit from the opportunities there are a whole number of challenges to be overcome too, setting aside the immense challenge of social care funding itself.

Opportunities

Active involvement in market shaping through effective dialogue with policy makers and commissioners is one opportunity, but providers need to be able to make the case and be able to influence within an increasingly pluralistic and fragmented system. Another opportunity is

the scope for developing innovative preventative integrated services that make effective use of new technology, but providers need to be armed with robust evidence on the cost savings delivered, particularly to health budgets.

“To benefit from the Care Act’s opportunities there are a whole number of challenges to be overcome too.”

Personal budgets

Personal budgets create challenges in the costing of services and the staffing arrangements needed to deliver the required flexibility, but they also provide opportunities to re-shape the offer and deliver services based on market intelligence and customer insight into what people really value and want to pay for.

The duty of candour (and separately to the Care Act, the new CQC inspection regime and ratings system) also challenge providers to deliver excellence and make amends when things go wrong, placing greater focus on the need for robust assurance mechanisms to avoid public exposure of weaknesses or service failures.

To make best use of the opportunities available, housing support and care providers will need to develop effective and sustainable business models shaped around the Care Act’s key principles of wellbeing, integration and personalisation. *To discuss the issues in this article, email liz@campbelltickell.com*



The Care Act introduces a preventative approach

Older people: your biggest challenge

Older people are the fastest growing part of the population. The challenges this poses for housing providers are real and increasingly urgent. One-third of all housing association residents are over 65. Most older people are in general needs housing that will increasingly become unsuitable for their needs. Meanwhile Adult Social Care budgets are being squeezed so only the most vulnerable will receive support.

- Do you know what the future holds for your tenants?
- Do you understand your tenants' needs as they age?
- What should you do to prepare for your households ageing?
- Are you providing age-sensitive services?
- Are you developing homes suitable for older people?



We can help you address the challenges. Our services include:

- ④ **Assessing the changing demands for your housing and support**
- ④ **Gap analysis between planned provision and projected demand**
- ④ **Older people's housing strategy**
- ④ **Audit of assistive technology services**
- ④ **Advising on development of new retirement housing**