



Wishing all our readers  
season's greetings and  
a happy New Year!

December 2015  
No. 21



**Greg Campbell** partner, Campbell Tickell  
Welcome to the innovation  
special issue



**T**he dust is starting  
to settle on a  
tumultuous year in  
the housing sector.

What can we see?

The first impression is of a much harsher, more unforgiving environment, with real dangers lurking. Populating this terra (in)firma is a large number of uncertain housing providers, some seeking shelter, others squeezing together for warmth.

Yet as we know, first impressions can be misleading. This new territory is indeed demanding, but it does present opportunities. The trick is to find and exploit these.

What are these opportunities and who are the brave souls striking out to unearth them? In this innovation special edition of

**“It will not surprise readers to hear that the entrepreneurial spirit is alive and well in social landlords.”**

Greg Campbell,  
Campbell Tickell

the CT Brief, we focus on precisely these questions.

It will not surprise readers to hear that the entrepreneurial spirit is alive and well in social landlords. Many housing providers are extending their housing offers into new forms of supply, and refocusing the way they provide services, most particularly with a shift towards increased digitisation of customer services, while balancing this with direct customer engagement where most needed. We are seeing others extend beyond housing into different service areas. Learning from beyond housing will be critical.

I hope you find this, our 21st edition of the CT Brief, useful. Please let us know what you think.

Very best wishes for an enterprising 2016!



**Ian Munro** Chief executive, New Charter Group  
Delivering great  
neighbourhoods



**L**ike most chief executives I have spent a large part of the summer and autumn trying to digest the effects of the chancellor's onslaught on housing associations.

We in the sector know the huge impact a simple 1 per cent cut in rents through to 2020 will have. For New Charter Group, the rent cut, combined with prudent assumptions about the effect of welfare cuts, the benefit cap, the roll out of universal credit and rent collection performance will culminate

in an annual loss of more than £18 million and a total loss over the four years of £54 million. These are staggering sums and add significantly to the existential threat which the sector now faces.

Some will know that New Charter Group has built a pretty impressive reputation as an organisation which seeks out innovation and diversity in its operations. I have written in these pages before about our foray into the world of education through sponsorship of academies by

our Great Academies Multi Academy Trust.

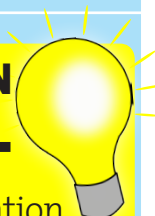
Since then we have broadened our interests and have found ourselves with a mini media empire as well as a developing business in home care and support services for vulnerable people. It's probably the media work that has marked us out a 'bit different'.

This came through a passing involvement in the local commercial radio station, Tameside 103.6, which like most community stations relies heavily upon

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**Susan French** Associate, Campbell Tickell

## We can learn so much from other sectors



**“As part of the HouseMark Business Connect events, I visited Metro Bank in September. We met the bank’s senior team (including the larger-than-life chair, Vernon W. Hill II), its chief executive and the senior ‘people’ team, as well as more junior staff. It was a great opportunity both to network and to see at first-hand what this interloper into the British retail banking sector is all about.**

Metro Bank is the first new retail bank in Britain since 1820 or so and sees itself as a retailer rather than a bank. The 50 or so stores – not branches – across the south east of England are deliberately designed as the antithesis of other high street banks with an 8am-8pm, seven-day service, a ‘20 minutes to open a current account’ promise, bank cards printed on the spot and easy-access safe deposit boxes.

The organisation is incredibly customer-focused and aims to have ‘fans’ rather than customers. The bank’s core values genuinely appear to run through everything it does. All new employees learn the acronym ‘AMAZE’, which stands for



Metro Bank is transforming the high street banking experience

**“I was inspired to switch my business account to Metro Bank as a result of my visit”**

Susan French, Campbell Tickell

Attend to every detail, Make every wrong right, Ask if you don’t know, Zest is contagious – share it, and Exceed expectations – I don’t think I’ve ever come across a bunch of more positive people. The bank recruits for attitude rather than skills and all but the most senior staff go through an ‘M-Factor’ recruitment event, which culminates in a conga through the office. Yes, it’s all a bit cheesy but it is clearly effective: Metro Bank has a net promoter score (a measure of customer loyalty and satisfaction) of 80 per cent, which is pretty incredible (and 16 per cent ahead of second place First Direct).

The organisation seems very switched-on to IT, partnering with Microsoft to develop and tailor IT solutions to customers’ needs. One clever idea was a temporary card-block for when you put your card behind the bar on a night out. The bank also has a very transparent ‘career journey’ approach with ‘talent families’, career paths and training mapped out online for staff to plan their progression.

I was inspired to switch my business account to Metro Bank as a result of my visit. And while it wasn’t quite as easy as I’d expected (down to a recent house move), the level of customer service was fantastic.

If you’ve never been into a branch, sorry ‘store’, it’s worth a visit. The experience is as far removed from visiting other high street banks as you could imagine. If the double-height atrium and Las Vegas-style interior doesn’t convince you this is a very different sort of bank, the free dog biscuits, pens and coin-counting machines just might. That, and the genuinely excellent customer service.

Oh, and Metro Bank lends to housing associations, too.

**Ian Munro** chief executive, New Charter Group

## Delivering great neighbourhoods



Continued from page 1

local business and volunteers to survive. The station occupied part of an old grade II listed mill which we owned but it was in serious financial difficulty. As a key community resource, which was amazingly popular, we thought it should be supported and that is what we did.

At almost the same time, the editor of the local newspaper approached me to ask for similar help. The paper, privately owned, was struggling and the owner wanted to move on. We thought that for a very small investment of time and money – we provided a loan at commercial rates – we could bring the two together to

develop a multimedia platform including a web-based TV offer that would extend plurality of local media, keep the 70 volunteers involved and help build the sense of place we see as being an essential part of our mission. There were also some great links to be made with our work in Academies, giving young people real hands-on media experience.

Building relationships in this way has helped to promote our presence and reach. We are seen as a credible business; our work with the local hospital, Clinical Commissioning Group and Tameside’s director of public health to assist in reducing A&E admissions resulted in a

contract worth several thousand pounds and was in part stimulated by this sort of demonstration of our commitment to the communities in which we operate.

We have some thriving businesses, we were early adopters of troubled family work, we are a sub-contractor for the work programme and are heavily engaged in making the most of the opportunities which the Greater Manchester devolution deal might provide for our residents.

While a lot of this work might be under threat from the rent policy changes, we want to preserve as much as possible – it’s not only good for our business, it’s good for our customers and neighbourhoods.



**Jon Slade** senior consultant, Campbell Tickell

## How to make a social business work



**“I** was fortunate recently to go on a pair of study visits to the Eden Project and Jamie Oliver’s Fifteen restaurant in Cornwall. The visits were a part of HouseMark’s Business Connect programme which Campbell Tickell sponsors.

The programme takes groups into a wide range of social and commercial businesses to learn more about how they wrestle with the issues in their sectors. The visits to the Eden Project and Fifteen were particularly timely, because both are social businesses that have recently had to ensure they have a crystal clear approach to the part played by commerciality throughout their organisations. The parallels with social landlords are obvious.

### A good idea is not enough

The Eden Project is the embodiment of a fantastic idea. But as an organisation it relied on the strength of the idea and failed to consider how to create a brand and a visitor experience that would make people want to come more than once. This was reflected in its visitor numbers, which steadily reduced over a number of years and brought it perilously close to going out of business. Its consideration of how to encourage repeat visits has fundamentally changed its approach.

Many housing providers will seek to ride out the current storm by making minor adjustments to long-held business models. But the best and the brave will ask themselves fundamental questions about what service they owe to their existing customers in the knowledge that the cost of that service now plays a far greater part in creating surpluses to build new homes.

### Business first, charity second

The ‘for profit’ restaurant that is Jamie Oliver’s Fifteen can only contribute to the Cornwall Food Foundation charitable arm of the operation if it is a successful business. As it is, the restaurant contributes 60 per cent of the



Good idea: social landlords can learn from the mistakes made at Cornwall’s Eden Project

**“The unambiguous commerciality of Fifteen is an element from which the housing sector could learn.”**

Jon Slade,  
Campbell Tickell

charity’s running costs, with the remainder coming from grant funding and charitable giving. The unambiguous commerciality of Fifteen is an element from which the housing sector could learn.

From the frontline to the top of the organisation, everyone recognises that bums on seats is what gives the business a future and that the twin drivers of maximising customer satisfaction and minimising cost are how this is achieved. The feeling is of a commercial outlook with social aspects, rather than the social outlook with commercial aspects that is prevalent across the housing sector. The gap between these two perspectives will differ from organisation to organisation. But the two feel qualitatively different.

### Networks, networks, networks

The key importance of building and nurturing local networks was a strong theme in both visits. Fifteen was one of nine bidders for the Watergate Bay site where it is located, and a significant factor in its success was the people on its boards (business and charity) and the wider networks that board members could access. These networks added weight and credence to Fifteen’s bid and have continued to add value to the business, reflecting both commercial

(tourism) and social (employment, education) drivers.

In contrast, the Eden Project relied on the global profile of the attraction in their early years and the scale of its financial contribution to the Cornish economy. When it started to remodel the business to attract repeat visitors, however, it discovered local networks had been damaged by its perceived arrogance in the early years. The key lesson here is of humility when the tide is with you as you will need the support of others when the tide turns.

### This is not a drill

Housing organisations are like ships that have been bobbing gently in the harbour for many years protected by a sea wall built on government subsidy. With that wall now crumbling, organisations face exposure to severe storms. While sheltered in the harbour, the crews ran drills to build skills to cope with such storms. Those skills are now being tested in open water. We will see ships listing, capsizing and possibly sinking.

This is not solely an issue for boards and executive teams – meeting the challenges requires staff at all levels to take ownership of commerciality, the behaviours it needs and the outcomes it creates.



**Iain Turner** researcher, Campbell Tickell

## A leg-up onto the property ladder



**“The message from Westminster is clear: this government is done with affordable rent and wants more people owning their own homes. With that in mind, here is a summary of the key affordable ownership schemes:**

### Shared ownership

Under shared ownership 25-75 per cent of a home's value can be bought and rent is paid to a housing association on the remaining share. Rules are set to be relaxed so that households can earn up to £80,000 (£90,000 in London) and no longer have to be first-time buyers. Priority is currently given to existing social housing tenants and the armed forces. Shared owners can buy extra shares of their property, therefore reducing their rent, through 'staircasing'.

### Shared ownership plus

When a shared owner wants to staircase, they must buy a minimum of 10 per cent and this can involve significant fees and costs. In response, Thames Valley Housing has developed a product which allows shared owners to buy an extra 1 per cent of their property per year, for up to 15 years.

The cost of these shares is established in advance, so shared owners know exactly what they will be paying.

### Help to buy

Three schemes now fall under the help to buy umbrella:

- Help to buy equity loans allow first-time buyers or movers to borrow up to 20 per cent of the price of a home from the government, with just a 5 per cent deposit, for a new-build property up to the value of £600,000. No repayments are required on the loan for the first five years but it must be repaid in 25 years' time. Household income must be less than £60,000 and it must be the buyer's only home.

- The help to buy mortgage guarantee is essentially a safety net for investors, and encourages them to provide homes to those who can afford a 5 per cent deposit, but don't meet some of the equity loan criteria. This is available to first-time buyers of any UK home valued up to £600,000.

- The help to buy ISA allows prospective first-time buyers to receive £50 for every £200 they save up to the amount of £12,000 and this must be put towards a deposit on a new home.

### Rent to buy

The government is ploughing £400 million into this scheme, which fixes rents at 20 per cent below the market rate for seven years, giving tenants the opportunity to save for a deposit to buy their own home. The scheme is restricted to single renters earning up to £33,000 and couples earning up to £66,000.

### Starter homes initiative

This £26 million initiative aims to build 200,000 new homes for first-time buyers under the age of 40, with a minimum of 20 per cent of the property's value. This discount is to be achieved by relaxing levies and charges for the developer and passing the savings on to the buyer. More than 30 developers are said to be interested.

These affordable ownership schemes will no doubt help a huge number of middle-income young professionals get their foot on the property ladder. However, with relatively high upfront costs, they are unlikely to help those in the greatest housing need.

*To discuss how we could help your organisation respond to these ownership schemes, email Maggie Rafalowicz at [Maggie@campbelltickell.com](mailto:Maggie@campbelltickell.com)*



## CAPTION COMPETITION

Campbell Tickell director Radojka Miljevic proving that even stormy conditions at sea are no barrier to her facilitating an awayday.

**Email your best captions to [zina@campbelltickell.com](mailto:zina@campbelltickell.com) or tweet them to @campbelltickell before January 22 for the chance to win a mystery prize!**



## LAST ISSUE'S WINNER

Congratulations to Iain Turner, Campbell Tickell researcher, for his entry for September's competition featuring Campbell Tickell partner Dave Williams struggling in the rain at Purbeck Valley Folk Festival: "When I said 'let's wrap this one up', that's not what I meant!"



**James Tickell** partner, Campbell Tickell

## Will the government be housing's Krakatoa?



**“A**ll of last year's stress-testing is paying off early for housing associations, as some of the theoretical risks modelled suddenly became rather distressingly real.

Who would have thought, just 12 months ago, that government policy changes would have had the effect of knocking hundreds of millions of pounds unexpectedly from business plans over the next few decades?

Who would have thought that for now, housing associations are public bodies, defined as 'belonging to the government'?

### Eruption

The right to buy sacrifice has been offered and accepted, but it may not have been enough. It feels like a tale of life in one of those peaceful communities, minding its own business on the fertile slopes of a long-slumbering volcano. Suddenly, the volcano does what volcanoes sometimes do, and there's molten lava all over the cornfields. Next thing you know, there's not enough to eat, and choking dust in all the cupboards.

After the event, those surviving wise up. The continuing ominous rumbles of the volcano are given much attention, and the community begins to adjust to the new reality.

Placatory prayers and sacrifices are offered to the fire gods of the

**“At the very worst, a privatising pyroclastic flow could sweep the lot of us to oblivion.”**

James Tickell,  
Campbell Tickell

mountains, in the tremulous hope of avoiding further catastrophe. Some suitable scapegoats are identified and pilloried.

So we are now well-apprieved that the biggest risk of all to the work of housing associations is indeed the government. There's been one eruption and a few more explosions at least are on the cards. At the very worst, a privatising pyroclastic flow

could sweep the lot of us to oblivion. Further rent reductions in future years are a racing cert.

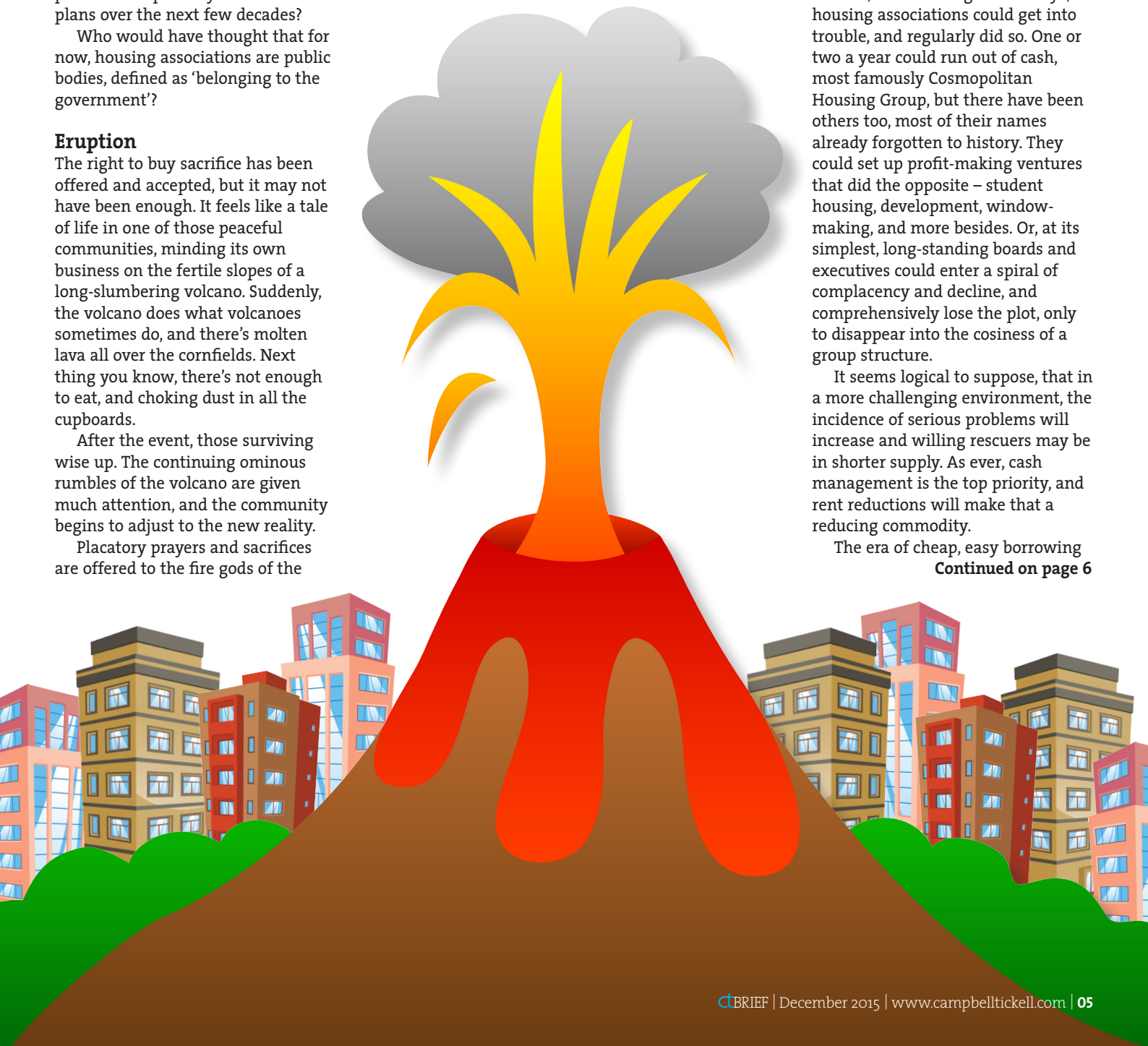
### Risk maps

The incidence of serious problems is not going to reduce, and is indeed more likely to rise. Where does all that leave our risk maps and management from the good old days?

Well, even in the good old days, housing associations could get into trouble, and regularly did so. One or two a year could run out of cash, most famously Cosmopolitan Housing Group, but there have been others too, most of their names already forgotten to history. They could set up profit-making ventures that did the opposite – student housing, development, window-making, and more besides. Or, at its simplest, long-standing boards and executives could enter a spiral of complacency and decline, and comprehensively lose the plot, only to disappear into the cosiness of a group structure.

It seems logical to suppose, that in a more challenging environment, the incidence of serious problems will increase and willing rescuers may be in shorter supply. As ever, cash management is the top priority, and rent reductions will make that a reducing commodity.

The era of cheap, easy borrowing  
**Continued on page 6**





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is receding, and in next year's accounts, surpluses will be set on a downward trend from the high water marks of recent years. Redundancies and lay-offs will be the order of the day.

As boards and executives sit down to think about the new risks and stresses their organisations now face, it would be easy to give in to despondency.

**Plenty to play for**

But in truth, the game has only just got under way, and there is plenty left to play for. Boards need to show their mettle, and get on with reducing costs with some energy and momentum.

With an ideologically-driven government committed to a smaller state and likely to be in power for 10 years or more, there can be no advantage in provoking ministers or becoming a permanent part of the opposition, lost voices in the wilderness. And herein lies a classic dilemma.

For individual housing associations, it may make sense to pull in the horns, reduce risk, implement staff reductions in a caring and phased way, and hunker down until the good times return.

But for housing associations collectively, developing more homes must be the priority, some of them at least in line with the homeownership priorities of our (democratically elected) government.

**Sharper approach**

Top-notch decision-making is the one and only genuine risk-reduction strategy. Any less than that will spell irrelevance and decline for the sector, with the probability of further cuts, constraints and the loss of any remaining vestige of independence.

This implies a sharper approach to cost reduction, and a significant increase in risk appetite, which in turn calls for better, more skilled and more challenging governance.

Every association in the land will need their boards to set a new business plan, a new operating model, and a smarter risk map. Not to mention an unrelenting approach to

compliance in any business-critical area, whether loan covenants, gas servicing or the setting of service charges.

Long-standing assumptions need to be challenged, and any unachievable objectives ditched forthwith, however iconic they may once have been.

**Delivery**

Delivering on government objectives without selling out completely on charitable objectives may be hard, and will demand compromise. But it is the only way to go. The flickering flame of charitable objectives must not be snuffed out forever. However, pragmatism for a purpose is the first rule.

And what is that purpose?

Survival for a start. Housing associations have been a powerful force for social good, and have huge

responsibilities to the tenants and communities they serve.

A not-for-profit sector has to be the best way of serving the needs of the most vulnerable people in society, and even under a less congenial regime, there will be much they can continue to do.

Regaining independence comes as a good second – housing

associations as playthings for politicians wouldn't survive for long. It is also a longer game.

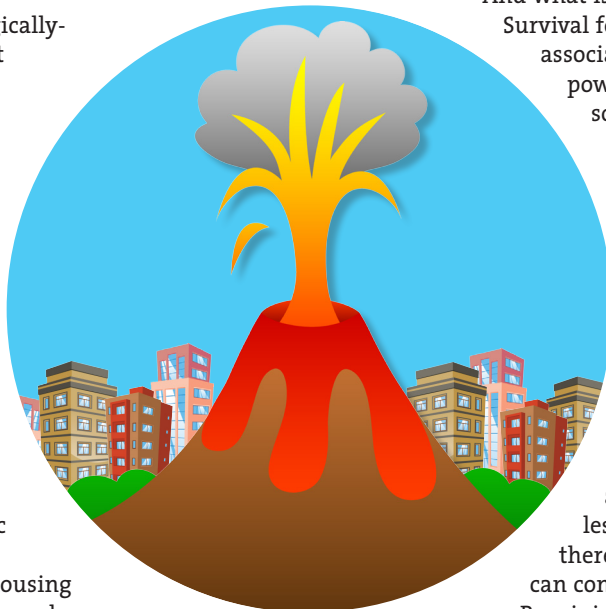
**Trusted partners**

Government priorities will unavoidably shift over time, when confronted by the widespread anger of the newly dispossessed and the consequences flow into our streets and communities. Ideological enthusiasm for all kinds of homeownership will surely be tempered by the evident reality of low pay and high property prices.

We have already seen signs that the volume of demand for the shiny new right to buy means it already is considered unaffordable in its original form by HM Treasury – the government's own Hoover free flights episode.

And when the tide begins to turn, who else could be there as trusted partners of government, but housing associations?

*This article was first published in published in Social Housing magazine.*



THE DIARY

**National Housing Federation Board Members Conference**

5-6 February 2016  
Lancaster Hotel, London

This conference will help housing associations recognise challenges, explore the external environment and discuss how to develop engagement with stakeholders. Sessions will provide delegates with the chance to share experiences with other governance professionals. Campbell Tickell director Sue Harvey will talk about assets and liabilities and stress-testing.

[www.housing.org.uk/boards](http://www.housing.org.uk/boards)

**National Housing Federation Housing Finance Conference and Exhibition**

16-17 March 2016  
ACC, Liverpool

At this year's conference, Campbell Tickell partner James Tickell will speak about financial governance: how much do board members need to know? Campbell Tickell director Sue Harvey will also join a panel to discuss 'Managing the perfect storm – stress-testing and asset and liability registers'.

[www.housing.org.uk/finance](http://www.housing.org.uk/finance)

**Chartered Institute of Housing South East Conference and Exhibition**

8-10 March  
Brighton Centre, Brighton

Campbell Tickell partner Greg Campbell will be speaking on housing mergers.

[www.cih.org/eventsfinder](http://www.cih.org/eventsfinder)

**Why Sports Conference Partnerships Participation and Governance**

9 March  
Emirates Old Trafford, Manchester

Campbell Tickell partner Gera Patel, and director Radojka Miljevic will be attending. Campbell Tickell will have an exhibition stand.

[www.whysports.co.uk](http://www.whysports.co.uk)

# partners for health and housing

- Ⓢ Are you interested in developing partnerships and integrated services with housing and care providers?
- Ⓢ Are you looking to improve your hospital discharge and care pathways and need access to housing and care?
- Ⓢ Are you considering how to make better use of your estates to support efficiency?



## Campbell Tickell can help

We are a multi-disciplinary consultancy with a 16 year track record, focusing principally on housing, regeneration, and social care. We have worked with over 650 organisations across the UK and Ireland. Our client list extends across housing associations, care providers, councils and government, developers and contractors.

Our networks are extensive, with excellent links in health, housing, social care, local and central government. We have strong experience in such areas as partnership working, joint ventures, new initiatives and procurement.

- Ⓢ Brokering and developing partnerships
- Ⓢ Governance and corporate strategy
- Ⓢ Financial and business planning
- Ⓢ Efficiency and value for money
- Ⓢ Interim/project management
- Ⓢ Strategic asset management
- Ⓢ Service user involvement
- Ⓢ Business transformation
- Ⓢ HR and recruitment

*“Pound for pound,  
the best value  
consultancy we  
have ever had”*

Ashley Hook, Chief  
Executive, MHS Homes



**Alan Crowder** (pictured left) *associate, Campbell Tickell*  
**Mario Ambrose** *executive director, South Essex Homes*  
 The right standard, all the time



**“Operational efficiency is currently under a fierce spotlight for organisations dealing with 14-16 per cent reductions in rent income over the next four years. Campbell Tickell has recently been working with South Essex Homes on the implementation of a significant change to the way it delivers caretaking services. The new approach is already resulting in improvements in resident satisfaction and is forecast to deliver significant savings over the next years.**

Mopping a clean stairwell, sweeping a clean hallway, polishing an already shining piece of brassware: using a traditional input-based specification most residents have witnessed caretaking and/or cleaning teams (whether in-house or contractor) undertaking work that is patently not needed just because an organisation has told residents that staff/contractors will attend every Tuesday.

The traditional model for the delivery of Estate Services (in which we include caretaking, cleaning and grounds maintenance) is an input based specification that puts operatives in places at pre-determined times and expects work to occur whether the work is needed or not. This model gives residents regularity but can lead to unnecessary work being undertaken or, worse, allocated on-site time being wasted with no work being done.

But there is an approach which can reduce the resource required to achieve the same level of finish and deliver that finish more consistently throughout each week.

**Standards-based approach**

Standards-based service delivery works on the basis that all the assets covered by the specification will be maintained to a specified standard at all times. The standards are all based on outputs (hallway floor covering must be litter-free and dirt-free, specified in detail and explained with photos) rather than inputs (hallway will be cleaned every Tuesday). It means that a spick and span block

**Standards-based service delivery in practice**



**Mario Ambrose,**  
*executive director at*

**South Essex Homes, says:**

‘We were pleasantly surprised how quickly residents and staff bought into the possibilities offered by the new approach. Everyone quickly grasped the common sense on which the approach is built and also saw how the new approach could deliver better outcomes than our old input based approach.

‘We introduced the new approach as a pilot and it is clear to us that the

resource requirement is lower to achieve the same standard. We will be evaluating the pilot in March 2016 and will know more then about the savings it can produce. Since we rolled out the pilot in April 2016 resident satisfaction has improved and anecdotal feedback from staff is also positive.

‘We have now produced our own photobook using photos of our own stock to explain the different standards. This helps make the concept more accessible to staff and residents learning about it

for the first time.

‘Demonstrably, and here is where it sits firmly in the current agenda, standards-based service delivery enables landlords to deliver the same or better service to residents using less resource giving organisations the opportunity to deliver more work for the same resource cost or to produce a cashable saving by reducing resource. When used in procurement exercises the approach has delivered savings of up to 10 per cent on current service delivery costs.’



might only need one hour's input a month, while a messy block might require four hours a week. The written specification is supported by a photobook which shows what acceptable and unacceptable looks like for hallways, stairwells, windows etc.

The output-based approach is a significant change for staff and residents alike. Our experience at South Essex Homes mirrored what we have found with other clients, that staff and residents find it easy to understand how the approach works and quickly see how the new approach can work to their benefit.

Residents quickly grasp that if the standard must be maintained at all times then two things are true:

- when work is needed it won't wait until the next scheduled visit to get done. So problems get dealt with more quickly;
- only work that is needed gets done, so wasted time built into the input-based approach is eliminated.

Frontline staff like the approach because:

- they gain the responsibility to manage their workload;

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**Ross Fraser** chief executive, HouseMark

## Innovation is key to adapting to new challenges



**“A**t its simplest level, innovation must help housing providers reduce operating costs and generate new revenue streams to cope with the reduction in sector capacity created by new government policy.

Maintaining some form of social rented programme at a time when capital subsidy is being redirected towards homeownership, securing business viability and protecting services in the face of rent cuts and welfare reform, requires a response that goes beyond incremental change.

### What form might innovation take?

New opportunities are arising at the same time. For example, developments in technology (such as mobile technology and digital resource mapping), data science and analytics are enabling new partnerships to address these issues. However, innovation is equally about strategy. So new products, like Thames Valley Housing's acclaimed Fizzy Living scheme, or developing new partnerships between housing, health and social care or entering new markets all count as innovation.

### How can innovation reduce costs?

There is clear evidence that channel shift can reduce transaction costs and that



Thames Valley Housing's private rented arm Fizzy Living is an example of successful innovation

mobile field-working can reduce back office costs while enhancing operational effectiveness. Equally, non-technological innovation, such as a fundamental reappraisal of the role of 'frontline' housing officers, can certainly result in reduced operating costs.

In practical terms, organisations will need to prioritise the areas in which to innovate if they are to put together a coherent programme which can demonstrate returns. Effective prioritisation requires a sophisticated understanding of the cost base and an understanding of

where the biggest impact is necessary and achievable.

### How can innovation improve customer service?

Innovation can improve customer service by enabling users to access services more quickly and easily, with greater flexibility of service outcomes. Equally, innovation that fails to improve the customer experience is unlikely to succeed. Channel shift and the transition to digital services will only work if the overall customer

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**Alan Crowder** associate, Campbell Tickell

**Mario Ambrose** executive director, South Essex Homes

## The right standard, all the time



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● and the responsibility to keep all of the assets at the right standard all the time, instead of each asset only needing to be good enough immediately after a visit.

Organisations like the approach because:

- the required standard is easily understood using the photobook;
- residents, staff and stakeholders like the approach;
- it eliminates waste and needs less resource to maintain the same standard when compared to an input-based approach.

At South Essex, Campbell Tickell took as our starting point the Estate Services Photobook, which was developed by

Campbell Tickell's partner organisation HouseMark through its Estate Services club. The photobook outlines four levels of service delivery (graded A to D) for 26 elements of estate services and has photographs and a verbal description of each standard.

### Working reactively

Put simply, South Essex Homes is saying to residents that it will maintain all of its assets to the B (satisfactory) standard at all times, as defined in the photobook. Assets will be at the A standard after every visit and when South Essex Homes knows that an asset has fallen to a C (unsatisfactory) or D (totally unacceptable) standard it will take action to deal with the problem.

In practical terms South Essex staff still visits blocks regularly but only undertake work during the visit if the assets have fallen below the B standard (see box, previous page: Standards-based service delivery in practice). More staff are now working reactively, responding to reports from residents about locations where assets have fallen beneath the B standard. The photobook is available for residents to download from the association's website and on noticeboards in blocks.

*If you would like to know more about standards-based service delivery in estate services either with an in-house team or through a procurement exercise, call Alan Crowder on 07711 855715 or Jon Slade on 07943 496363.*



**Continued from page 9**

experience is improved as a result. Innovation needs to be closely aligned with skill development around user experience design and testing.

**What are the barriers to innovation?**

The biggest barriers are employee fear of failure and a lack of clarity from business leaders about the purpose of innovation and their willingness to support it. Poor use of data and a lack of skills to analyse it also limit the ability to target innovation and measure its success. Tackling these issues requires an acceptance of risk and tolerance of creative failure. HouseMark Business Connect visits to commercial incubation laboratories suggest the need for external mentoring of innovation and for failing initiatives to be killed off quickly.

Leaders need to challenge resistance to innovation in their organisations. The best are working to engender an innovative culture. Some are building this capability in-house, others are looking to partner with experts in the field to accelerate the process.

**How can innovation be funded and incubated?**

Partnership and scale are essential here. Our sector presents an attractive market for innovators in technology and services.

Being able to partner and deliver joint solutions is essential to attract the right talent, manage failure risk and share the cost of investment.

Taking a lead, HouseMark will soon launch a Social Housing Innovation Lab, in conjunction with the architects of successful commercial incubation laboratories. A 10 to 12-week HouseMark Accelerator programme will bring together start-ups and social landlords to work on resolving some of the key challenges facing the sector with innovation in digital design and technology. We will shortly be inviting organisations to participate – contact us if you want advance information.

Other current and planned innovation initiatives at HouseMark include:

- HouseMark Digital Futures Club – now up and running – evaluates new products

“Our sector presents an attractive market for innovators in technology and services.”

on offer to the sector.

- Procurement spend analysis based on advanced data analytics. This is available via the Quantum service from our partners at Procurement for Housing.
- Predictive analytics to help the sector prepare for future challenges. We will soon publish the findings of our work with data scientists at the University of Nottingham's Advanced Data Analysis Centre.
- Local benchmarking, using comparative digital mapping to gain actionable insight into what needs to change at a local or regional level, is about to become available through our new platform, 'Explore'.

**Where can I find out more about innovation?**

There is no shortage of information available on the internet, social media, and events. To pull it together, HouseMark continues to develop our free 'one stop shop' resource at [www.housemarkinnovation.io](http://www.housemarkinnovation.io)



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**Tony Hutchinson** associate, Campbell Tickell  
The service delivery dilemma



**“Development should create great places to live. The real challenge is in maintaining those great places once development is complete. While a site is developed, there are resources to create a high-quality environment that promotes a certain lifestyle. Ensuring the estate looks its best throughout the development period is also important to maximise income.**

As time passes, however, keeping the ‘box fresh’ appearance becomes more difficult. One answer to this problem is the service charge. But administering this imposes a significant burden. A housing association developing a new mixed-tenure scheme, which included renewal of an existing development, asked for an appraisal of their options.

**Assessing the options**

The development included open space, parking spaces, formal gardens and parks to grassland with a woodland edge, where a stone wall protects a scarp slope. The development was largely family houses. We created a weighted list of the client’s priorities (see box: Top priorities). So what were their choices?

The first thing that came to mind was for the association to pay the commuted sum in the section 106 agreement and pass responsibility for estate services to the council. This would be quick and clean, and the role of the landlord would be to manage complaints about the council’s work. This option has one obvious drawback: pressure on council finances means the service provided would likely just meet the legal minimum (residential areas require far less attention than high-profile retail streets).

The second option was for the association to deliver the estate services itself, and the third option was to transfer responsibility for the services to another organisation. Both of these options would need to be funded through the imposition of some kind of charge on residents. This could be done by:

- selling the homes leasehold and reserving the service charge;
- selling the homes commonhold, after which services would be managed by a commonhold association;
- selling the homes freehold and creating an estate rent charge.

We discounted the first option because it

**Top priorities**

- 1 Facilitate inclusion of adjoining development
- 2 Expert advice on design and maintenance
- 3 Mitigate section 106 liability
- 4 Minimise landlord involvement
- 5 Manage within service charge cap
- 6 Minimise risk to landlord from adverse comment
- 7 Equitable between all classes of occupier
- 8 Create positive image of the development
- 9 Minimal effect on sales prices
- 10 Consistent quality of service and outcome

would reduce the price of the homes and the amount of subsidy generated by sales.

The commonhold model seemed possible, being simpler to operate than leasehold and designed for modern developments. However, we discounted it because some mortgagees are cautious about lending on commonhold properties.

This left the third option: selling homes freehold and creating an estate rent charge. An organisation would deliver agreed services and collect a charge from all the homes, taking freehold ownership of the open space and non-adopted public realm. A scheme would provide for the upkeep of communal gardens and common or shared facilities, permitting the recovery of charges for defined works or services.

There are four ways this option could be delivered:

- the association delivers the services itself;
- the association teams up with a not-for-profit partner that has experience in the chosen method of funding the services;
- not-for-profit delegation of the services to a not-for-profit agency;
- delegate the services to a commercial agency.

If the housing association chose to deliver the services, this could become part

of its socio-economic programme but it may place as great a burden on it as the leasehold option. There is a further challenge in ensuring that the association has all the skills to manage the open spaces and operate the rent charge scheme effectively. Using a third party as a partner or an arm’s-length provider solves this problem by bringing in additional skills and resources and mitigating the risks.

There are several organisations that manage and maintain open space in return for the freehold transfer of the land, and the right to collect a predetermined sum from each occupier. In dialogue with one such organisation, it was suggested that if it could influence the design, specification and implementation of the works to open spaces, it could design out costs and risks.

**A question of balance**

Our analysis showed that in all cases, the developing association would be involved in the delivery of estate services, either as customer, provider or arbiter. It became a question of balancing accountability with the opportunity to influence the quality of service and of outcomes.

Discussions with developing associations revealed that few are confident their approach is right and thinking about good practice was welcome.

Commercial developers were more forthright, delivery of estate services is not their business and bluntly, they want to wash their hands of any long-term involvement.

At the end of our analysis, we drew these conclusions:

- the estate rent charge provides a well-understood route for managing and maintaining open space; it is tenure blind, affecting all occupiers equally;
- no option enables the association to be at arm’s-length to delivery;
- the association can be the rent charge owner outright or with a partner, but this entails additional risks and costs;
- working with a not-for profit service provider could stimulate local enterprise and create employment;
- engaging early with a service provider can reduce the cost and risks associated with the works.

**“In all cases, the developing association would be involved in the delivery of estate services, either as customer, provider or arbiter.”**



**Deborah Moon** associate, Campbell Tickell

## Minding the gap – new gender pay reporting requirements



**“E**qual Pay Day was marked on 9 November. This is the day on which, it is claimed, women effectively work for free for the rest of the year, highlighting that 45 years since the Equal Pay Act, the gender pay gap still persists in UK workplaces.

There has undoubtedly been progress on this issue – in November the Office for National Statistics reported the gap as the lowest on record at 9.4 per cent for full-time employees and 19.2 per cent for all employees (full-time and part-time). However, there is clearly still much more that needs to be done (see graph: Pay gap: median full-time gross weekly earnings).

### Consultation

In recognition of this, the government is taking forward legislation which will require organisations with 250 or more employees to publish gender pay gap information. In July, a consultation paper, *Closing the Gender Pay Gap*, was published, setting out questions and seeking views on the detail that would be required to be provided by employers.

Achieving greater pay transparency will of course help to begin to address this issue by improving awareness and understanding, and leading to better decision-making and employee confidence in an organisation’s pay practices. However, it is also recognised that the causes of the gender pay gap are many and complex and that mandatory reporting will not, by itself, close this.

There is a need for much broader cultural change, with action taken to address the underlying causes, such as the quality of part-time roles, availability of flexible working, costs of childcare and other forms of gender discrimination and unconscious bias which remain in the workplace.

Recognising this more complex picture, the consultation document asked for views on how to:

- raise young girls’ aspirations and



Transparency: companies of more than 250 employees will have to publish gender pay gap information

**“The causes of the gender pay gap are many and complex and that mandatory reporting will not, by itself, close this.”**

Deborah Moon, Campbell Tickell

encourage them to consider the broadest range of careers;

- support women returning to work and progress in their career after having children;
- enable older women to fulfil their career potential.

### Prepare now

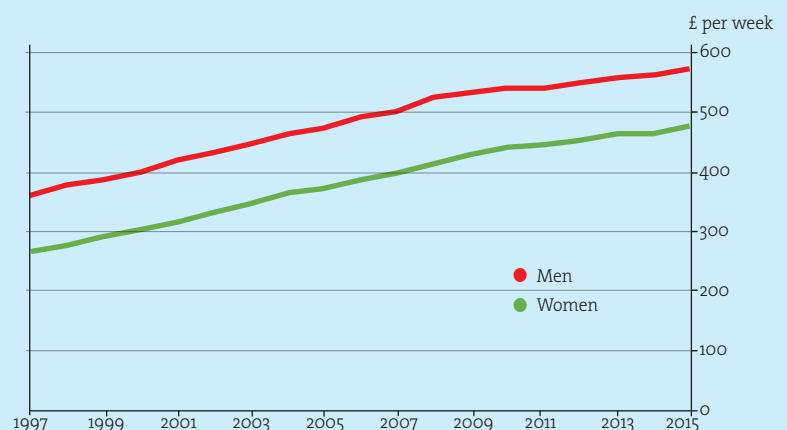
The consultation period has now closed and the outcomes, along with more detail on the regulations, are awaited. The implementation date is not yet confirmed but it is hoped that employers will be given adequate time to prepare (the consultation

raised the option of a phased implementation, for example initially for employers with at least 500 employees).

In the meantime, employers that will be covered by this new reporting regime are being encouraged to start preparing now, by analysing and assessing their pay arrangements, as well as identifying and addressing any potential legal risks.

*To discuss how we can help you prepare for this new requirement or any other pay or employment matter, please email [gerri.green@campbelltickell.com](mailto:gerri.green@campbelltickell.com)*

### Pay gap: median full-time gross weekly earnings



Source: Office for National Statistics



**Radojka Miljevic** *director, Campbell Tickell*  
Trust Women's Project needs you!



**“I** am chair of a small charity called Trust Women's Project. It was established in 1999 to offer support, positive opportunities and choices to women involved in, exploited through or trying to exit street prostitution in south London. At a time when small charities are struggling with cuts to local authority budgets, but the demand for their services is increasing, it's a genuine struggle to keep the Trust viable; but we are all determined to try. When you read the case study below (written by my fellow trustee Janice Turner, who writes for The Times) you'll understand why it matters. We've done a lot of work to turn Trust around, operationally and financially, but we still need more funds to cover the core costs. Our future hangs by a thread.

**Ellie's story**

Ellie's mother, aunts and even grandmother all worked in prostitution: her father was a pimp. She and her older sister were abused first by family members, then by their mother's own clients. 'I cannot remember a time in my childhood before the sexual abuse began,' she says.

Highly disturbed and disruptive at school, she was taken into a secure children's unit aged 10. She was there for two years and staff did nothing to prevent sexual abuse by

young male residents. Attempts at fostering failed. At 13, while still at the children's home, she met a 40-year-old man who plied her with gifts and longed-for affection.

While purporting to be her boyfriend, he introduced her to other men who paid him to have sex with Ellie. 'I thought he liked me,' she says. 'I did it to please him. It made me feel grown up. All the women I grew up with were prostitutes: it was normal to me.'

Aged 17, she escaped her pimp by leaving for London with another man with whom she immediately became pregnant. She had four children, but during this time developed an addiction to crack cocaine. Her children were taken into care. To feed her crack habit, she continued to work as a street prostitute and to shoplift. She has served numerous short-term prison sentences, and often found herself homeless on being released.

**How has Trust helped Ellie?**

Ellie first came across Trust's outreach programme while working as a prostitute on Brixton Hill. 'They'd give us food and when you're on crack, even when you're starving hungry, you'd never spend your money on a hot meal.' But above all, she valued the sense that someone was looking out for her: 'You'd see that van every week, even in the middle of winter and the Trust worker was always asking how we were.'

Subsequently, Ellie, now 37, started to come into the Trust drop-in centre. Trust has helped her with practical matters: sorted out her housing benefit, helped her find a hostel room and household goods since she owned nothing. But she also says Trust has helped stabilise her life and is assisting her to come off drugs: she has been clean now for six months. Ellie attends a Trust group session, where she and other women share their experiences.

"But the most important thing, is I can ring up a Trust worker at any time and there will be a kind voice at the end of the phone. Someone who cares about me, but does not judge me. Who listens to me when I'm tempted to take drugs. Like a good friend who only wants the best for me. I've never had that my whole life."

**Christmas appeal**

Campbell Tickell will be supporting Trust Women's Project this Christmas. If you think you can help, please make a donation and think about who else might be willing to support us.

- Follow this link to our Virgin Money Giving page: <http://tinyurl.com/jrw6nl5>
- Read more about Trust's work, at [www.trust-london.com](http://www.trust-london.com)
- For more information, email [radojka@campbelltickell.com](mailto:radojka@campbelltickell.com)



**Michael Gelling** *Chair, Tenants' and Residents' Organisations of England*  
Tenants at risk of losing representative body



**“T**AROE, the Tenants' and Residents' Organisations of England, is a democratically run, accountable, national organisation which unites tenants' and residents' groups from the regulated housing sector across England.

TAROE is the only recognised representative and national organisation of its kind in England. We are a tenant-led organisation that is open to all tenants in the regulated housing sector.

Five years ago, our funding was withdrawn by the government. Up until then, we were able to run three free conferences a year, for up to 500 tenants,

informing and empowering them with the knowledge they needed to ask their landlords questions which affected their lives. We were able to attend tenant and landlord events and give real input from a tenant's perspective about legislation that affected us, the tenants.

We have since been living off reserves, unable to carry out even a fraction of what we were once able to do. We are still here, helping individual tenants and when possible, attending tenant conferences (if expenses are covered). We still have a presence at government meetings, but we really cannot survive for much longer.

As volunteers we could continue, but we

cannot do that without paid office support.

If there are any organisations out there that believe in our ethos and can give us a donation (no matter how small), or believe they may have a solution, we want to hear from you as soon as possible, as we do not wish to lose an organisation that has never been more needed by tenants in our sector.

If you would like to donate, or require any further information, please telephone Katie or Allen on 01928 798120. Alternatively, you can email [runcornoffice@taroe.org](mailto:runcornoffice@taroe.org), or visit our website [www.taroe.org](http://www.taroe.org), for further information.

Thank you.

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