

Welcome to the third issue of CT Brief. Aimed at organisations with which we work, the purpose of the bulletin is to keep you informed of work we're doing, trends we see emerging and elements of best practice that come our way.

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**Governing in difficult times**

*Gera Patel interviews Richard Kemp and finds out what it's really like to chair a housing group Board during uncertain times.*



**Also inside...**

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# Is social housing dead?

By Elspeth MacKenzie

Is the end of social housing nigh? That's the question many are asking, with the introduction of affordable rent of up to 80% of the market rate, with capped benefits designed to be a proxy wage, and with the end of housing benefit paid direct to landlords.

The history of social housing has been one of constant change and emphasis reflecting the evolving concerns of society. During the 20th Century, the focus shifted around improving public health through slum clearance; providing decent homes for the 'deserving' - usually the labouring - poor; through to improving behaviours as a result of intensive housing management, as promoted by Octavia Hill.

The rent and affordability of social housing has been variable in response to different subsidy regimes. Indeed, this type of housing has often not been 'affordable' for the poorest members of society.

So the concept of social housing has never been absolutely defined. However the difference between 'then' and 'now' is that previously it was regarded as the solution to society's ills. Today it is branded as part of - or even the originator of - those problems.

The Coalition Government appears to be ideologically driven. It has an agenda for fundamental change. The contract between citizen and state is shifting within the 'Big Society' that challenges individuals

to embrace higher levels of personal and civic responsibility.

The analysis offered by the Centre for Social Justice in the lead up to the 2010 election was all about the proliferation of social problems in social housing, mirroring Victorian commentary on slum dwelling. The media all too readily adopted the easy image of feckless, workless multi-generational families living on benefits in a style denied to many in low paid employment. In 2005, Iain Duncan Smith talked about the then Labour Government's policy as 'not investing in people to live without the state': as part of the 'hand up'. This resonates with the current debate about fairness that is being played out across a range of issues from public sector pensions through to foreign aid. It does however ignore the impact of lettings policies imposed on the housing sector since the 1970s.

Today housing providers are being encouraged to widen their role to tackle more overtly than before a range of socio-economic issues and to become the voice of communities.

*(Continued on page 2)*

*Elspeth MacKenzie is Chief Executive of Thrive Homes*



## Scottish Focus - what challenges are Scottish HAs facing? (page 6)



# Governing in difficult times

By Gera Patel

There's a lot of talk about unprecedented change in the social housing sector. But what's it really like to be Chair of a high profile housing association in the current environment? Richard Kemp, Chair of Plus Dane reveals all to Gera Patel, Senior Consultant at Campbell Tickell.

I'm in a noisy cafe in North West London and Richard is at home. So we are doing this interview by telephone. He's got a meeting later this morning with his CE from Plus Dane about a potential acquisition, something you'd probably expect of the Chair (he was promoted from Vice Chair earlier this year) of a large housing group, with more than 12,500 homes in Merseyside & Cheshire. However, when I ask Richard about what pre-occupies him as Chair; it's not really about ambitious plans to grow the organisation. His 'big picture' concerns are that Plus Dane residents are already getting poorer and more vulnerable – before the cuts have really started to bite. He's clear about the responsibility that Plus Dane needs to take to ensure its neighbourhoods can continue to thrive in what are undoubtedly going to be difficult times.

He's not sure whether being Chair of a social housing provider has become more difficult but it has certainly changed. He suggests that you have got to be more in tune with what is happening on the ground. You need to get assurance that what is being described in the meetings is the reality out there. Asked how a Chair ensures they get this validation, Richard says you need to unpick the quality of relationship between landlord and tenant, and you can see this all around you. But you can't beat getting out and

speaking to residents directly. Not just your involved residents who have insight, but also those 'ordinary' residents that you meet when you are out walking in the neighbourhood. And the success of an effective Board – well that's down to the relationship between Chair and CE. Richard says his job is not to 'interfere' in the day to day, his and the Board's role is to help develop the vision and to guard that vision by monitoring progress against it.



**'Now is the time to be bold, in order to continue to challenge and innovate'**

His advice is that Boards should be asking their executive to think more creatively about how new funding and developing streams can take shape. There are opportunities out there, but you need to be nimble, be prepared to do things differently and work in active partnerships with others. We sometimes have a reputation as having it had it too easy as a sector. It's not easy to shake off the comfort of doing things in familiar ways. But, his message is clear - now is the time to be bold, in order to continue to challenge and innovate. It is what our residents should expect of us.

## Is social housing dead?

Continued from page 1

This comes at a time when the state is making limited investment in new homes and reducing funding to other agencies whose primary roles are to tackle health, education, training and employment issues. While many registered providers engage in these areas, the impact is inevitably local and consequently easily overlooked by government.

With this range of challenges facing society, the need for independent forces for good is more critical than ever to the wellbeing of social housing residents and their communities. The challenge to registered providers is to embrace the opportunities that this presents while managing expectations - ensuring it is we, not the politicians, who write the history.

I end by asking him what leadership really means in a non-executive role, and Richard's view is that your contribution has to be tangible. It's not just about turning up at the regular meetings and commenting upon a few papers and walking away. You have to be committed to the organisation and its vision. You need to be able to offer that outside knowledge and perspective. We both end up trying to think who sang the song that Richard is quoting lyrics from 'You gotta have a dream, if you don't have a dream, How you gonna have a dream come true?'. He's probably

thinking of the original 'Happy Talking' from Rogers & Hammerstein's South Pacific. I was of course thinking about the Captain Sensible cover! But his view seems eminently sensible to me. That vision thing has never been more important and in these difficult times Boards need to ensure that their vision and dream for the organisation is clear and that they deliver on it.

Gera Patel is a Senior Consultant  
at Campbell Tickell

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## Quick fire round:

### A) Single piece of advice for a new Chair?

*'Spend several days getting to know the organisation and its people, before chairing a meeting.'*

### B) Tip for getting your first non-executive role?

*'Be known, do the networking and get out and about. But choose wisely, this isn't just another job, you need to buy into the vision and direction.'*

### C) You have a free reign to create a new piece of housing legislation – what would you do?

*'Compulsory registration of private sector landlords. We need better housing conditions and we need to protect vulnerable people.'*

### D) You have an hour with the Housing Minister on a visit to Merseyside - what would you do?

**- The phone crackles a lot at this point, so I can't quite catch what Richard is saying! But when he's back on line:**

*'I'd get him to look at some of the housing we have up here in Liverpool that the council want to demolish because they can't make the re-development stack up. Housing policy still doesn't take enough account of stark regional differences. We need a freer system so that we can determine our own local priorities.'*

### E) You come out of a meeting and have 3 missed calls from your Plus Dane CE, Andrew Stunell (Parliamentary Under Secretary of State at CLG) and David Orr, CE at the Federation (all of whom Richard has on his speed dial), who do you call, text and reject?

*'I would definitely call my CE, I'd probably text Andrew and therefore I'm afraid I would have to reject David – but he won't mind!'*

# LinkedIn

Follow Campbell Tickell via our LinkedIn Group, which includes new job vacancies (permanent, interim and non-executive,) along with topical discussions and industry news. LinkedIn members can request to join the group via:

[http://www.linkedin.com/groups?about=&gid=3322255&anet\\_ug\\_grppro](http://www.linkedin.com/groups?about=&gid=3322255&anet_ug_grppro)

Or scan the QR code below. What is a QR code? Visit the following link for information:

[http://en.wikipedia.org/wiki/QR\\_code](http://en.wikipedia.org/wiki/QR_code)



What is Linked In?

Launched in 2003, LinkedIn is a business-oriented social networking site. It is mainly used for professional networking. LinkedIn has more than 75 million registered users and is free to join - go to [www.linkedin.com](http://www.linkedin.com)





# Relishing the challenge

By Robin Roberts



How can housing providers practically contribute towards reducing household fuel bills and supporting the UK's 80% target reduction in CO2 emissions?

When Worthing Homes, Rydon Maintenance and surveying practice FFT researched existing retrofit projects, they discovered that while the CO2 reduction could be achieved, this was at major cost and in unoccupied homes only. This was not a financially viable solution for landlords or property owners, so the team set about finding a practical and repeatable solution.

Relish – Residents 4 Low Impact Sustainable Homes - was launched in 2009. It combines low cost refurbishment works alongside energy advice to help change household lifestyles and so reduce their fuel bills.

The phase 1 pilot study involved 10 households, with properties already in very good condition, with similar occupancy levels and lifestyle patterns. Six of the 10 were used for datum results. Of the remainder, property A received low cost works (£6,500) and education; property B received works (£6,500) only; property C was a low energy user who received education only; property D was a high energy user who received education only.

At the end of phase 1, the works and education package had proved the most successful. In fact their annual fuel bill was down £368 (29%) on the previous year. Property D, who received education only, reduced their annual fuel bill by £223 (18%). A follow-up visit seven months after the pilot showed that the residents were maintaining these lifestyles – education really can make a difference!

The second phase of the project is now underway and is being rolled out to 159 occupied homes. It includes:

- Relish™ training for surveyors and contractors
- A users guide for specifiers and landlords
- Demonstrations and workshops
- Stakeholder training
- Evaluating the benefits of Relish™ principles in different types of building stock and construction

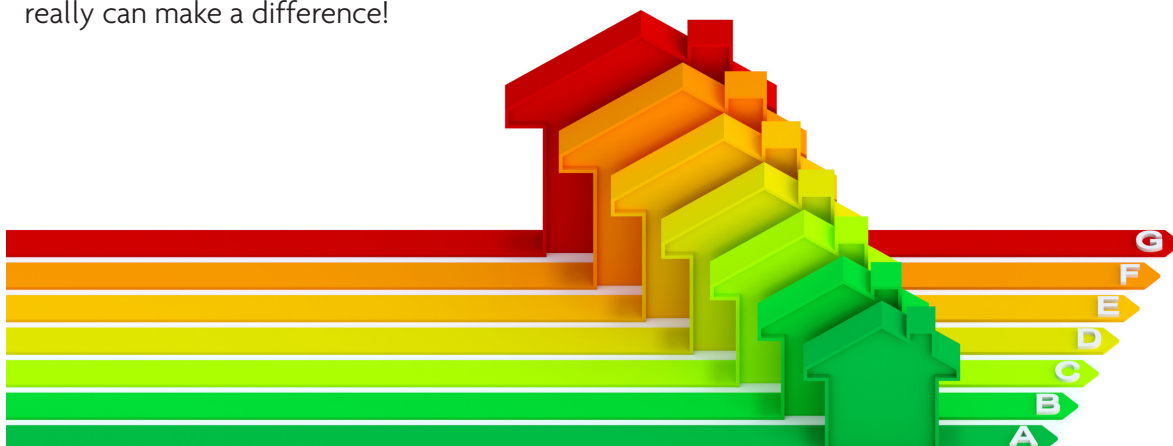
Helen Gregory from Campbell Tickell is now working as part of the team on a full resident engagement campaign, including resident advocates and a resident advice programme.

In just two years, Relish™ has created a real legacy. There are now Relish™ approved adopters - other housing associations - using the packages around the country, as well as adopters of the Relish™ 'smart wire'.

Relish™ has had wider recognition too. The project has won or been shortlisted for nine awards, including at the Sustainable Housing Awards and at Constructing Excellence.

For more information, to download a copy of the reports or view the show flat, please visit: [www.relish.org](http://www.relish.org). or contact Helen Gregory – [helengregory@campbelltickell.com](mailto:helengregory@campbelltickell.com).

*Robin Roberts is the Property Services Director of Worthing Homes [www.worthing-homes.org.uk](http://www.worthing-homes.org.uk)*





# Housing-social enterprise partnerships: key to solving worklessness?

Atara Fridler & Maggie Rafalowicz

Housing Associations are in a unique position to deal with unemployment. Social enterprises may be their ideal partner.

The number of people out of work has hit its highest level in 17 years and youth unemployment has reached a record high. Whilst the Government hopes that economic recovery in the private sector may deal with the situation, many believe companies to be hesitant in employing staff as the economy remains fragile.

Many social housing tenants have faced difficult situations such as homelessness and may need more support than normal to become job-ready. The current employment situation will make it even harder than usual for those facing multiple disadvantages to move off benefits and into work.

The Government is increasingly looking towards local organisations and charities to come up with solutions to the problem of worklessness. Local housing associations are in a unique position to address this situation as they already have direct relationships with their tenants.

Lift, a national charity and social enterprise that specialises in helping homeless and disadvantaged people into employment, works closely with the social housing sector. Chief Executive Atara Fridler believes more can be done to address social housing residents' barriers to work:

"In current times, many social housing residents may be long term unemployed, and this could be due to difficult situations faced in their lives. We all know that the longer one remains out of work, the more that motivation, skills and self belief can decrease, so that a decent job no longer seems possible. We're used to addressing these barriers on a daily basis. I believe social enterprises could help housing associations in supporting their residents to find employment."

Maggie Rafalowicz from Campbell Tickell believes that a social housing - social enterprise partnership model can offer the expertise and tailored support

necessary to help residents move back into work:

"Innovative solutions are needed to get unemployed people back into work. There is huge untapped potential for the social housing-social enterprise model. Housing maintenance services for example could engage, train and employ housing association residents, and social enterprises could provide the employability training and support needed to make employment sustainable. Some associations have started to address this, but so far this has just scratched the surface."

"We would be interested in mapping existing social enterprise work that could link with housing associations to enable greater collaboration between the two sectors."

For more information contact Maggie Rafalowicz – [maggierafalowicz@campbelltickell.com](mailto:maggierafalowicz@campbelltickell.com).



## What is Lift?

Lift is a national, user led social enterprise that works with homeless and disadvantaged people to create enterprising, high quality and collaborative housing and employment solutions.



Through our community insight service, our clients are trained to be peer researchers, enabling them to identify how support services can become more effective. We support our clients to transfer these research findings into service improvements.

Through our employment support programme, we work to create training and job opportunities for those facing barriers to moving on, and our housing options and advice service helps to ensure sustained tenancies and prevent homelessness.

For more information on Lift, visit [www.liftpeople.org.uk](http://www.liftpeople.org.uk).



# Under pressure

By Brian Gegan & Jon Watson

Since devolution 10 years ago, Scottish housing policy and practice has moved in different directions to England. Housing is a 'devolved matter' in Scotland. In other words, housing policy and practice are at the behest of the Scottish Parliament. Housing Benefit and associated welfare issues remain under Westminster control.

The current big political issue in Scotland is the independence referendum: when it takes place; who organises it; what questions it asks; what would be a positive vote mean for the rest of the UK? In this context, housing policy north of the border has been changing quite dramatically, especially since the Scottish National Party won an outright majority in the Parliament earlier this year.

Housing associations are now perceived as part of the problem, rather than as before part of the solution. Subsidy rates and allocations for capital investment in affordable housing have been dramatically reduced. Coupled with rising cost bases, this has sparked much soul searching across the sector in an attempt to define the future role of HAs.

Some mergers have already taken place, notably the formation of Caledonia HA from bringing together Servite and Perthshire HAs. Although the pace of such link-ups may accelerate, there is an inbuilt suspicion of the agenda. That factor may constrain significant change in the structure of the sector.

The SNP administration has reinvigorated Council house building, claiming this can be achieved at much lower subsidy levels than the previous Housing Association Grant regime. It is too early to say whether this will be borne out in practice. The questions of rent levels, quality and sustainability of the product have yet to be tested.

A new regulatory regime is due to come into force in April 2012. Based on the - yet to be finalised - Scottish Social Housing Charter, it is intended to be more proportionate, focussed and risk based. The new regime will need influencing from a range of sources and evidence bases to enable it to be more meaningful than the previous regime, not just for individual landlords, but for Scottish housing policy and delivery as a whole.



## Avoiding expensive mistakes in recruitment

CT has a first rate track record in sourcing high quality interim managers, permanent executives and non-executive board members. Over recent years, we have successfully helped nearly 250 organisations recruit to more than 500 senior or specialist roles. Our recruitment activity has a national spread. The range of organisations we work with encompass housing associations, councils, ALMOs, care and support providers and charities.

It is easy to make expensive mistakes in recruitment. Our networks are second to none. Our success rate in helping organisations fill permanent vacancies first time is over 95%. Our first time success rate filling non-executive board roles is nearly 100%.

**To discuss how we can help meet your recruitment needs, please contact Gera Patel on 020 8830 6777, [gera@campbelltickell.com](mailto:gera@campbelltickell.com).**



# SCOTTISH FOCUS

The challenges for Scottish HAs don't stop there. Other issues on the agenda include:

- Making Section 75 agreements (equivalent of Section 106 in England) work in a context of falling production and a stagnant housing market;
- Finding ways of achieving the Scottish Government's target of 30,000 new affordable homes in the life of the current Parliament;
- Identifying the best ways to procure these homes and associated funding mechanisms;
- Maintaining financial viability in an environment of increasing costs, particularly pensions, and decreasing capital and revenue income;
- The need to progress climate change legislative targets and SHQS [Scottish Housing Quality Standard] compliance by 2015.

To explore how we can assist Scottish housing providers in meeting their policy and delivery challenges, contact Jon Watson – [jonwatson@campbelltickell.com](mailto:jonwatson@campbelltickell.com).



*Brian Gegan has 31 years experience in the Scottish HA sector and was SFHA Chair from 2006-09*



*Jon Watson is a Senior Associate Consultant with Campbell Tickell*



## CT Favourites Gallery

### Smiling residents of Barnsbury Housing Association, Islington



(From left to Right) Luke Benoit, Margeret Moore and Serene Anderson (above).



# Virtually sorted

By Sue Harvey

A significant area of work for Campbell Tickell in recent times has been helping housing groups simplify and reenergise their governance structures. Senior Consultant Sue Harvey has just completed advising the Boards of a medium sized group on the advantages and disadvantages of using 'virtual structures' to streamline their arrangements. To help inform the exercise, she sought the views of several organisations that have been operating such a regime for some time. We asked Sue to highlight the key messages from her research.

Virtual, Combined, or Common Purpose Boards are different terms for structures that see a core of members sitting on the Boards of two or more legal entities. These boards meet together, allowing one group of Board members to take decisions on behalf of several legal entities, so removing duplication, speeding up decision making and lowering costs.

In all our case studies, the principal driver for change was the aim of simplifying of governance structures without triggering a loan repricing. If it wasn't for the current funding markets, all the organisations would have chosen other routes to achieve this, including full merger, transfer of engagements or amalgamation.

Our research suggests that organisations are using a variety of approaches to enable conflicts of interest between Boards to be managed, including having 'non-common' members or portfolio holders. What's more, all have combined simplifying their governance structures with strengthening their local service scrutiny mechanisms. This has clarified responsibilities for providing assurance to the Virtual Boards on the quality of service delivery across the organisation.

Although these are early days for Virtual Boards, (the longest running implementation is just one year old), it is striking how positive the outcomes are already seen to be.

One organisation felt the change has eliminated a great deal of duplication and has empowered the local customer service committees. The role of the new combined Board is clearer and is seen to deliver a more effective challenge to the Executive Team.

Another organisation was extremely positive about the results and admits to being surprised at how quickly new behaviours and 'non-silo working' have become established.

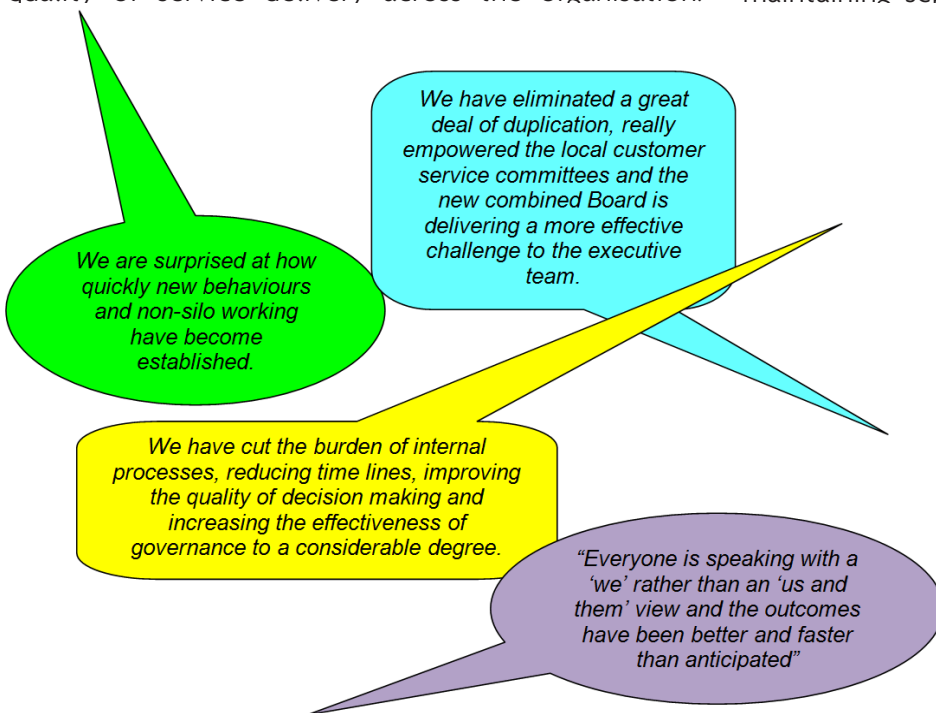
A third group stated that the move had cut down on internal processes, reduced time lines, improved the quality of decision making, and increased the effectiveness of governance.

It's clear that the move does bring additional requirements, particularly to pay attention to the detail of minuting meetings and in some instances maintaining separate attendance and voting records.

Another common observation was that with fewer Board members doing more work, a review of Board development and support may be needed.

Sue concludes that "while Virtual Boards are only a means to an end, the early evidence suggests they can deliver successful outcomes for organisations that wish to simplify their structures".

To discuss ways of energising governance structures, contact Sue Harvey - [sue@campbelltickell.com](mailto:sue@campbelltickell.com).



Sue Harvey is a Senior Consultant at Campbell Tickell







# ALMOs to transfer

By Gerald Davies

*There has been much talk about councils that have brought their ALMOs back in-house. Little has been said about those that have turned instead to stock transfer.*

The ALMO programme has largely been a success: 69 councils have been able to get on with managing this key resource in a focused and customer-orientated way. Yet some, particularly in the south-east, have abolished all that has been achieved to revert to a traditional form that has so often failed to live up to tenant aspirations. On the positive side, there could be a large reduction in overheads – fewer senior officers for instance. On the other hand, I suspect it is about accessing the income from the notionally ring-fenced housing revenue account and opportunities to utilise the asset resources.

In contrast, certain other councils have wanted to build on their success and maintain investment in the housing stock into the future. Warrington and Oldham Councils both had high achieving ALMOs (Golden Gates at Warrington was a 3 star excellent prospects organisation and First Choice Homes Oldham had a solid 2 star performance). Both appointed tenant/employee/councillor panels of enquiry to examine all the options including taking the service back in-house.

Both panels recommended that the ALMOs be transformed into housing associations. Each organisation then undertook a comprehensive review of their governance arrangements. The outcome of both reviews was that the boards should be reconstituted on the basis of 5 tenants, 4 independents and 3 council nominees.

When it came to the tenants vote on the change of ownership from council ALMO to housing association, some felt they would not support the potentially confusing choice between keeping the current organisation or voting to transfer to what essentially was also the current organisation: 'we're happy with what we've got, so why change?'. In fact, all four councils with ALMOs transferred to date had an average vote in favour of 86% on an average turnout of 61%!

What of the future under the new self-financing scheme? Will the Government provide further write-offs of overhanging debt? (In the four ALMO transfers so far, an average debt write-off of £15k was needed).



When John Healey was Housing Minister, it was expected that these would be the last large-scale transfers. However the current government has also agreed to let through the door (subject to ballot): Wycombe; Swindon; South Lakes; and Rochdale (the last two are ALMOs). The Department of Communities & Local Government are also understood to be maintaining a debt write-off budget.

## Government sources suggest the following scenarios have potential:

1. Small-scale transfers of estates with significant problems and/or costs that affect the housing revenue account's viability under self-financing;
2. Large-scale transfers on the CoCo model where the council retains the debt but the new landlord (co-owned by the council) pays this off over a period of time;
3. Large-scale transfers under the Localism Bill provisions where tenants and employees want to take over from the council.

*Gerald Davies has been the council lead adviser on 16 stock transfers, including Warrington and Oldham.*

*For advice on the options available to your council under self-financing, contact Greg Campbell – [gregcampbell@campbelltickell.com](mailto:gregcampbell@campbelltickell.com).*

# The annual report to residents

On the twelfth day of Christmas our residents gave to us:



12 service innovations,



11 customers inspecting, 10 KPIs a-leaping,



9 ladies monitoring, 8 tenants learning, 7 resident panels,



6 mystery shoppers, 5 Board members, 4 youth volunteers,



3 area hubs, 2 leasehold forums and a panel for tenant scrutiny.



## Resident involvement and scrutiny – not just for Christmas