

Housing chief executives COVID-19 WhatsApp summary

12th October 2021

A note to readers

These are the themed notes of Campbell Tickell's WhatsApp chat group for Chief Executives of housing associations and ALMOs in all four UK jurisdictions and in the Republic of Ireland.

This is a closed group, open only to CEOs in housing associations and ALMOs. It currently has around 220 members.

While discussions are confidential and unattributable, members of the group are keen for the content themes and issues to be shared widely to assist with broader understanding.

Please note:

The following digest highlights matters that have been discussed in the group. None of the content should be treated as representing the collective views of the group as such or be attributed to any of its members. The group is an information-sharing forum and not a policy-making body.

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Introduction

This COVID-19 responsive WhatsApp group was set up on 17th March 2020. It has grown to around 220 participants at the time of writing, comprising chief executives from housing associations and ALMOs across all four UK jurisdictions as well as the Republic of Ireland.

Whereas initial discussions focused on how organisations were responding to the changing challenges faced on the ground and at an operational level, within a couple of weeks a matter of key concern was how to build resiliency into their longer-term planning. As we move out of lockdown restrictions, the focus is on finding new ways of working. The following summary provides an overview of discussions, arranged by theme. Prior to this, we have highlighted matters arising over the last month.

Latest highlights, 9 September – 12 October

- Members again discussed the news shared on ITV of poor-quality social housing and condemned the shocking examples of sub-standard homes. Several members agreed that cuts to council funding contributed to these cases, but that the larger issue stemmed from prioritising funding for building new homes over investment.
- The group discussed the September inflation level of 3.2% (CPI) and the impact this could have on rent levels. Members acknowledge that difficult decisions need to be made: the cost of delivering services and building new homes is increasing, but many organisations do not want to increase rents while tenants are often struggling to meet household costs already. Public and government perceptions of different decisions were discussed, with a range of views being expressed.
- Several organisations also noted wage inflation, with greater inflation at senior levels. Members are concerned that without wage increases staff in frontline roles may be tempted to leave the industry for higher wages available in other sectors. Indeed, several organisations are seeing higher staff turnover across various areas of their business, with staff leaving for higher paid work elsewhere or retiring early after re-evaluating life choices. Some are taking steps to improve L&D offers in response. The group will be holding a discussion on how best to respond to these labour market issues.
- The group responded to the Cabinet reshuffle and appointment of Michael Gove as Secretary of State. Members would like to see a longer-lasting Secretary of State, but there was some optimism that Gove's appointment may indicate that housing will be given higher priority by the government.
- The group shared key metrics they collate to keep a good grip on organisational performance. These included: rent collected; relet times; repairs completed correctly first time and on time; vaccinations and vacancies in care services; void numbers; gas servicing; tenancies sustained; average call waiting times in contact centre; and others.
- One member asked for views about having members of staff as board members, for an organisation incorporated as a registered charity. Some members noted that this is the norm in other countries/sectors, and that research suggests it improves long-term decision making and productivity. Others felt it can make it difficult to address issues in the staff member's performance or that of the CEO. Several people noted the governance arrangements to allow for this would need to be carefully considered.

- Members discussed approaches to dress codes; most agreed that formal dress codes are no longer needed, and staff should be trusted to dress appropriately for their day. Any instances of colleagues failing to dress appropriately should be dealt with by line managers.
- A member asked where other organisations place IT and Recruitment in their structures. Both are often placed within the finance/resources directorate, with some placing recruitment in a people/HR, central services or corporate directorate. Some organisations have one or both in a transformation directorate.
- Recommendations were shared for technology to facilitate hybrid meetings in Board rooms.
- Members shared their views on fixed term tenancies and moving back to assured shorthold tenancies. Most respondents had never introduced fixed term tenancies, or did only in limited circumstances. Several of those who had introduced them have since reviewed the practice and stopped offering them, after finding they failed to benefit either tenants or the landlord.
- Several members agreed to collaborate to arrange a learning session on how best to manage people remotely.

Overview and top concerns

The COVID-19 pandemic is unprecedented, and has created huge damage to communities, organisations and the economy. There has therefore been much sharing of concerns and discussion of best approaches.

A key question has been how to continue to deliver services, many of which are essential, while at the same time protecting staff and residents. Chief executives had to navigate this difficult landscape on a daily basis as new issues arose, asking questions such as if lift servicing no longer took place, would care homes need to be closed, or just how much resilience was left in their organisations? The group has proved an outlet for members to discuss and share both concerns and support for each other; covering authority, responsibility, and vulnerable leadership.

Other key concerns have included increased domestic violence, child protection issues, loneliness among older and single tenants, reduced social services protection, the rise of anti-social behaviour, and dealing with neighbour disputes. There was initially a worrying lack of PPE, making conducting even emergency repairs problematic. Gas compliance was repeatedly raised as an issue, as gaining access to properties became close to impossible, unless residents were prepared to allow this. Organisations were having to implement their own test and trace policies to protect both their staff and residents.

As the UK has moved through successive phases of lockdown, chief executives have been keen to understand the implications for their organisations, staff and residents. A lack of clarity from government has made this difficult, with executives needing to read between lines and effectively make decisions without substantive guidance. Many have developed and shared their own policies on matters such as risk assessments for returning staff or home viewings. Social landlords have been encouraging their staff to take regular Covid tests, and to get vaccinated.

The wider issues implicated by the COVID-19 pandemic, such as widespread inequality and the way that manifests as health inequalities along social lines, has been of discussion. Similarly, the mental health impacts of the pandemic and the ramifications for wellbeing are frequently in discussion. Chief executives are seeking to keep these issues in view going forward.

Looking forward/innovation

While organisations worked flat out to continue to support residents and staff through these difficult times, discussion has turned to the future impacts of COVID-19 and the legacy it will leave on people, organisations and the wider operating environment. CEOs have shared recovery and exit plans and the adoption of new guiding principles.

There has been discussion of the extent to which the move to remote and digital working will continue post-pandemic. Certainly, it is expected that there will be some shift from centralised office-working to a more flexible working environment involving smaller offices and outposts for service delivery. In a similar vein, a reduction in business travel is expected as more meetings take place online. With these changes, there is an expectation of lower operating costs, and a new prioritisation of services. This being said, people have missed human contact, and there is a need to find collaborative and innovative working environments for the future.

At bigger picture level, chief execs are expecting transformed NHS and social care services and more investment in healthcare, as well as more thinking about how to support lonely and isolated people, and the possible prospect of universal basic income. Community has become especially important in the current context, and this is expected to continue. In terms of homes and housing, there is a renewed political focus highlighting potential for change, and it is expected that housing design will be influenced by a tendency towards home working.

The purpose of the group has been to share and swap information and good practice, and there is a recognised potential for collaboration and need for solidarity between social landlords. Many frameworks and practices have been shared, with discussion also taking place around joint procurement of legal commissions, research programmes and the establishment of sub-regional networks or alliances. A similar group has also been set up on LinkedIn for Financial Directors.

Chief Executives have used this platform to discuss wider business matters, such as decisions about cost of living wage increases and rent rises.

Working arrangements and staff

The first lockdown imposed in March 2020 meant that many organisations transitioned to home-working for their office-based staff at great speed. While many were already working flexibly, with many more looking to do this in future, the forced transition saw the very quick adoption of digital meeting tools as well as the introduction of practices such as daily team 'huddles', virtual team bonding and wellbeing buddies. Some organisations have

implemented Executive 'drop-ins' to team meetings to give business context and take questions.

A key focus of discussion has been the approach to staff absence due to sickness, self-isolation, or childcare commitments. Chief Executives have recognised the for flexibility and compassion, and many have shown commitment to redeploy staff into new welfare roles providing support for vulnerable residents. There has been a lot of discussion around pay awards, with many continuing to implement these in order to recognise their staff's hard work, while many others continue with cost of living increases; in cases where awards and increases have been suspended, reports of staff responses have largely been positive. Annual leave also came up in discussion as there was a worry that a return to 'normality' would come with a huge backlog of requests; in some cases, organisations asked staff to take 25% of leave in each quarter.

As in virtually every sector, furloughing staff was a (highly charged) consideration. While there was some debate around the appropriateness of housing associations making use of the scheme, including the optics of this, a large number of organisations furloughed staff. In some cases, this was limited to commercial teams; in others it involved rotating teams on furlough every three weeks. For those furloughing, some topped up pay to 100% while others did not; and some did so in cases where staff volunteered locally. Some organisations offered (part-time) furlough to staff who had to home-school children while schools were closed. Staying in touch with furloughed staff has also been a topic of discussion, with various modes being used.

With socially distanced working the normal for the foreseeable future, discussion turned to recruitment of new staff and how to deal with the process remotely. Many organisations feel the virtual interview, while not the ideal, is a good substitute for the face-to-face meet.

Chief Executives have been giving the future of the office significant consideration. Most organisations who have surveyed their staff find that they want to keep a balance of home-working and time in the office after restrictions end.

Organisations have now adapted arrangements to fit with the relaxation of social distancing and other restrictions. Staff are increasingly working flexibly between home and the office, where that fits with their role. However, as infection rates continue to remain high, some organisations have introduced rules that are stricter than government regulations to prevent the spread of the virus amongst their colleagues.

Finance

As the pandemic took hold in the UK just before the financial year-end, some organisations acted quickly to revise budgets and business plans, and increase cash holdings. Business plans were rebuilt with various outcomes tested. Stress-testing involved a range of scenarios which were shared in the group: varying loss of rental income, for varying durations, with varying amounts of bad debt, and in some cases allowing for re-emergence of the virus.

In the early period of the pandemic, there was some discussion around putting off the annual rent increase, but in most cases these went ahead. There were some concerns about potential requests for lower rents and/or service charges given reduced service, as well as the need to increase spend in subsequent years in order to catch up. Keeping a log of costs was suggested by several members, in the event that some of these will be recoverable. There were some reports of auditors proposing to qualify the annual accounts.

As we now approach the second potential rent increase since the pandemic began, members must again make decisions about rent increases. These are difficult considerations for social landlords, as the cost of delivering services is rising at the same time that tenants' household finances are being squeezed.

In terms of sales some CEOs noted an increase in RTB and RTA applications (which some providers suspended during the early period of restrictions), while there was also initially a drop in sales due to surveyors being unable to complete valuations and mortgage lenders being unable to progress approvals.

As Covid-19 restrictions have now been in place for a full year, Chief Executives have been sharing the current and expected ongoing impact on operating margins. Several organisations will be reporting lowering operating margins, but some have had to work hard to avoid any reduction in order to remain within financial covenants.

Property and development

As the situation unfolded and restrictions increased, repairs were one of the most changing items on organisations' agendas. Some moved very quickly to emergency-only, while others continued with repairs on non-contact externals. The lack of PPE, however, caused the cessation of works in some cases. Many organisations continued, where possible, with compliance works during lockdowns; however these too were often impossible as residents refused entry to staff, and vice versa. As restrictions eased organisations moved back to their standard repair offer, although often with a backlog of non-urgent requests.

The issue around compliance was a particular source of frustration as clarity was lacking from the regulators. The flexible approach settled on alleviated some of this worry; but clearer indication around the threshold for self-reporting would have been helpful. Central to working through these issues has been open communication with both residents and staff; organisations sought to be as flexible and compassionate as possible when given details of individual circumstances. Some organisations also approached local MPs for support on this issue.

While initially new tenancy signups were paused, these were gradually reinstated using safe protocols that include virtual tours of properties, information telecons, and electronic signups. Other topics of discussion have been waste collection (move to increase provision), arrangements with housebuilders and contractors about development and investment programmes, government support for homes development post-pandemic, the opportunity for void clearance, and cleaning and lift servicing in communal areas.

Discussion has turned in recent months to stock quality and organisations' responses to tenants who raise issues with the condition of their homes, in response to ITV reporting on instances of extremely poor-quality social properties. CEOs believe the vast majority of social housing stock is well-maintained, and are openly seeking for ways to address instances of sub-standard homes and improve responses to tenant complaints.

Other operational issues

The question of evictions and rent arrears quickly arose, with many stating they would not be evicting for COVID-related arrears prior to the government's ban on evictions. In many cases, the only allocations that came in during the first months of restrictions were from homelessness referrals, and some organisations additionally provided emergency accommodation for healthcare workers and rough sleepers. Levels of arrears have varied across organisations, with some noting significant increases while others managed to maintain pre-pandemic levels.

Organisations took to digital tools to stay in touch with residents; some hosting Facebook Q&As or sending out video updates from the Chief Executive. In the case of one organisation with sheltered schemes and care homes, Facebook groups were set up to keep families up to date with what's happening, easing pressure on their phone lines.

There were several reports of residents organising parties and gatherings in breach of social distancing restrictions, and various approaches to tackle that, including securing injunctions. In some cases, tenants have been involved in consultations around immediate concerns and operations, as well as in decision-making processes via panels and in-depth interviews.

Vulnerable residents

With most organisations housing at least some vulnerable residents, and others with care homes housing many more, there has been a lot of shared concern over how to best protect those at high risk. Initially discussion was focused around decisions of whether to keep common spaces open, and how to identify and support those most vulnerable. There was talk of working with local authorities, MHCLG and local mutual aid and volunteer groups to best support these cohorts.

Discussions also questioned the approach to letting scheme residents and their families know when others have been infected; there were mixed opinions on this. Thinking subsequently turned to how carers can be supported going forward, and the issue surrounding a lack of testing for care home residents. There has also been discussion of using voids to house victims of domestic abuse.

The introduction of regular testing for care homes staff was welcomed, as well as higher prioritisation for receiving the vaccine. Organisations have taken a range of steps to encourage staff to get the vaccine, as there has been some reticence.

Governance and leadership

The immediate focus during the COVID-19 pandemic was on operations and continued delivery of services while protecting staff and residents. Governance and leadership matters naturally took more of a backseat at first. Chief Executives recognised that flexibility is key, and consequently it was crucial to record any decisions and developments to be able to justify these to both Board and regulator.

As a lot of fast and difficult decisions had to be made, discussion turned to how to implement temporary decision-making structures that allowed organisations to be fully responsive to the unprecedented circumstances while still upholding good governance practices. In some cases, standing orders were revised to delegate certain powers to smaller subgroups of the board and executive leaders. As in many other areas, there was also a move to utilise digital technology to make this process easier, using apps such as Convene and/or online voting for urgent decisions. Some organisations have found these so effective that they may keep them in place beyond the pandemic.

Online tools have been discussed in significant detail for their utility more generally in support of regular Board practices. As well as the merits of various software, tips and techniques for running effective Board meetings were shared by many members of the WhatsApp group. Longer term thinking about Board meetings suggests many will operate using a 'blended' approach of physical and virtual meetings.

Thinking has also covered the development of COVID-19-specific risk registers and performance indicators, with a number sharing their own organisations' frameworks with members of the group.