



SPBM

2014 Annual Report  
for Smaller Housing  
Providers





**Once again, I am delighted to preface the SPBM annual report for smaller housing providers. It is an important contribution to the evidence base that demonstrates the value and Value for Money of the sector.**

Why is this important? The sector well-understands the critical importance of VFM in delivering the huge range of homes and services we now provide. The difficulty is finding a clear and consistent way of measuring the housing association 'product'. This is of critical importance, not simply as a business tool to understand and improve what we do, but also because we genuinely do want to be transparent.

Placing of such data in the public domain is central to our ability to tell our story and demonstrate the basis for our shared ambition for housing. This will all help to ensure the political debate is informed and rational – which is not always the case. And it demonstrates that we are in it for the long-term even if some seem more concerned with short-term initiatives.

We need to be canny about how we deal with this reality by marshalling well-reasoned arguments that let the facts do the talking, based on hard evidence such as that found in this report. The need is to make a case so compelling and irrefutable that the electorate demand from their politicians an enduring cross-party consensus on housing; so that the politicians know they must respond positively to our demand that they commit to ending the housing crisis in a generation.

In addition to this, we know from the recent bidding round for housing grant that smaller associations are not letting size stand in the way of ambition. Indeed the sector's appetite for new homes was well-evidenced by the JRF/ NHF's analysis of smaller associations' development aspirations and use of assets earlier in the summer. Add to this the:

- Continued successful sourcing of development finance at competitive rates
- Year-on-year reporting of 'profits for a purpose', secured through innovation, efficiencies and diversification
- Evidence from the NHF's 2012 neighbourhood audit of the scale of investment and achievement in community well-being
- Successive positive reports from the HCA on the sector's viability and risk management in very difficult operating circumstances

I am reassured about the sector's VFM. I also believe the sector is genuinely committed to innovation and continuous improvement and will not rest on its laurels.

I commend this report to you.

*David Orr*  
Chief Executive  
National Housing Federation

# SPBM Review 2014

## Providing data Making connections

SPBM is the national smaller housing providers' benchmarking network, facilitated by Acuity in partnership with HouseMark. Aimed at housing providers with up to 1,000 homes, SPBM has 120 members owning / managing over 53,000 homes across eight English regions.

*"SPBM has enabled us to share good practice. We often find that raw results for the members are very different but this leads to conversations about why they are different and the sharing of good ideas"*

SPBM provides performance benchmarking data for our members, enabling them to compare with a peer group of similar organisations facing similar challenges. This data is used by staff, Boards and residents to provide a context for their organisation's performance and inform decision making.

Perhaps more importantly, SPBM brings member organisations together in regional and specialist groups. In the past year, we have facilitated 34 benchmarking club meetings, run a variety of workshops and a national event 'In Small Supply' in partnership with Savills.

Regional and specialist benchmarking clubs offer the opportunity to meet with colleagues and to get beyond the numbers; to network, share ideas and to learn from each other.

For the 2013/14 year we have encouraged SPBM members to record performance information in greater detail, differentiating between general needs, supported housing and housing for older people. This has been very useful for members, enabling us to make more meaningful comparisons and provide a larger dataset, particularly for the more specialist organisations. In turn this has also helped us to make more connections between organisations providing similar services.

We have run, and expect to continue running, a wide range of local and national projects aimed at helping SPBM members address the challenges they face. These include one-off benchmarking exercises comparing the costs and processes of managing issues such as repairs, rent collection, voids and sickness absence. We have also just completed our fifth annual survey of salaries, reward packages and Board remuneration offered by smaller housing providers.

## Partnerships & collaboration

This time last year, we ran a survey for the National Housing Federation Smaller Associations National Group. The survey found that most respondents (91%) believe that the performance of their organisation would be improved through greater collaborative working with other housing associations, and that 87% are interested in working with other smaller HAs to collectively commission services. We will do all that we can to support this through the SPBM network and collaborative working / joint commissioning are standing agenda items at many of our club meetings.

*"SPBM membership has focussed the Board's attention on the areas where improvements are possible. It has kept the momentum going in areas where we weren't doing so well"*

## Merger

A significant change for us this year has been the merger between Skills & Projects and Feedback Services to become Acuity. Although the merger and new name has not had a direct impact on the SPBM service it does mean that we have a larger team, and our new Feedback colleagues have a great skill set and track record in research and training in the sector.

## HouseMark

Our close working relationship with HouseMark continues to play an essential part in ensuring that SPBM activity remains in sync with the rest of the sector and in enabling our ongoing work to develop and improve benchmarking services for smaller housing providers.

The relationship with HouseMark brings great benefits for SPBM members, enabling them to compare performance with larger providers using a level playing field of clearly defined, standard performance indicators. We continue to encourage our members to make greater use of the wealth of searchable information and good practice available to them online through HouseMark's knowledge base.



In July 2014 HouseMark introduced Priority Performance Benchmarking (PPB). This new service replaces Performance Indicator Tracking (PIT) and will be made available to SPBM members on request during 2014/15. PPB focuses on a small set of business-focused performance indicators and its features include:

- **25 new business focused PIs** - giving a strategic overview of business performance.
- **Automated data collection** - piloting of an automated data collection tool to all members taking part in Priority Performance benchmarking
- **Enhanced data validation** - robust, triple layer for greater accuracy
- **Quarterly reporting on priority PIs** - quarterly trend reports showing in-year performance set against the median and quartile performance for the sector

*“SPBM is really useful for the new Regulatory Framework and our reporting to tenants. Loading and accessing the data is easy and the support is quick and helpful. The broader benefits, links to HouseMark and Procurement for Housing, are a real bonus.”*

## What next?

SPBM members are a diverse group; organisations of different sizes, shapes and with differing geographical spread and client groups and an age range from 25 to 900 years. Over the coming year we will continue to support our members both as individuals and in groups,

providing data and making connections, helping them to improve what they do. We will continue to be driven by the needs and the aspirations of our members, and look forward to the coming year.

## This year's SPBM report

We always get good feedback on our annual report and we hope this year is no exception. While comparative data remains its central focus, we have continued to develop our annual report as an opportunity for those we work with to share their thinking and highlight activities of interest to others.

We open with a thought-piece on being commercial and value-led. Other key themes in the report include value for money, social value and collaboration.

*Mark Anderson  
Denise Raine  
Tim Taylor*

Directors  
Acuity Research & Practice

# On being commercial, authentic and vulnerable

Angela Gascoigne CEO SHAL Housing



Being 'commercial' according to my dictionary means, inter alia, having profit as the main aim. In my view, that doesn't work for the social housing sector and unless we start really owning that word on our own terms it might start to own us with dire consequences. Community assets used as collateral for high risk commercial development? Households turned away from 'affordable homes' because they can't afford them? Social enterprises unable to pay the living wage?

The panacea of work programmes in the context of growing in work poverty? Corporate Social Responsibility as a substitute for genuine commitment to equality, fairness and social justice? 'Poor doors', anyone? Being commercial doesn't have to be like that. But it will unless we are crystal clear about who we are, what we stand for and what we are setting out to achieve.

I recently joined SHAL Housing as its second CEO in 20 years. For the last six years I have been Chair of a homelessness charity called Llamau. Based in Cardiff, we work across Wales with over 4,000 of the most vulnerable young people and women and have partnerships across the UK and Europe. We know exactly who we are, we live our values every day and we are totally focussed on our purpose. And I am regularly told by politicians, commissioners, service users, staff and random members of the public that they love Llamau. Those are the words they use. They 'love' us.

It has occurred to me recently that it is love that fuels what is in some ways a very commercial social enterprise. Over the last six years, we have increased turnover by over 50% at a time when many similar organisations have seen turnover shrink. We have diversified into new sectors (including criminal justice, employment and health), commissioned ground breaking research, and increased donations from almost zero to 12% of turnover in 3 years. We have set up social enterprises and innovative services, entered into challenging as well as lucrative partnerships with commercial organisations such as John Lewis and GE Aviation, and embarked on three mergers (two of which are successfully completed). Oh, and we have significantly cut costs without redundancies. I'd call that commercial, wouldn't you? - Efficiency, diversification, commercial collaboration, new income streams and merger. Not one

*'...authenticity has always been part of the mix that we consumers have wanted, but not like now. Something is changing and some of us just can't get enough of it. It's the inevitable paradox: the more the world goes global, the more we prize the local and authentic.'*  
'Brand New – The shape of Brands to Come', Wally Olins 2014

aspect of these activities has dented our values, vision or mission. In fact, our values, vision and mission have been the fuel. True, it has at times been very hard to square the circle, but this is where our highly strategic and entirely voluntary Board of Trustees comes into its own. It's a Board which works outside and inside the boardroom. Far from being remunerated, Board members are more likely to be making donations and getting directly involved in fund raising. It's a Board that has absolutely no problem attracting talented individuals with aligned values and the requisite skills. It's a Board that people want to join because of our reputation as a complex, risk intelligent and commercially entrepreneurial social business.

All of this points to the advantages smaller housing providers have over their larger counterparts. We have a more direct and, therefore, more real relationship with our tenants. Our local and personal scale permits a deepening of our relationships with customers and those who work for and with us based on an acute sense of who we are, what we do and what we stand. We can build more trustworthy and trusting relationships with people - woven into the community fabric in ways which larger organisations will always struggle to achieve.

None of this is easy. In many ways it may seem far safer to follow the 'big guys' – avoid the risk of criticism by emulating what they do and follow 'best practice'. But to do so carries a far greater risk – that of infantilisation. So, despite, or even because human lives are messy and human relationships are often difficult and definitely beyond corporate control, I see massive potential in the emotional connection which small housing associations have with the people we serve and the people we collaborate with. We have the potential to create a patchwork quilt of connection across the country which people can easily see, get hold of and understand - authentic relationships based on respect and dignity but also carrying a real sense of warmth and care.

At Llamau authentic relationships are absolutely fundamental to our sense of who we are. They are precious and priceless, and we not only protect but also nurture and develop them. In many ways, it was 'authenticity' that attracted me to SHAL and it is 'authenticity' which is fundamental to the continued existence of smaller providers in the face of misguided calls for economies of scale and mergers.

*'When you identify the discomfort you've found the place where a leader is needed. If you're not uncomfortable in your work as a leader, it's almost certain you're not reaching your potential as a leader'. 'Tribes: We Need You to Lead Us', Seth Godin 2008*

Being vulnerable – There is perhaps not surprisingly a price for to pay for this emotional connection, a refusal to downsize our aspirations, and holding on to values in difficult and uncertain times. That price is 'vulnerability'. And we had better learn not only to live with it but to love it. That sense of vulnerability tells us that we are doing it right! The 'it' we are doing right is leadership, the sort of courageous leadership that places us in the gap between our vision for the future and our current reality, that holds the discomfort we feel in that space, and that ensures we don't diminish our ambitions in searching for the leverage we need to realise them.

I believe that all of us are looking for a purpose worthy of our commitment. The leaders of housing organisations often ask their people to be committed to organisational goals. But the real question that all of us need to ask ourselves is - What is my organisation committed to and is it worth my time?

*'Profit for a company is like oxygen for a person. If you don't have enough of it, you're out of the game. But if you think life is about breathing, you're really missing something.'*  
Peter Drucker

Obviously housing organisations have to be commercial but we must never forget that making profit or surplus is not a purpose. A housing organisation which fails to articulate a clear purpose worthy of commitment will '...never tap into the passion, imagination, willingness to take risks, patience, persistence and desire for meaning that are the cornerstones of long-term financial success' (Peter Senge 2006). As small housing associations, we know that what we do really matters. Let's stay true to our values and be proud of who we are. We are needed, now more than ever.

# Performance comparison and improvement

Here we provide an insight into the overall performance of SPBM members for the year April 2013 to March 2014 in a number of key areas with two sets of data being provided for each activity:

1. The median performance of all organisations submitting data to SPBM (referred to as 'SPBM') and the median performance of all organisations submitting data to HouseMark's National Benchmarking Club (referred to as 'All Providers')
2. Year on year performance data indicating the direction of travel in performance among SPBM members.

In doing so, we use a traffic light system indicating whether the median for SPBM members is higher, lower or the same as the median for all providers, and trend arrows indicating whether performance among SPBM members has improved, declined or stayed the same.

The year on year figures are based on data from SPBM members who submitted data for both 2012/13 and 2013/14. This ensures that the comparisons are as robust as they can be while providing trend analysis based on the performance of up to 75 smaller housing providers. Being drawn from two different data sets, it means that trend data in this report are sometimes different to the median performance figures.

HouseMark data are median values for all organisations in the HouseMark National Club on HouseMark PI Tracking, based on data from around 380 providers of all sizes and including data from SPBM.

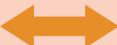
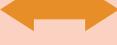
All SPBM and HouseMark comparisons are based on identically defined performance indicators. In 2013/14, many SPBM members have revised the suite of performance indicators that they collect and compare, separating general needs, housing for older people and supported housing to provide a more meaningful like-for-like comparison in key areas.



## Voids and lettings

The performance of SPBM members on rent loss from voids and average relet times during 2013/14 compares well with that of all providers. For general needs properties, void losses have remained the same since last year although relet times have increased. For supported housing properties, relet times have remained the same but void losses have increased. Average relet times for HfOP properties have decreased considerably over the past year. Void loss figures for HfOP lettings were not collected separately prior to this year and so no year-on-year figure is available for this measure.

	All Providers	SPBM	
Percentage of rent lost due to void properties (GN)	0.74	0.51	
Percentage of rent lost due to void properties (HfOP)	1.76	0.82	
Percentage of rent lost due to void properties (Supported)	4.69	1.22	
Average relet time in days (GN)	23.52	22.50	
Average relet time in days (HfOP)	30.00	25.50	
Average relet time in days (Supported)	22.82	28.00	

	2012/2013	2013/2014	
Percentage of rent lost due to void properties (GN)	0.40	0.40	
Percentage of rent lost due to void properties (Supported)	4.00	4.99	
Average relet time in days (GN)	19.00	22.50	
Average relet time in days (HfOP)	28.50	22.00	
Average relet time in days (Supported)	28.00	28.00	

## Rent collection and arrears

The average performance of SPBM members on rent collection for general needs housing and housing for older people was marginally below that of all providers. General needs arrears were slightly lower for SPBM members and HfOP arrears slightly higher than all providers. For supported housing the differences were more marked, with SPBM members having lower average rent collection and higher average arrears than all providers. Performance on general needs rent collection has improved by about 1% since last year, while rent collection for supported housing has stayed about the same. Arrears have increased for both general needs and supported housing. We do not have rent collection and arrears figures for HfOP for last year.

	All Providers	SPBM	
Rent collected as a percentage of rent owed (GN)	99.84	99.72	
Rent collected as a percentage of rent owed (Supported)	98.34	96.43	
Rent collected as a percentage of rent owed (HfOP)	100.07	99.83	
Current tenant arrears (GN)	3.29	3.20	
Current tenant arrears (Supported)	3.14	4.52	
Current tenant arrears (HfOP)	1.34	1.40	

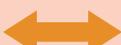
	2012/2013	2013/2014	
Rent collected as a percentage of rent owed (GN)	99.65	100.60	
Rent collected as a percentage of rent owed (Supported)	96.44	96.43	
Current tenant arrears (GN)	2.68	2.99	
Current tenant arrears (Supported)	4.53	4.66	

## Repairs and maintenance

The performance of SPBM members and all providers on the completion of repairs within target times, and gas safety checks was very similar. SPBM members perform slightly better on emergency repairs and on all repairs overall. SPBM members' average performance was slightly higher than all providers for the percentage of repairs completed on the first visit and the resident satisfaction with completed repairs.

Since 2012/13 performance has fallen for the percentage of repairs completed within the target time and repairs completed on the first visit. Performance across the other three indicators (emergency repairs, gas safety certificates and resident satisfaction) has remained the same. All data are for general needs housing, supported housing and housing for older people combined.

	All providers	SPBM	
Percentage of emergency repairs completed within target	99.51	100	
Percentage of all reactive repairs completed within target	96.32	97.30	
Percentage of dwellings with a valid gas safety certificate	100	100	
Percentage of repairs completed at first visit	91.97	92.70	
Percentage of residents satisfied with most recent repair (from repair completion survey)	94.93	96.00	

	2012/2013	2013/2014	
Percentage of emergency repairs completed within target	100	100	
Percentage of all reactive repairs completed within target	98.00	97.25	
Percentage of dwellings with a valid gas safety certificate	100	100	
Percentage of repairs completed at first visit	92.05	91.70	
Percentage of residents satisfied with most recent repair (from repair completion survey)	93.50	93.50	

## Resident satisfaction - General Needs

SPBM members reported high levels of satisfaction again this year, with an average of 91% satisfaction with overall service and similar high levels of satisfaction with quality of the home (90%) and neighbourhood as a place to live (91%).

Compared with all providers, SPBM members reported higher levels of satisfaction among general needs residents across all seven STAR core satisfaction measures.

Over the past year, performance on 'neighbourhood' has improved while performance on 'overall satisfaction', 'quality of home' and 'VFM rent' has remained the same. Performance on 'VFM for service charges', 'repairs and maintenance' and 'listening and acting on tenants' views' has fallen.

General Needs tenants	All providers	SPBM	
Percentage of tenants satisfied with the overall service provided by their landlord	85	91	
Percentage satisfied with the overall quality of their home	83	90	
Percentage satisfied with their neighbourhood as a place to live	85	91	
Percentage satisfied with the value for money for their rent	81	88	
Percentage satisfied with the value for money for their service charges	70	77	
Percentage satisfied with repairs and maintenance	80	88	
Percentage satisfied that their landlord listens to / acts upon their views	69	76	

General Needs tenants	2012/2013	2013/2014	
Percentage of tenants satisfied with the overall service provided by their landlord	92	92	
Percentage satisfied with the overall quality of their home	90	90	
Percentage satisfied with their neighbourhood as a place to live	91	93	
Percentage satisfied with the value for money for their rent	89	89	
Percentage satisfied with the value for money for their service charges	78	74	
Percentage satisfied with repairs and maintenance	93	90	
Percentage satisfied that their landlord listens to / acts upon their views	81	78	

## Resident satisfaction – Housing for Older People

SPBM members reported very high levels of overall satisfaction for Housing for Older People with an average 98% satisfied with services overall and similarly high average ratings for the ‘quality of home’ (98%) and ‘neighbourhood as a place to live’ (97%). Satisfaction ratings were also high for ‘repairs and maintenance’ (95%) and for VFM rent and service charges (both 93%). The average for ‘landlord listens to views and acts upon them’ was 83%.

Compared with all providers, SPBM members reported higher levels of satisfaction among housing for older residents across all seven STAR core satisfaction measures.

Since last year, average performance has improved in five areas - satisfaction overall, quality of home, neighbourhood, repairs and maintenance, and listens to / acts on. While performance on ‘VFM service charges’ has remained the same, performance on ‘VFM rent’ has fallen.

Housing for Older People	All Providers	SPBM	
Percentage of tenants satisfied with the overall service provided by their landlord	92	98	
Percentage satisfied with the overall quality of their home	94	98	
Percentage satisfied with their neighbourhood as a place to live	94	97	
Percentage satisfied with the value for money for their rent	91	93	
Percentage satisfied with the value for money for their service charges	84	93	
Percentage satisfied with repairs and maintenance	89	95	
Percentage satisfied that their landlord listens to / acts upon their views	77	83	

Housing for Older People	2012/2013	2013/2014	
Percentage of tenants satisfied with the overall service provided by their landlord	97	98	
Percentage satisfied with the overall quality of their home	97	98	
Percentage satisfied with their neighbourhood as a place to live	94	96	
Percentage satisfied with the value for money for their rent	94	93	
Percentage satisfied with the value for money for their service charges	93	93	
Percentage satisfied with repairs and maintenance	91	95	
Percentage satisfied that their landlord listens to / acts upon their views	85	87	

The 'SPBM' data are median percentages from SPBM with the number of organisations submitting data for each indicator ranging from 51 to 69. The 'All Providers' data are from HouseMark STAR benchmarking and with the number of organisations submitting new STAR data for each indicator ranging from 87 to 127.

### Sickness absence

SPBM members reported that on average they lost fewer working days to sickness absence than larger providers. SPBM members are losing marginally fewer days to sickness absence than they did in 2012/13.

	All Providers	SPBM	
Average number of working days lost due to sickness absence	8.22	5.34	
	2012/2013	2013/2014	
Average number of working days lost due to sickness absence	4.52	4.37	

### Costs and investment

Operating costs of SPBM members have fallen, both per unit and as a percentage of turnover. Weekly management costs per dwelling have also fallen slightly while weekly investment per unit has risen slightly.

	2012/2013	2013/2014
Weekly Operating Cost per unit	72.55	69.82
Operating costs as a percentage of turnover	71.00	70.00
Average weekly cost per dwelling on management	18.28	18.09
Weekly investment per unit	22.00	22.05

The data above are from audited accounts and we recognise that there are significant variations in accounting practice. As the figures are taken only from organisations who submitted data in both years they offer a reasonable headline insight into SPBM members' costs and investment decisions

# SPBM salaries survey 2014

56 landlords took part this year in our fifth annual survey of smaller providers' salary survey. Thirty-nine of these organisations participated in the 2013 survey.

## Main findings

- Staff turnover: Average staff turnover was 12%, higher than in 2013 (7%).
- Staff turnover: Total salaries costs remain 23% of financial turnover on average.
- Salary increases: The average salary increase was 2.5%. 90% of respondents reported an increase in salaries at the last review compared with 78% in 2013.
- Median salary: The average salary across all jobs / participants was £35,500.
- CEO salaries: The average salary for Chief Executives was £63,400, lower than last year (£64,200)
- Staff numbers: Organisations employ on average 3.1 FTE staff per 100 properties, fewer than in 2013 (3.3)
- Pensions: The average cost of pensions to employers (including past deficit) was 8.5% of the total salaries bill, higher by more than 1% than in 2013. On average 47% of staff participate in pension schemes.
- Pension contributions: On average employers contribute 9.8% of salary. Employees contribute 6.4%.
- Overtime & bonuses: 21% of organisations pay overtime. 18% pay bonuses.
- Sickness benefits: 54% of organisations offer enhanced sickness absence entitlements.
- Training & development budgets: Organisations spent on average £570 per FTE member of staff.
- Other benefits packages: More organisations are offering flexible working, home-working, appraisal schemes and personal development planning.
- Boards & Board remuneration: The average Board has 11 Board members. Few organisations remunerate Board members.

In addition to total salaries costs, average salaries, job role salaries and salary increases, our 2014 report provides a wealth of detail on the reward packages provided by participating organisations - pensions, bonuses, overtime, leave and a range of other entitlements and allowances. Alongside the main findings report, we provide a profile of each organisation and details of the job roles within the participating organisations (568 job roles this year).

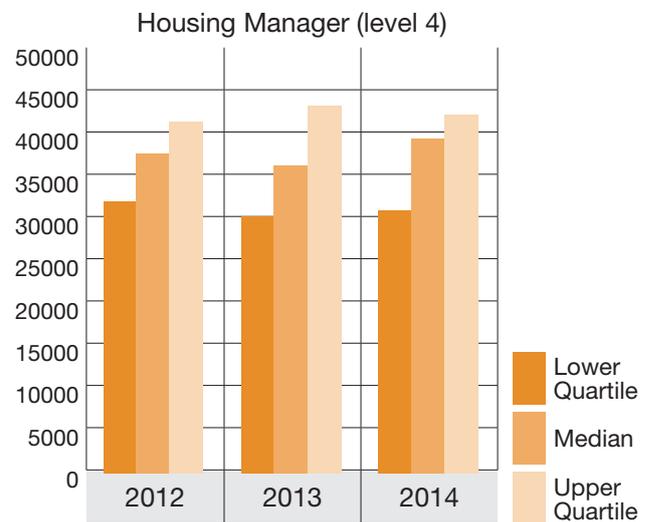
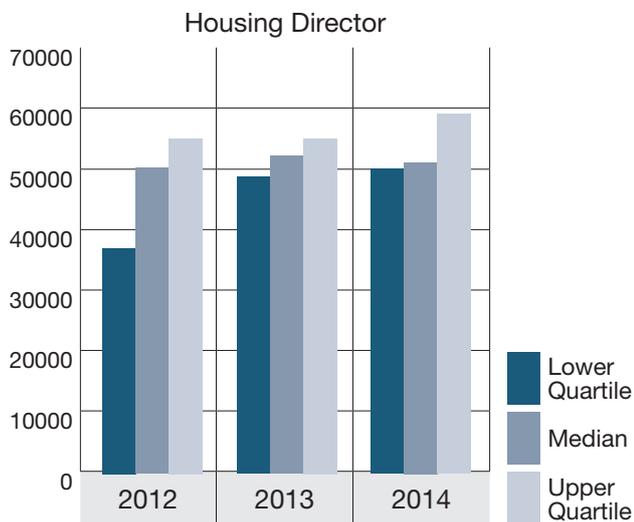
The 56 organisations that participated in this year's survey own and / or manage 80 to over 1,000 homes. In total, they own and / or manage 22,450 homes across eight English regions and employ over 1,400 staff.

# Job roles analysis

## Housing management

The median salary for a Housing Director was £52.9K, 2.2% lower than in 2013. Over the same period the median salary for a Housing Manager or equivalent Level 4 role has increased by 6.1% to £39K. The median salary for a Housing Officer or equivalent role has increased by 0.6% to £27.3K.

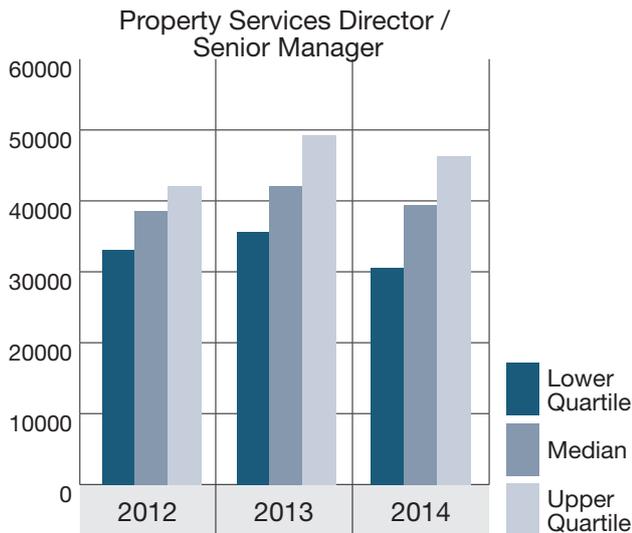
	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Housing Director	16	49.9	52.9	58.3
Housing Manager (Level 4)	18	31.5	39.0	42.9
Housing Officer and equivalent (Level 3)	70	24.0	27.3	30.8



## Property services and maintenance

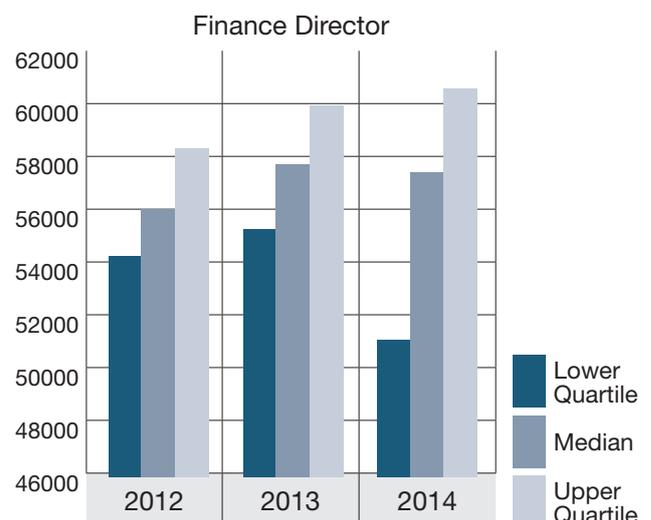
The median salary for a Property Services Director or equivalent Level 4 role was £39K, a 7.4% decrease since the 2013 survey. Over the same period, the median salary for a Maintenance Officer or equivalent role has increased by 0.5% to £26.5K.

	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Senior Manager and equivalent (Level 4)	45	31.5	39.0	47.0
Officer and equivalent (Level 3)	68	23.3	26.5	31.3

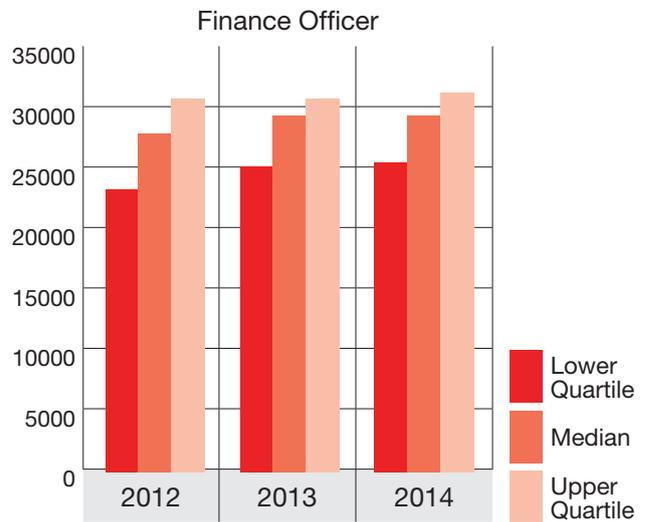
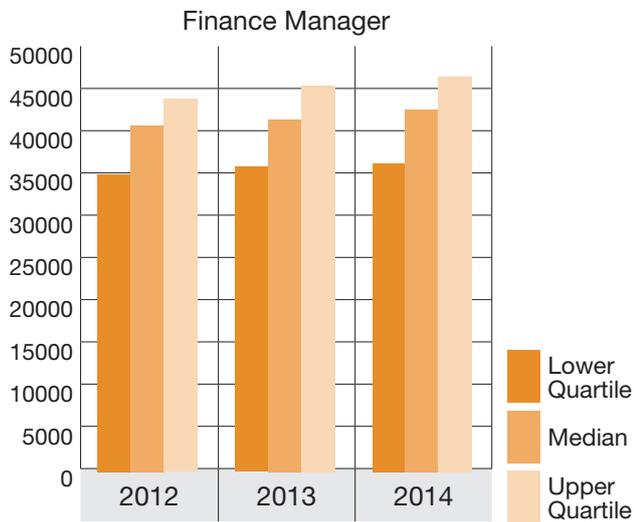


## Finance

The median salary for a Finance Director was £57K, a 1% decrease since the 2013 survey. Over the same period, the median salary for a Finance Manager or equivalent Level 4 role has increased by 1% to £42.9K. The median salary for a Finance Officer (Level 3) was £29.4K, 0.8% higher than in 2013.



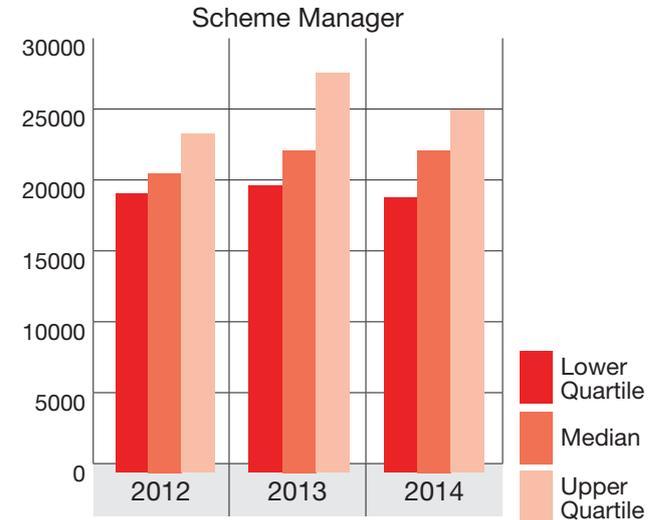
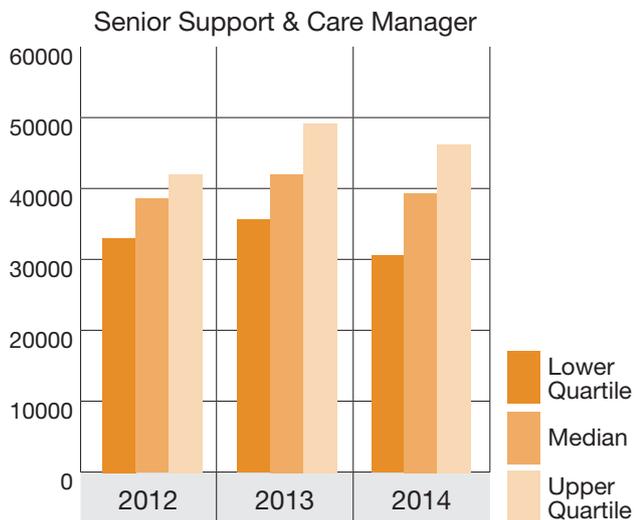
	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Finance Director	19	51.0	57.0	61.0
Finance Manager and equivalent (Level 4)	19	38.0	42.9	46.7
Finance Officer and equivalent (Level 3)	38	25.7	29.4	32.5



### Support and care

The median salary for Senior Support and Care Managers (Level 4) was £39K, 6.4% higher than last year. The median salary for a Support Worker or Scheme Manager role at Level 3 was £22K, 1.4% lower than last year (£22.3K). Please note that some Scheme Manager posts have accommodation provided.

	No. job roles	Lower quartile £000's	Median £000's	Upper quartile £000's
Support Service Manager (Level 4)	23	30.8	39.0	49.6
Scheme Manager and equivalent (Level 3)	41	18.6	22.0	25.0



# VFM: It's not just for Autumn

Steve Smedley Acuity & HouseMark Associate



It's that time of the year again. This year's harvest of VFM self-assessments is in. Judging from what I've seen it's a bumper crop – probably too much. A consequence of the HCA's muscular response to the 2013 submissions is that many housing associations now fear the reaper and have reported everything they did on their holidays: 'stick it all in – better safe than sorry.'

What on earth will the HCA do with this glut of information that is as diverse as the sector itself? If only you could make jam with it.

Spare a thought for the unhappy few, tasked with the job of sifting the wheat from the chaff in making judgements about individual associations' VFM and seeking insight about VFM within the sector more generally. Such judgements and insight in my view can't be done effectively without a degree of consistency in reporting, particularly around key costs and performance. Getting some sort of sign-up to a dashboard of key VFM data is the logical starting point for self-analysis and external scrutiny.

This isn't heresy. I'm still anti-prescription and pro-co-regulation but I'm just worried that the exercise, as it is, isn't as useful as it could be; that it is not fully achieving its purpose. I'm not sure it's VFM.

The determination of what VFM means to an organisation and its strategic approach to securing VFM is rightly the Board's but if we believe it is right that associations and the sector as a whole should be held to account for the maximisation of public investment, then surely, in the interests of transparency, VFM reporting arrangements should enable this goal. So that's that. VFM is sorted for another year – and relax. But the VFM self-assessment is just the reporting element of the VFM standard. It's there simply to evidence that the overriding principle of VFM is being embedded – to show that housing associations are developing and delivering a strategy to continuously improve their operational costs and performance as well as the use of their assets.

*“ What we really want is for Boards to challenge themselves about whether VFM is embedded in everything they do.”*

Mathew Bailes, Executive Director of Regulation for the HCA May 2014

This is the real challenge that we are in danger of losing sight of in our understandable enthusiasm to keep the HCA happy vis a vis the VFM self-assessment. Hone the right strategic approach and then deliver it by embedding it in operational practice and thinking. From my experiences of working with dozens of housing providers over the last year or more, we are beginning to see movement to a better state.

I hope you find my thoughts on what this might mean for your organisation useful.

# VFM: From current to better state

## The current state:

- Boards and management teams have strategic awareness of VFM in terms of optimising the business as well as meeting regulatory requirements.
- They have the right cost and performance data to understand VFM, target improvement work and assess capacity.
- They are evaluating whether the existing form of organisation is optimal for achieving their social mission, including the approach to back office functions.
- They are evaluating whether they have the right skills and competencies to drive the business forward.
- They are reflecting on their current approach to VFM (spanning strategy, scrutiny and delivery arrangements), considering how to better embed VFM and identifying the gaps.

## Toward a better state:

- Fill those gaps in your strategic approach whether it is through a 'no frills or fluff' VFM strategy and action plan or (if you can) embed it seamlessly in your corporate plan. Get it right and your strategic approach can serve as a vehicle for embedding VFM, providing it is performance managed.
- Map your value. As part of your strategic approach, identify the key enablers that will deliver your mission and optimise resources. What must you get right? Drive this down through departments and teams to crystallise priority routines and actions.
- Get staff on board. 'Map their value' to your mission (how what they do directly contributes to success). Enthuse your staff and get commitment to VFM day in day out. Cost control is everybody's job, as is the search for efficiency and effectiveness.
- Get service managers to be (social) business managers. Make them accountable through performance management for the consumption of resources and not just the service outputs. Empower them to make the changes required to be effective.
- Perfect the reporting of performance, not simply for the VFM self-assessment and transparency but to enable Boards and management to get a grip on the business and make intelligent, well-informed decisions.
- Continue to improve the way you measure social value, not just those added value activities that actually represent a tiny proportion of spend but the entire product that flows from your main activity. Just because it is hard should not be a reason for giving up. It will be a work in progress for years.
- And there is so much more - Having a system for capturing, analysing and celebrating VFM gains, mastering asset management and its associated tools, re engineering your processes incorporating IT wherever possible, perfecting the art of procurement or buying-in the expertise...

# Telling your Social Value Stories

Professor Richard Tomlins  
Director, Cohesia Ltd and Visiting Professor  
of Race and Diversity, Coventry University



As a diversity and inclusion trainer and consultant and member of the HCA's Equality and Diversity Board Advisory Group I'm finding increasing interest in the idea of social value.

Social value might be defined as 'the additional environmental, social and economic benefits that can be accrued to individuals or communities above and beyond the delivery of the service'. In other words – 'If £1 is spent on the delivery of goods, services and outcomes, can that same £1 also be used, at the same time, to also produce a wider benefit to the community?'

On that basis, social is very inclusive. It might include things like local labour, apprenticeships and employment opportunities, and supply chain opportunities. Equally it might include safer neighbourhoods, stronger communities, improved health, a better environment. Let's add some more - contacts, support, company, community, well-being, and happiness. But let's not lose sight of one simple idea. Social value is about maximising the community benefit from each pound we spend.

Smaller housing associations being closer to the communities they serve should be in a better place than larger organisations to identify, understand and respond to community needs and the social value that communities require. The Identifying of social value should allow you to:

- Confirm that your work is changing people's lives
- Help you to understand the way that you are doing this
- Capture the added value of your work
- Focus on maintaining and achieving more of these outcomes, amplifying the positive impact
- Be confident in communicating the impact of your work to all your stakeholders

Let's also recognise that collecting information on the social value that you provide isn't a stand-alone thing. You will certainly need it for your VFM Statement and to inform your business planning. You'll almost certainly also need it when bidding for funding and responding to tenders. So here's a quick way of pulling together your thinking:

- Look at the way that your staff and colleagues deliver the standard housing management service. Focus on where you add value, where you provide the personal touch.
- Consider the ways in which you go and could go beyond the delivery of the standard housing management offer through additional services. Assess your ability to do this in a distinctive way.
- Reflect on how you currently work and could better work with local organisations and contribute to the local economy.
- Understand local health and well-being. Work out what role you have to play.
- Decide whether you are part of 'the glue' that holds local communities together. And if you are, what specific, additional glue could / should you provide.

I've just finished working on a social value tool kit for the g320 London housing associations (Further details are available via Acuity). In doing so, I've seen a real need for smaller associations to be able to tell their social value stories. There are audiences waiting to hear them.

# Working collaboratively: The CHANW Group



Mandy Elliott, Chief Executive, Crosby HA

## Training and development

The Community Housing Associations North West (CHANW) Group has led the way in terms of joint training initiatives since its launch in 2006. Group members operate with limited financial and human resources. Training budgets are relative to size and did not offer sufficient scope to train and develop staff when placed alongside the training courses available to the sector in the marketplace. Check your email today and you will find numerous courses offered for around £250 per delegate. Travel and accommodation can often double that cost.

Our aspiration was to offer high quality, affordable training to staff, Board members and tenants. We believed we could deliver this locally and secure expert speakers and facilitators to make sessions interesting, informative and maybe even fun. We also recognised the value of staff, Boards and tenants joining together from a range of housing associations to facilitate shared understanding and a wider view of the sector. Here are some of the things we have achieved:

- A Board training programme – six modules over 12 months
- Three annual conferences, providing over 250 learning experiences a year over the last eight years
- A tenant conference - free to members of the group
- An average cost per training place including travel of circa £50
- A range of functional courses for staff and Board members in relation to welfare reform
- Expert speakers including lawyers, accountants, lecturers and statisticians, motivational speakers and stand-up comics
- Regular contributions from key figures from the NHF
- A reputation for quality and value for money – not least in negotiating speaker and venue rates

The benefits of all of this to staff, Board members and tenants are far greater than we could ever hope to achieve individually. We have been able to achieve these things because we work together. And in doing so, CEO commitment and involvement is critical to the success of the group's training and development programme. It works because the group's activities are seen as core business, something to factor into each organisation's business calendar. It works because of our attention to detail in design, delivery and evaluation. We even choose locations to minimise travel distances and encourage car sharing to minimise travel costs.

## Benchmarking and service improvement

CHANW has also taken a collaborative approach to procuring benchmarking services, which it sees as an essential business tool. The larger members of the group subscribe to HouseMark, and those with less than 1,000 homes subscribe to SPBM.

Everyone works together as a regional SPBM peer group, using a common set of performance indicators to compare data and processes and identify areas for improvement. Group members are also active within SPBM nationally and participate in some of the specialist benchmarking groups. SPBM membership offers additional benefits for the smaller members of the group as it includes an affiliation to HouseMark, and thus access to good practice and data from larger housing providers. It also provides CHANW with access to a wider, national network for collaboration and the joint commissioning of services.

# National Housing Federation Smaller Associations National Group



Mandy Elliott Chair of NHF Smaller Associations National Group

Crosby HA can hardly be described as one of the big players in the sector, but we all play our part and I want to make sure that our voice is heard. That's why I am an active member of CHANW and Chair the NHF Smaller Associations National Group.

## A voice for smaller providers

The National Group demonstrates the NHF's commitment to understanding, supporting and promoting the work of small housing associations. Working together offers greater possibilities - not least the possibility of exerting influence on decision-makers and policy-makers.

We are a dynamic group with 12 members from seven regions and we aspire to be inclusive across the country. Members are actively involved in the sector and keen to share knowledge, understanding and good practice from their areas and through their local networks. We also work with Acuity to engage with the sector through the network of SPBM regional and specialist groups.

## What next?

Last year we conducted a survey to ask our peers how they wanted to make their views known and to find out what they wanted us to focus on. From this we identified three key priorities:

- Collaboration and partnership working
- Development and growth
- Performance improvement

These have been the focus of our work for the past year and will continue to be for the year to come. We co-ordinate and share what we are doing regionally, exchanging information and ideas between regions and with the NHF. We share the learning from regional SPBM benchmarking groups and promote ourselves as high performing businesses with an appetite to do even better. If national collaboration is the most sensible approach, we will find the best way to achieve it (e.g. We supported 'In Small Supply' - a national seminar on development and the role of smaller associations). There is more to do in this area and further seminars are being considered.

The forthcoming General Election presents a new opportunity for the housing message to be heard. The NHF is working on three big policy ideas:

- A housing and infrastructure bank
- Local land strategies to bring land forward in a strategic way
- Freedoms and flexibilities for HAs to pursue their objectives more effectively

These are currently standing items on our agenda and we are determined that smaller associations get to play their part in shaping these ideas and the national message.

For more information about the group please contact Acuity or email:

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Michelle Smith: [Michelle.Smith@housing.org.uk](mailto:Michelle.Smith@housing.org.uk)

# SPBM Benchmarking Clubs

## **bm320 (London)**

Contact: Ziggy Crawford, Barnsbury HA

## **East of England**

Contact: Craig Glasper, King Street Housing Society

## **Housing for Older People (London, East Anglia & South East)**

Contact: Chris Wren, CESSA

## **London BME**

Contact: Aziz Rahim, North London Muslim HA

## **North-West (Liverpool, Manchester & Wirral)**

Contact: George Evans, Eldonian Community Based HA

## **Supported Housing (England)**

Contact: Nigel Hills, Salvation Army HA

## **SHAPE (Isle of Wight, South East up to Bedford/Luton)**

Contact: Patricia Shadforth, Franklands Village HA

## **SolFed (South London)**

Contact: Jackie Adusei, Ekaya HA

## **South-West (Cornwall / Bristol / Poole)**

Contact: Peter Moore, Cornwall Rural HA

## **The Solomon Project (North London)**

Contact: Leslie Laniyan, Shian HA

## **West Midlands**

Trevor Palfreyman, Adullam Homes HA

## **Yorkshire & Humberside**

Contact: Graham Teale, St Andrews Housing Co-op



### **About Acuity**

We provide a wide range of consultancy services to help social housing providers improve services and engage with their residents. We specialise in supporting the performance benchmarking activities of over 120 smaller housing providers in partnership with HouseMark, and in customer / resident satisfaction measurement and insight. We work with staff, Board members and residents to support their learning and development needs.

Our philosophy is to build relationships with clients that enable them to achieve performance and service improvements through access to the highest quality information and learning experiences. Our services are highly flexible, and always carefully tailored to the requirements and budgets of our customers. We have been providing consultancy services to the social housing sector for over 15 years.

For further information visit [www.arap.co.uk](http://www.arap.co.uk)

You can contact us on 01273 287114 or [acuity@arap.co.uk](mailto:acuity@arap.co.uk)

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### **About HouseMark**

HouseMark is the leading provider of business intelligence and value for money solutions to the social housing sector and is jointly owned by the Chartered Institute of Housing and the National Housing Federation; two not-for-profit organisations which reinvest their surpluses in the social housing sector.

For further information visit [www.housemark.co.uk](http://www.housemark.co.uk)

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