

# Stretching the pennies

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Seeking to achieve Value for Money



## Contents

<b>Introduction</b>	<b>3</b>
<b>Background</b>	<b>4</b>
<b>Understanding service costs</b>	<b>5</b>
Building an agile workforce	5
Modernising services	5
Improving use of IT	6
Repairs and maintenance services	7
<b>Approaches to Value for Money</b>	<b>9</b>
Impact assessments	9
Partnership working with councils	10
Growing the business	11
Reviewing Customer Engagement	12
Including social value in value for money	13
<b>Looking Forward</b>	<b>14</b>
<b>List of participating ALMOs</b>	<b>14</b>

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Whilst all reasonable care and attention has been taken in compiling this publication, the authors, publishers and editorial team regret they cannot assume responsibility for any error or omission that it contains.

## Introduction

Times have changed since ALMOs were initially introduced as a conduit to deliver the Decent Homes programme by the Labour Government in 2002. Despite the many challenges that the sector has faced, ALMOs continue to be distinguished by their strong commitment to tenant involvement and empowerment, their focus on the local authority area and their close working relationships with their parent councils and other stakeholders.

ALMOs aim to provide excellent value for money and customer-led housing services for residents in partnership with their local councils. They have a strong proven track record of optimising resources to provide excellent services to customers to promote the wellbeing of the communities they serve. Our members pride themselves on a culture which sees barriers as challenges to embrace and obstacles to overcome. In recent years the sector has managed to not only maintain but further diversify the services they provide to local communities. The challenge now is to continue to be able to do that in the face of significant cuts to their investment plans and an unremitting number of changes to government housing and welfare policy.

This report summarises how the sector is preparing to face the challenges posed by the post 2015 reforms and provide value for money to their key stakeholders by:

- Investing in staff and cultural development to create a more agile workforce.
- Modernising services and making better use of new technology.
- Working closely with their parent councils to deliver new services or share existing ones.
- Adopting a growth strategy both for the council housing business and the ALMO.
- Reviewing their involvement structures to ensure that residents can make a real difference.
- Ensuring they deliver social value alongside value for money in their work.

It is important to note that every organisation is unique and has differing local financial and operational issues. There is no single best method to providing value for money. The purpose of this briefing is to share good practice across the social housing sector and to widen the sector's knowledge and expertise in this area.

## Background

Arms-length management organisations (ALMOs) manage council housing on behalf of their parent local authorities. The NFA represents all ALMOs across England. There are currently 38 ALMOs which manage over half a million council properties, a third of local authority housing across England, on behalf of 41 local authorities.<sup>1</sup>

In recent years the Government has increasingly given primacy to value for money. Since 2012, the Homes and Community Agency (HCA) has required all registered providers of social housing to provide an annual value for money statement in their board report or operating financial review. Although only 9 of our 38 members (24%) are registered providers and this requirement does not apply to the majority of the sector, they have historically placed utmost importance on securing value for money. As transparent and accountable organisations they are uniquely placed within the housing market as their stakeholders include both tenants and their parent local authorities. Providing value for public money is not a new concept for the sector and has been a core element of their business practices since their inception.

Providing value for money, which is defined as the optimum use of resources to achieve intended outcomes, has never been more important for the sector. Recent changes set out in the Government's Welfare Reform and Work Bill and the Housing and Planning Bill, including an annual 1% reduction in social rents for four years and the sale of high value voids have further emphasised the need to make savings in the future.

The concept itself is about making sure that spending achieves as much as possible and strikes the best balance between the 'triple bottom line', the three E's – economy, efficiency and effectiveness.<sup>2</sup> HM Treasury (2006) defines Value for Money as the "optimum combination of whole-of-life costs and quality (or fitness for purpose) of the good or service to meet the user's requirement. VfM is not the choice of goods and services based on the lowest cost bid".<sup>3</sup>

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1 This is a third of 1.64m council dwellings in England – the most recent local authority statistics made available by Department of Communities and Local Government. See DCLG (2016) Local authority housing statistics: year ending March 2015, England for more detailed information

2 .ICAI (2011) Approach to effectiveness and value for money, Report No 1.

3 HM Treasury (2006) Value for Money Assessment Guidance.

## Understanding service costs

For most members the key cost areas are; staff, call centre services, out of hour's services, repairs and maintenance services and IT systems. This section will explore the ways in which our members are actively pursuing value for money across these services.

### Building an agile workforce

Staffing costs amount for a substantial part of any social housing organisation's expenditure. The overall productivity and level of efficiency our members are able to achieve is therefore driven predominantly by their choices over employment structures and successful recruitment and retention. This is why ALMOs consider the development of their employees and culture fundamental to providing value for money.

To secure value in this area our members are continuing to invest heavily in their employees and culture to build a more agile workforce. Working in a more agile way has the potential to meet the organisation's evolving needs as well as control operational costs. This is achieved by introducing or encouraging flexible working, versatile physical work environments, supportive technology and management practices which encourage greater autonomy and empowerment at work.

#### Newark & Sherwood Homes: Changing Behaviours

Newark & Sherwood Homes has focused on IT, performance, technology, digital inclusion and developing people/culture for at least the past three years. This shift in focus has seen permanent changes in their professional and habitual behaviour boosting their agility. Employees now use smartphones, tablets and laptops with mobile working software and work scheduling software. This allows for the face-to-face customer roles, such as housing officers and surveyors, to be appointed in a similar way to repair operatives and resolve issues on site without a need to return to an office base.

In addition to this, they are introducing dynamic work scheduling which ensures that officer appointments are arranged in the most time and travel efficient way. This reduces travel costs and increases the productivity of officers through a reduction in missed appointments and speculative visits. A further benefit is the reduced need for office accommodation which can then be used flexibly.

It is acknowledged amongst our members nationwide that they need strong managers who are focused on driving up performance and improving the skill and capacity of their employees. Our members therefore place great importance upon hiring people with the right skills and attitude whilst subsequently providing a positive culture for them to work in. This helps retain great staff and motivate them to provide an excellent service. This has resulted in ALMOs regularly being recognised as good employers and placed in the Sunday Times 100 not-for-profit organisations to work for with five ALMOs being listed again in 2016: Stockport Homes, Poole Housing Partnership, Berneslai Homes, Wolverhampton Homes and Kirklees Neighbourhood Housing. Along with, an additional two members, Tower Hamlet Homes and Your Homes Newcastle, being ranked in the StoneWall top 100 employers.

### Modernising services

In order to modernise services some of our members have started to monitor work patterns and change them where required. Brent Housing Partnership has changed the shifts for resident engagement officers to an out of office hours shift pattern which includes weekends. This is so that they are available when residents are back from work and officers can attend evening meetings as part of their normal working day; rather than being asked to do additional hours over and above a conventional 9 to 5 office role. Newark & Sherwood Homes has also reviewed working patterns and have put surveyors and housing officers under the same working time regulations.

Efficiencies have additionally been achieved by delivering services through utilising existing staff in different ways. On the one hand, Poole Housing Partnership is reviewing its out of hours call service to make sure they drive more value from the contract. This is achieved by requiring the staff to carry out routine jobs such as checking equipment and administrative tasks whilst on call. On the other hand, some members are looking to see where services can be merged to provide efficiencies without losing services.

## STRETCHING THE PENNIES

Seeking to achieve Value for Money

Tower Hamlets Homes and Northwards Housing, for example, are reviewing their call centres and combining centres operated separately by the ALMO and the council to improve customer experience and increase efficiency. Stockport Homes is planning to introduce a 'one number' telephone service which will ensure a more informed and consistent service during and out of normal working hours, as well as generating efficiencies of approximately £930,000 over the next five years.

### Stockport Homes: Merging Inside

Stockport Homes recently merged their Carecall, a 24/7 telemonitoring service for older and vulnerable people, with the 24/7 concierge services which provide door entry and CCTV system monitoring for tenants. This merger created a £165,000 annual efficiency saving.

Sandra Coleing, Director of Corporate Services, said:

*"It has been a long project involving the unions and ensuring the service to customers is not affected but it is a successful example of improving efficiency in the organisation."*

### Poole Housing Partnership: Modernising Support

Poole Housing Partnership (PHP) has restructured its housing management teams to focus services where they are most needed. Increasingly, general needs tenants are likely to have support needs whilst many sheltered housing tenants no longer need regular and routine support services, due to people living longer and healthier lives. The service will therefore be streamlined so that housing support is tailored to the needs of individual sheltered residents. This will also enable them to also offer support services to vulnerable people in the general needs stock as well. These changes should achieve greater focus on need and improved value for money.

## Improving use of IT

Customers are now communicating with ALMOs through numerous channels; from the traditional methods, such as phone and email to the more modern means of communication i.e. mobile devices, online digital platforms and social media outlets. However most organisations still provide call centres which deal with high volumes of calls a day at a high cost. The developments in digital technology and the need to save money has prompted members to start streamlining their services by encouraging channel-shifting from call centres to on-line methods. Our members are trying to improve their use of technology throughout their organisations to provide value for money, improve customer satisfaction and develop supportive technology conducive to an increasingly agile workforce and digitally aware community.

### Lewisham Homes: Book, View & Have Your Say Online

Lewisham Homes launched a secure part on their website for tenants and leaseholders around 18 months ago. They now have more than 1200 residents who have signed up to receive access to their rent and service charge statements, payments and repairs history. The online platform also lets residents book repairs appointments and participate in polls/forums.

The flexible local housing company has also introduced self-service by text including rent balances and service charge balances. This is an automated service which sends a live balance update directly to the resident when requested.

They expect to stop sending rent statements from April 2016 which will result in immediate savings on print and postage for 2016/17. These combined measures are anticipated to improve customer satisfaction by providing more up to date information than was previously the case.

## Stockport Homes: At the Touch of a Button

Stockport Homes are investing in a bespoke Customer Relationship Management (CRM) IT system which will enable improved access to services online for their customers over the next five years. The system will provide them with a more streamlined and personalised service which works in conjunction with their new website, aiming to further encourage customers to access their services online.

The sector recognises the need to keep up with the fast pace at which technology is evolving and the subsequent importance of promoting digital inclusion within their communities. The majority of our members procure IT services and products from mainstream providers and then have them adapted to fit their own local circumstances; this is proving to be a very costly and cumbersome strategy. In light of this, they are paying particular attention to the cost at which services are being procured and the amount of flexibility and future-proofing these systems can provide. For some members this has led to the decision to bring much of their IT services in-house. Lewisham Homes insourced their IT in 2015 which has given them more freedom to develop online services and systems and react faster to technological advances and new products.

## Northwards Housing: Reduce Waste & Save

Northwards Housing have started to use *FollowMe printing* which allows users to print to a shared print queue, roam and release their print job from any enabled output device. This ensures printing is confidential to the user and reduces printed waste from documents left uncollected at the printer. As a result, Northwards Housing have saved approximately £66,000 per annum.

## Tower Hamlet Homes: GIS Mapping

Tower Hamlet Homes use a Geographic Information Systems (GIS) mapping solutions to facilitate online estate parking applications. This tool shows residents which garages and parking bays are available to rent in their local area.

The outcomes from the implementation of the GIS parking solution were:

- Elimination of the 45 minute administration time per application
- Reduction of the waiting list by around 50%
- Increase in the number of applications processed by 30% whilst reducing the administration staff by 33%
- Savings of £35,000 per year
- Increased annual income by £45,000 per year

## Repairs and maintenance services

Over time our members have started to manage their repairs and maintenance more and more internally through direct labour organisations (DLO), rather than outsourcing it to external contractors. Over half our members now have DLOs and three have a separate repairs or subsidiary company. This trend has been partly driven by market failure. Traditionally low levels of customer satisfaction in this area and high costs have encouraged them to reclaim the power of delivering services directly to their tenants; and improve quality as well as value for money of the work provided.

They are now showing that efficient, well managed DLOs can deliver savings to both the ALMO and the council whilst improving tenant satisfaction within the overall housing management service. DLOs also enable organisations to employ skilled workers within the community as well as apprentices at the start of their careers. This helps stimulate the local economy and reduces unemployment in the areas which they manage.

## STRETCHING THE PENNIES

Seeking to achieve Value for Money

### **Berneslai Homes: A Public-Private Partnership**

Berneslai Homes have two repair partners who carry out repairs and maintenance for all council homes in Barnsley. Their in-house construction services team covers two-thirds of the homes in the borough and Kier, an external contractor, covers the remaining one third. The in-house repairs team is expected to match their private sector counterparts, Kier, on price and quality. Their in-house repairs team (i.e. DLO) is measured against 21 key performance indicators similar to a contractor. They estimate that the current financial year will provide a £1.5m profit with £21m turnover.

Gary Williams, Construction Services Manager, tells us how the DLO has evolved since its introduction in April 2005:

*“Since its inception Construction Services has gone through a complete modernisation programme and we have introduced transformational changes that have improved service delivery and value for money. The organisation has gone through a number of phased restructures and has seen the rationalisation of work bases, the introduction of mobile technology, the renegotiation of staff terms and conditions, the introduction of out of hours appointment slots and a programme of training and development for managers. These changes have led to a number of marked improvements such as: higher customer satisfaction levels, reduced void costs, quicker turnaround time in voids, lower average job costs, less staff sickness absence and an improvement in a suite of Key Performance Indicators that measure quality, time and cost. Construction Services have returned a surplus every year since its formation and this has allowed reinvestment into services provided by Berneslai Homes.”*

### **Nottingham City Homes: Turn Your DLO Around**

In 2009 Nottingham City Homes recognised that their repairs and maintenance service was not performing as well as it should have, so they embarked upon a wholesale review of the service. The resultant programme of improvements aimed to modernise the DLO, improve productivity, performance, cost and customer satisfaction. They introduced new terms for craft operatives and mobile working to provide a more flexible, responsive and efficient service. In 2013 the council commissioned an external review of the DLO to validate the quality and value for money of the repairs service. The review assessed the repairs service as above average, and acknowledged the major advances they had made. It highlighted the ‘experienced, strong, highly knowledgeable and unified management team’ and how the entire DLO workforce was conscious of ‘the need to deliver an efficient service, that is also value for money based on sound commercial principles, with a strong focus on customer service’. This has been a major ongoing project. The DLO employs more than 450 people with an annual spend of around £30m, and have faced long-standing cultural issues that take time and effort to turnaround. They recognise there are still improvements to be made on an ongoing basis. However, over the last four years they have turned a deficit of £1.9m in 2009/10 to a surplus of £1.2m in 2013/14 and won the APSE Building Maintenance Most Improved Performer in 2013.

### **Kensington & Chelsea TMO: Repairs Direct**

Kensington & Chelsea TMO set up a commercial repairs company in 2013 which has a separate Board and Business Plan to the Tenant Management Organisation (TMO). The company is called Repairs Direct and is a wholly owned subsidiary of Kensington and Chelsea TMO. Their focus in the short to medium term has been to address the poor quality of the service provided previously and to improve customer satisfaction. Thus far, Repairs Direct has produced immediate savings of £50,000 as it has saved the Housing Revenue Account £750,000 in procurement fees. However, to fund the initial set up the new company required £700,000 investment from the TMO as a loan.

## Approaches to Value for Money

The sector uses a variety of ways to measure and provide value for money to both residents and their parent local authorities whilst ensuring their own sustainability. The following key themes have been distinguished as value for money strategies which are explored in further detail within this section:

- Impact assessments
- Partnership working with councils
- Growth agenda
- Reviewing customer engagement
- Social value

### Impact assessments

Our discussions with the sector highlighted the importance of carrying out full impact assessments on the core services as a way to identify high cost areas; and to find out if the money spent is achieving the desired outcome or not. Some have used external support on full scale reviews but others have integrated this approach into the annual management of the service. The latter entails input, output and outcome for each service area being reviewed regularly or individual teams carrying out set priority based budgeting exercises to identify the best ideas for savings which will deliver on the company's objectives.

#### Sutton Housing Partnership: Work for Results

Sutton Housing Partnership recently undertook an outcome based review of all of their services and looked at the total costs of providing each service and what it achieved. Some roles/tasks were hard to evaluate, especially in neighbourhood services. Nonetheless it was a very useful exercise as it made them aware of where the costs lay and led to behavioural changes in providing the services. To illustrate, the review identified that terminating introductory tenancies cost half the price of terminating tenancies after the introductory period. As a result, staff now pay particular attention to managing introductory tenancies well to prevent higher costs further down the line.

There is an acknowledgement within the sector that the solution will be different for each organisation depending on local needs and priorities as well as the availability of other services in the area. One members' review identified hoarders as high cost for the ALMO and that led to questions over whose role it was to provide support to those tenants – the ALMO or health and social care services. The ALMO is now drawing up new guidelines and drawing boundaries for the housing management service whilst having conversations with health authorities in the area. This is to ensure services are provided by the most appropriate agency. Another member carried out a review of the number of people working on the ground in housing management and the service they provide. Due to the demographics in the area and the wide array of social issues connected to deprivation; they decided that the impact of the high intensive housing management provided was worthwhile and saved money in the long term. They have therefore chosen to maintain that support for as long as possible.

A tried and tested way of measuring value for money within the social housing sector is through benchmarking against other similar organisations and measuring key performance indicators. Most ALMOs are members of HouseMark's Benchmarking Club which allows them to compare themselves on costs and performance to other social housing organisations across the country. This is a quick and easy way to identify service areas which are significantly high cost or under-performing compared to others and allows organisations to focus their analysis on the reasons why and make appropriate changes.

### **Nottingham City Homes: our VFM story 2005-2015**

Nottingham City Homes has a clear commitment to delivering great services and providing value for money. This has been a key corporate objective for them throughout their first ten years. Significant strides were made in identifying efficiencies and reducing their costs over recent years – including a reduction in their management fee of 22% since 2010. They have continued to improve services while making these savings. Last year NCH published a report to tell their Value for Money story to tenants which highlighted their modernisation approach. The approach aimed to deliver service efficiencies whilst improving customer satisfaction. For example the tenancy and estate management service was traditional in nature and managed from a number of dispersed locations. It was high cost, low-tech and labour intensive. They refocused the service, creating a single point of contact through their customer service centre, introduced mobile technology and reviewed their staffing structures. Overall the housing management review resulted in efficiencies of £2.26m.

### **Partnership working with councils**

Across the country there are an increasing number of ALMOs who are providing better value for money by sharing services and management with their parent councils, and/ or by bringing new council services into the ALMO. The strategy chosen by each ALMO and council depends on local circumstances and a review of which organisation is best placed to deliver the service and make efficiency savings. The outcome will be different in each area. Where the relationship between the ALMO and its council is focused on the best outcome for the service users, our members have found that significant savings can be made.

### **Brent Housing Partnership: All You Need is Less**

Brent Housing Partnership have saved £350,000 by reducing their number of offices to one satellite office for the regeneration areas and using their council's office instead of retaining their individual ones.

A few councils have also moved towards 'twin-hatting' posts in efforts to utilise both the ALMO and the council to save money and ensure more joined up working. This involves officers having a role within their parent council in addition to the ALMO. For instance, Lesley Roberts the Chief Executive at Wolverhampton Homes is also the Strategic Director of Housing for Wolverhampton City Council. In addition, the Chief Executive, Kerry Rickards, at Homes in Sedgemoor is also the Chief Executive of Sedgemoor District Council.

### **Eastbourne Homes: I'm a Hybrid**

Eastbourne Homes are two years into their new hybrid arrangement of working in partnership with the council. Adopting a twin hatted approach for the Managing Director of Eastbourne Homes who is also the Operations Director at the council. The arrangements are going well and both organisations agree on where the ALMO is best placed to deliver and where the council can add more value.

This partnership approach is also being used by ALMOs to deliver other council services in innovative ways. Many ALMOs work together with their council and social care/health partners to provide support to vulnerable tenants. For example when delivering adaptations or housing options across all tenures or providing telecare monitoring and emergency call line facilities for elderly residents. An increasing number of ALMOs are taking on homelessness services on behalf of their councils and many provide family support services too.<sup>4</sup>

## Growing the Business

As well as making savings to the Housing Revenue Account (HRA) many members are also making it a priority to provide savings or income to the council's General Fund (GF). They support their council's wider strategic objectives and their ability as flexible housing companies to contribute to this wider agenda. This allows ALMOs to make a real contribution to wider service delivery in their areas. According to our last members' survey half of our members currently deliver services to the wider market as a means of generating additional income for the organisation. With a further 18% indicating that they are considering developing commercially focused services in the future.

The most commonly developed services include:

- Care and support services to private homes
- Repairs, maintenance and gas services
- Estate and grounds maintenance

Moreover as ALMOs respond to their specific local priorities there is also a growing diversity in the types of services delivered.

### South Tyneside Homes: Sharpening the Saw

South Tyneside Homes manage 18,000 properties with 700 staff. They have an in-house DLO and were just providing the traditional council housing management service. However last year they underwent a full review with their council to inform the way forward from 2016 and have consequently completely changed their offer to them. Now they are taking on more functions such as housing advice, homelessness and temporary accommodation services and providing savings to the council in the process. They have also developed a new concept of area management; a high-performing service that understands the local area it serves and proactively deals with issues within communities. This has led to them taking on not only street cleaning on housing estates but also beach management, to ensure they maintain their local beach blue flag status which they helped to achieve.

### St Leger Homes of Doncaster: Doing What They Do Best & More

St Leger Homes is keeping their housing management services as the core element of their business but is looking to extend their services to the public, private and third sector. The local authority trading company is exploring offering housing management services, such as gas/repairs/24 hour call services, to the larger portfolio private rented sector market. They already provide these services to small-scale landlords.

Furthermore, the company is considering providing services to other public sector organisations, i.e. health/social and children's services. They are looking to provide back office services initially and then into buying/ managing buildings and offering procurement solutions i.e. repairs/maintenance. A joint private sector repairs service and local home improvement agency, with their Council, is also under consideration.

### CityWest Homes: Turn For Sale into Sold

City West Homes are generating income through their estate agency, CityWest Homes Residential, which also carries out acquisitions and sales for temporary accommodation. The estate agency is adding just over £310,000 per year to the General Fund besides covering its own costs.

The sector also recognises the importance of growth within the HRA to ensure that it is sustainable as a long term business and continues to provide the social rented housing required in each community. Since the inception of self-financing for the HRA, ALMOs have developed asset management skills to properly understand the value of their stock and make best use of it. At present, eight of our members manage the HRA on behalf of the council and the same number jointly manage it with their council, 42% having some role in the management of the HRA. This allows their councils to make the best use of our members' skills, knowledge and expertise.

## STRETCHING THE PENNIES

Seeking to achieve Value for Money

The revitalised Right to Buy for council tenants is a significant and on-going risk for most councils' HRA business plans along with the Government's new proposals to force councils to consider selling off high value voids. These reforms present a number of challenges to our members. One of the ways in which ALMOs are sustaining the social housing business and ensuring value for money across the whole stock is through new build and acquisitions. ALMOs first started building new homes in their communities in 2008. They work closely with their councils to make the most of new opportunities through the HRRRA self-financing business plan, HCA grant funding or partnerships with Housing Associations and private developers.

### Newark & Sherwood Homes: Stepping Forward into Growth

Newark & Sherwood Homes developed their HRA budget and business plan jointly with the council and has identified the Right to Buy as the biggest risk to the sustainability of the HRA. In light of this they are employing a three-pronged approach. Newark & Sherwood Homes are looking at a growth agenda and investment opportunities whilst interest rates are low. They are also reprofiling their debt and focusing on what they are getting out of their capital programme i.e. input, output and outcome. Last but not least, they are acquiring properties and using their ability to build new homes as an income generation path.

Rebecca Rance, Chief Executive at Newark and Sherwood Homes, states:

*"At Newark & Sherwood Homes we appraise every single property we acquire not just on costs but also on return on investment."*

### Berneslai Homes: Acquisition vs New Build

Berneslai Homes worked closely with their council on developing their HRA business plan and built 75 new homes under the Local Authority Challenge Fund. They had a new build programme for 110 properties up to 2020. Due to restrictions in social rent and other government policy changes for council housing, they are putting their new build programme on pause. Instead, Berneslai Homes are acquiring properties through a variety of means; the councils' empty homes strategy, RTB right of first refusal, Housing Association disposals and section 106 agreements. However, they appraise each one to ensure they are meeting social housing need and the properties are lettable and affordable. This strategy supports the replacement of lost stock in a value for money way whilst also supporting the councils' empty home strategy, the long term sustainability of neighbourhoods and economic growth in the area.

## Reviewing Customer engagement

Whilst all ALMOs pride themselves on their resident engagement and use resident feedback to improve both service delivery and cost effectiveness; it is important to also review the impact of different resident engagement strategies to ensure money, staff resources and residents' time is being used in the best way possible.

### Berneslai Homes: Engaging for Success

Berneslai Homes ensure they fully assess the impact of their customer engagement strategies each year. Their seventh Customer Involvement Impact Assessment found that they need to do less in the way of surveys as they are really only telling them that customers are happy with the service, and are ineffective at identifying service improvements. Therefore, throughout 2015/16 the number of surveys normally conducted will be reduced and more customers will be involved in mapping out their experience. This is in order to understand from a customer point of view what needs to change across the different service areas.<sup>5</sup>

Another ALMO who reviewed their current resident engagement strategy found that every scrutiny by the Resident Scrutiny Panel cost on average £1.2k each time and didn't really bring any benefit to the service or the tenants. They are now presenting the evidence to the tenants and the council to advise them to streamline this service.

<sup>5</sup> For more information please see their report: <http://www.berneslaihomes.co.uk/media/Get%20involved/Customer%20Involvement%20Impact%20Assessment/Customer%20Involvement%20Impact%20Assessment.pdf>

### Poole Housing Partnership: Value of Volunteering

Poole Housing Partnership (PHP) currently have 38 active volunteers who are involved in applying for grants/bids for resident involvement schemes. They deliver them at virtually no cost to the organisation, except for an employed part-time volunteer coordinator.

This saves a considerable amount of money on administration and allows them to still provide the additional services they couldn't afford to otherwise. It has proven to be difficult to quantify the savings incurred but, as a rough estimate, they are considered to carry out the roles of two full time members of staff and therefore save PHP at least £60,000 p/a.

Volunteers also have a wider societal impact as they deliver services which help improve the lives and wellbeing of tenants and help support the community. Without their volunteering services, PHP wouldn't be able to hold their coffee mornings/afternoons, provide dog-walking services and have help-at-hand for their Dementia Arts Workshops and Carers Support Group. Moreover, some volunteers have gained skills during their hands-on experience which have helped them enter the labour market.

### Including social value in value for money

ALMOs are driven by their social purpose and their mission as social housing organisations is to improve the lives of their tenants. Many, if not all, have some kind of objective to promote the wellbeing of the communities they serve. There is also a recognition that as locally focused housing providers they are in a novel position to be able to make a difference to both the environment and the people living there.

However, when providing value for money it is difficult to measure social value across the triple bottom line: the economy, environment and people. Despite this our members ensure that spending achieves as much as possible for their key stakeholders. Some members also make efforts to quantify the social return on investment; Berneslai Homes Poole Housing Partnership, St Leger Homes of Doncaster and Stockport Homes all use social value accounting as part of their analysis.

### Stockport Homes: Measuring Social Return on Investment

Stockport Homes are in the process of implementing the Housing Association and Charitable Trust (HACT) Wellbeing Social Value Bank tool. It is used as a form of objective measure for comparing the "value" of their non-core housing activities.

They have trialled the HACT model on an employment support project ran in conjunction with Remploy, which supports people with a disability into work. It showed that for every £1 invested in the project a notional Social Value of £2.59 was generated.

The trial demonstrated that it is relatively easy to use and doesn't require a disproportionate amount of resources to collect the data required to do the calculation.

### St Leger Homes of Doncaster: Social Accounting & Auditing

St Leger Homes carry out a social audit every year and use Social Accounting and Audit (SAA) methodology. This helps them to understand the value of the work that they do, the impact of their investment and to help them ensure that their limited resources are being best employed to make a difference to their customers.

Through three programmes (Decent Homes Apprentice programme, Craft Apprentice programme and World of Work Academy) they have supported 86 people into paid employment and significantly contributed to the economy. The savings to the national exchequer of 86 people (85 FTE) having at least one year in employment is approximately, £0.53 million and increased expenditure in the local economy may equate to over £1.1 million. Overall, there was a combined value of £1.65 million for 2014/15.

### Looking forward

As a sector, our members are certainly rising to the challenge and using their expertise, knowledge and experience to guide their companies through these uncertain times. Much of this is about old fashioned good management of the performance of staff, services and contracts that continues to pay dividends and save money. This is also coupled with a willingness to challenge existing practices, and adopt innovative new technology/processes to both improve efficiency and drive improvements in service standards.

In the coming years ALMOs will continue to put residents at the heart of what they do and provide services which deliver value for money, benefit the wider community and create social value. We are confident that our members will successfully adapt to change and remain distinguished within the social housing sector. With ALMOs being recognised as flexible local housing companies who work with their councils to build new homes, support communities and provide cost effective, excellent housing management services to all their customers.

### List of participating ALMOs

An invitation to a Value for Money symposium, which took place in February, was extended to all NFA members of which 12 attended. The themes identified from the discussions which took place were developed into questions for the remaining members to offer further insight. Those that attended the meeting are listed below:

#### Participating ALMOs

Berneslai Homes	Nottingham City Homes
Brent Housing Partnership	Poole Housing Partnership
CityWest Homes	South Tyneside Homes
East Kent Housing	St Leger Homes of Doncaster
Newark & Sherwood Homes	Stockport Homes
Northwards Housing	Sutton Housing Partnership

## The NFA team

Further details can be found at [www.almos.org.uk/nfa\\_team](http://www.almos.org.uk/nfa_team)



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# Retinue

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