

Evaluation of Best Value Guidance to RSLs

Case Study Report 3

Introduction

The purpose of this report is to provide a more detailed analysis of the different approaches to Best Value and continuous improvement being used by this housing association, and to examine how Best Value guidance has been implemented, what impact it and other mechanisms for achieving continuous improvement have had, and what influence tenants have had on services.

For the case study, interviews were undertaken with the chief executive, the members of staff with responsibility for the implementation of Best Value/continuous improvement, and the board chair. Two focus groups were held – one with association staff from a range of departments and grades, and one with tenants' representatives.

The case study also examined a range of documentation (the most recent Best Value Performance Plan (BVPP), information on Best Value provided to tenants, the methodology used to guide Best Value Reviews (BVRs), the corporate Business Plan, a copy of the Wales Audit Office Inspection Report and results of Key Performance Indicators (KPIs) and other information comparing the associations' year on year performance over the last 5 years).

Approach to Best Value/continuous improvement

The Association is a relatively small association operating in a large geographic area which is predominantly rural. It is proud of its "culture of improvement". It uses a range of improvement mechanisms, including:

- Investors in People (for personnel issues)
- Community Legal Services Quality Mark
- Green Dragon Environmental Standards
- Positive about Disable People
- Best Value (for overall reviews of services).

It has adopted a 'Methodology for Services Reviews'. The association says that the methodology closely follows the Assembly's Best Value guidance. They believe that the guidance was a very good document. The methodology was developed by an external consultant and drew extensively on the guidance and the association's approach to Best Value reflects the guidance very closely. The methodology has been refined but it still closely follows the guidance. The association considers that Best Value has clearly been the main driver of service improvement within the association.

Currently, the association has a 5 year rolling programme of BVRs, structured according to a standard methodology which incorporates the 4 Cs (consult, compare, compete, challenge). A 'stand alone' BVPP is produced, but there is considerable duplication of information in the BVPP and Business Plan. Limited information on Best Value is incorporated into the Association's annual report.

Reviews of services

The association has a rolling programme of BVRs, and this programme is reviewed annually by the Board, and revised if necessary to incorporate current priorities.

The association carries out approximately 2 reviews per year.

To date, it has carried out reviews of the following service areas:

- development
- void management
- finance
- rents and service charges
- lettings
- tenant participation and community development.

The following areas will be subject to BVRs in the medium term:

- tenancy management (on-going)
- supported housing
- personnel
- maintenance
- Care & Repair

Reviews normally take 4 months. The BVR on maintenance has been postponed because the extension of the consortium of which the association is a part incorporates maintenance procurement within its remit.

The BVR process adopted by the association has a number of key stages:

- Stage 1 – set up the review team
- Stage 2 – defining the scope of the review and timetable
- Stage 3 – production of a baseline statement - using all information currently available on the service under review (performance indicators, audit reports, survey results, etc.)
- Stage 4 – Applying the 4C's - the reviews considers why the service is provided, seeks the views of stakeholders and tenants on the service, compares performance and processes with other providers and considers whether the service could be provided more efficiently and effectively by another organisation
- Stage 5 – production of the review report and action plan.

Reviews teams are lead by the Senior Performance Officer, who chairs the first meeting of the group. The review team then selects a chair, who chairs the following 3 or 4 meetings of the team during the review. The review teams comprise the following:

- staff from different grades in the organisation. The review team includes one Director and one member of staff from each of the four departments within the Association
- the Senior Performance Officer who leads on Best Value/continuous improvement, who undertakes the majority of the work of the review, including the production of the review report
- occasionally, as appropriate, people from outside the organisation, eg. Shelter Cymru in the review of rent and service charges

- tenants (either involved or non-involved tenants) who have volunteered to participate in the review
- Board members

Staff involvement in reviews has been on the basis of appointment. The review concludes with a lunch to which all members of the review team are invited to thank them for their participation during the review.

Staff interviewed were positive about their involvement in BVRs. They stated that there had always been a culture of continuous improvement within the association and that the introduction of Best Value had given this more emphasis. Staff (particularly those working outside of the area under review) valued the opportunity to become involved in reviews because it provided them with the opportunity to extend their own knowledge about another aspect of the association's operation. The team meet on about four occasions during the review and make visits to other agencies. Staff stated that the review took about 1 working day of their time during the 3 to 4 month period of the review.

The Senior Performance Officer is responsible for undertaking all of the work relating to the review:

- establishing and servicing the review team
- developing the scope and timetable of the review
- developing the baseline statement
- provision of performance information in the association and other comparator associations
- production of the final review report.

Reviews result in a written report. The reports seen included:

- an executive summary – setting out the main conclusions
- an introduction providing context and defining the scope of the review
- a section setting out how the review was undertaken, including membership of the review team and details on how they addressed the 4C's
- a 'baseline statement' (providing a detailed analysis of the existing service)
- a SWOT analysis in relation to the service area
- the findings from the review
- an action plan (which are SMART and short term in focus).

The 4Cs were generally dealt with comprehensively, but 'compete' was dealt with only in terms of potential outsourcing and little detailed consideration was given to competition. This was a weakness of the review process acknowledged by the association itself.

Reports and action plans when completed are presented to the Senior Management Team (SMT), who are able to amend the report and action plan, if they consider that this is required. The SMT have not substantially altered a report to date.

Following the report's consideration by the SMT the report and action plan are presented to the appropriate committee of the association, who give detailed

consideration to the report and action plan. The association has 4 committees, covering the following areas:

- housing
- property
- personnel
- resources & audit.

Following consideration of the report and action plan by the relevant committee the action plan is presented to the full Board, for approval.

The association believes that BVRs have provided the opportunity to step back from day to day activities and allowed it to take a structured look at its services. Staff said that reviews “gave them a better understanding of the wider operation of the association” and that they were “able to bring back that learning into their own departments”.

The association says that its BVRs have clearly driven improvement in those areas of activity that have been reviewed, and that they are doing some things significantly differently now as a result of BVRs. They say that, in particular, BVRs of rents and void management have had a “massive impact”, significantly improving performance.

Involvement of tenants and residents

Tenants were not involved at the outset of the Best Value regime in establishing the priority given to suggested reviews and the order that reviews were undertaken in. Where the programme of reviews has been revised, tenants have not been formally consulted.

Tenants stated that they were involved in the development of the review methodology.

BVR teams include tenants. The association has one organised Tenant Association and volunteers are sought from this group to participate in BVRs. The association also advertises for tenants who are not connected with the existing Tenant Association to volunteer to participate in reviews. These adverts, which appear in the tenant newsletter, have resulted in a number of tenants being successfully recruited to BVR teams.

The association uses a variety of mechanisms for consulting with tenants during the review process, including:

- questionnaire surveys to a panel of 50 tenants
- telephone surveys with selected groups of tenants
- informal social events
- involvement in the development of a brief for a grounds maintenance contract and involvement in the recruitment and selection of the contractor.

Staff felt that tenant involvement in reviews was beneficial because “it was useful to get their perspective on services”, and “they were able to provide positive ideas about how to involve younger people, and suggested that we skewed the budget (for tenant participation) towards this group”.

Tenants felt that the one weakness of the BVR process was that it was generally the same people involved in the reviews, despite the best efforts of the association to engage with a wider group of tenants. The tenants felt that the association valued their involvement in BVRs, listened to the views that they expressed during reviews and made changes where it was appropriate to do so. The tenants personally valued their involvement in the reviews because it gave them a greater understanding of the way that the association operates.

Tenants' input has resulted in some significant changes. For example, during the rents and service charge review:

- tenants advised the association to pursue direct debit as a means of improving rent collection performance
- following complaints about the quality of the grounds maintenance contractor the Tenant Association was extensively involved in developing a schedule of work and appointing the contractor.

The association's performance in relation to rent arrears and rent collection has improved significantly following the conclusion of the review.

During the voids management review housing maintenance staff, housing management staff and tenants visited a series of empty properties to jointly determine the association's letting standard. The association's performance in relation to voids has significantly improved following the conclusion of the review.

Provision of information on Best Value, continuous improvement and performance

The association produces a BVPP. This contains information about reviews that it has undertaken, reviews recently completed, forthcoming reviews, and KPI information. This is sent to the Assembly, local authorities and neighbouring housing associations. Staff saw the usefulness of the BVPP as a document which summarised everything that came out of the implementation of Best Value within the association, but recognised that its usefulness was fairly limited. There was a recognition that the association would not necessarily prepare a BVPP if it was not a requirement. Staff expressed surprise that they had never received any feedback from the Assembly on the BVPP.

A summary of information on Best Value is also contained in the association's annual report. A copy of the annual report is sent to all tenants, and to a very wide range of stakeholders and partners. Information on Best Value is also contained with the association's Business Plan.

The association does not produce separate information for tenants about Best Value, continuous improvement and performance, but tenants receive copies of the annual report, and tenant newsletters (2 per year). Newsletters contains performance information and information about BVRs.

The association stated that it receives little feedback from tenants on the information it provides them, but the information is read because the association receives telephone calls from tenants volunteering to participate in future BVRs.

Monitoring of Best Value/continuous improvement

The association recognised that its system for monitoring Best Value/continuous improvement needs to be strengthened.

The association maintains an intranet based register of recommendations arising from BVRs. This is maintained by the Senior Performance Officer and sits alongside the internal auditor's register of recommendations.

The implementation of BVR action plans is monitored by the SMT, who rely on the Senior Performance Officer to inform them of non-achievement of the targets contained in the action plans.

The Senior Performance Officer has responsibility for Best Value and brings any improvement issues to Senior Management Team for discussion. The relevant Director is responsible for ensuring that BVR action plans are implemented.

The Board receives high level performance information on a regular basis.

Outcomes

The Assembly's Best Value guidance states that the objectives of Best Value are to:

- promote continuous improvement in service delivery
- increase the influence of tenants on the delivery of services
- deliver cost-effective, efficient and effective services.

How successful has this association been in delivering these objectives?

Are services improving?

The association strives hard to achieve high standards of service. Both the Board and staff members interviewed stated that services were improving, particularly rent collection and void management as a result of the BVRs undertaken in these two areas. Tenants' views were that services had always been good and provided good value for money.

The table below summarises the association's performance against KPIs over the last 4 years.

KPIs	2002/03	2003/04	2004/05	2005/06 ¹
Vacant units	0.81%	0.53%	0.65%	0.50%
Vacant units > 6 months	0.40%	0.53%	0.52%	0.44%
Rent loss due to voids	2.87%	2.06%	1.51%	1.39%
Rent due from current tenants	1.75%	1.67%	1.48%	1.34%
Days to relet vacant units	14	12	10	8.56
Rent collected as % of rent collectable	96.80%	96.50%	98.4%	99%
Tenancies in arrears	54%	44%	53%	43.58%
Emergency repairs completed within target	94.07%	97.52%	97.74%	99.16%

¹ Figures supplied by the association, not yet published

Urgent repairs completed within target	95.88%	96.54%	96.63%	96.46%
Non-urgent repairs completed within target	99.47%	97.06%	98.06%	98.6%
Housing management cost per unit	£405	£444	£502	£548
Rent owing by former tenants	1.40%	1.40%	1.10%	0.92%
Arrears written off	0.40%	0.30%	0.20%	0.17%

As evidence for the quality of its services, the association cites:

- historical performance data
- customer satisfaction with services (measured via a recent comprehensive customer survey which showed that 89% were either very satisfied or satisfied with the services provided by the association)
- the Wales Audit Office inspection report
- fewer complaints from tenants.

The association attributes its success in improving services to the culture of the organisation. Staff felt that there was a common sense of purpose within the association to seek to continuously improve the services provided to tenants and a willingness to learn from the experience of others.

The association believes that Best Value has had a large role in its success in improving services, channelling the culture of improvement within the association. It believes that BVRs themselves have contributed to the improvement of services:

- the methodology that the association has adopted has meant that reviews of services are undertaken holistically, taking on board a wider perspective of tenants and other departments within the association rather than a narrow departmental perspective
- the board, staff and tenants can see that improvements have taken place as a result of BVRs
- the investment of staff, board and tenant resources in the reviews is a substantial but an invaluable investment by the association in driving forward the improvement of the association's services.

Is the influence of tenants increasing?

The association is a relatively small association operating over a large geographical area and has found tenant involvement a challenge. The dispersed and small scale nature of its developments has meant that there is little demand from tenants to form tenant associations. It has one independent tenant association, with whom it has signed a tenant participation compact. This association, whilst taking an active part in service improvement initiatives, is also an active social group.

The major change in terms of tenant influence was the introduction of tenant board members in 2001, rather than the introduction of Best Value. One fifth of board members are tenants, who are elected on a geographical basis by tenants of the association.

Tenants themselves were very positive about the efforts the association made to seek tenant involvement and about the degree of influence that they had in the association.

Whilst tenants stated that the numbers of tenants who are involved in activities has not grown, their influence has grown because of the association's willingness to listen and take on board the views of tenants. Tenants (from the Tenant Association) stated that through attending tenant conferences they have realised that their experiences of engaging with their landlord are far more positive than the experiences of tenants from other tenants' groups in Wales.

Is the association delivering cost effective, efficient and effective services?

The staff and board of the association considered that the association provided cost effective, efficient and effective services across all areas of the association's activities, but recognised that there was always room for improvement.

They cited the high levels of tenant satisfaction recently reported, the housing management and maintenance costs when compared with other comparable associations and (in particular) with those within their consortium, and the recent inspection report produced by the Wales Audit Office.

Staff members identified the following areas specifically:

- maintenance – the association performs best in terms of costs and response times across the consortium
- finance – the BVR has led to significantly improved efficiency
- housing management – good KPI scores and high levels of tenant satisfaction

Tenants stated that they considered that the services provided by the association overall represented good value for money.

Staff and Board members attributed the provision of cost effective, efficient and effective services to the culture within the association of challenging what they do and how they do it. Both staff and board members felt that Best Value and the methodology adopted by the association had played a significant role in this success.

Effect of development consortia

The association believes that the establishment of the development consortium has, and will, offer opportunities for driving continuous improvement. The feeling of staff and Board members was that it was still too early to say how.

The development of the consortium has taken significant staff time and is focussing exclusively on the development and maintenance functions. The members of the consortium have developed maintenance performance indicators with the involvement of tenants, and these are used on a quarterly basis to compare performance across the consortium members. Members now have the ability to monitor the performance of individual contractors on a geographic basis, which should enable the association to work with contractors to improve performance.

The association has a strong community focus and has a policy of working with local contractors and suppliers. Staff felt that the most likely impact of consortia will be future procurement savings, particularly on maintenance activities, but there was concern that

this would not necessarily lead to improvement in services to tenants and could impact adversely on the policy of using local suppliers.

The future of Best Value

The association is generally happy with the guidance offered by the Assembly on Best Value. If there is to be revised guidance on Best Value or continuous improvement, the association would like to see greater guidance on tenant and service user involvement.

Conclusion

The association has a clear culture of improvement, and, whilst using a range of improvement mechanisms, suggests that Best Value is the main driver of improvement within the association. Its Best Value methodology continues to follow the spirit of the Assembly guidance.

The association carries out 2 BVRs per year within a 5 year rolling review programme. Reviews apply the 4Cs to areas for improvement. To date, the programme has covered approximately two-thirds of the association's activities. Review teams are currently led by the staff member responsible for Best Value. They select their own chairs and comprise staff from different grades in the organisation (from inside and outside the area under review) and, occasionally, people from outside the organisation. Review teams also include tenants and Board members. Staff, particularly those who operate outside of the area under review, speak positively of their involvement in the reviews. Reviews result in comprehensive written reports which include (generally SMART) improvement plans, and the association believes that BVRs have clearly driven improvement.

Tenants are involved in BVRs. Volunteers are sought from the Tenant Association and from non-involved tenants through adverts placed in the tenants newsletter. Staff welcomed tenant involvement in reviews. Tenants suggested that the limited number of tenants who get involved in the BVRs was the main weakness of the BVR process, but that they too valued the opportunities provided to participate in reviews and felt that their contributions were valued by the association.

A separate BVPP is produced, and information is also contained in the association's Annual Report and Business Plan. The Annual Report is sent to all tenants and a wide range of stakeholders and partners. Circulation of the BVPP and the Business Plan is not so wide.

The association recognises that its system for monitoring the implementation of Best Value needs to be strengthened, to make it more effective.

The association is performing well in relation to KPIs and a recent Wales Audit Office inspection report. The association and its tenants attribute this to the culture of improvement within the organisation, but say that Best Value has had a large role in that success.

The association is very proud of its customer focus and the relationship it has with its tenants, and believes (as do its tenants) that tenant influence is continuing to grow. However, it does not believe that this has been driven by Best Value, but is the result of

the culture of the organisation and the introduction of tenant board members in 2001. Best Value has meant that the association has tried a wider range of approaches to engaging with and seeking the views of tenants.

The association is content with the guidance on Best Value provided by the Welsh Assembly Government, but would wish the guidance on tenant involvement in reviews to be strengthened, providing more practical assistance to landlords.

The table below summarises the association's approach in relation to the Assembly guidance 'Best Value for Registered Social Landlords'.

Assembly guidance	Association's approach
Production of BVPP, or incorporation of requirements listed below within existing corporate documents:	Production of a BVPP. Information also provided in Business Plan and Annual Report.
<ul style="list-style-type: none"> statement of strategic aims 	4 key aims of the association clearly set out
<ul style="list-style-type: none"> summary of performance against stated objectives and targets 	Key targets of the association set out. Performance in relation to KPIs clearly set out.
<ul style="list-style-type: none"> comparison of results with other RSLs, other social landlords, and published BVPIs 	KPIs compared with other comparable associations in the region
<ul style="list-style-type: none"> key findings report on past year's service reviews, and summary of resulting action plans 	Clearly set out in BVPP
<ul style="list-style-type: none"> summary of service review programme for year ahead 	Clearly set out in BVPP
<ul style="list-style-type: none"> statement of how the RSL will address equality issues within its reviews 	Clearly set out in BVPP
<ul style="list-style-type: none"> statement of targets for the next year, and longer term targets, and commentary on the means by which it will achieve those targets 	Longer term targets of the association set out in chapter on Aims and Values. No commentary provided on their achievement.
Wide circulation of BVPP or summary to all tenants and stakeholders	Copies to WAG, local authorities in areas of operation and housing associations in region. Tenants receive information in tenant newsletter.
Adoption of SMART performance targets	Summary action plan in BVPP SMART.
Development of clear and effective methodology for reviews	Guidance very clearly sets out process to be followed during service reviews.
Use of 4Cs	Clearly set out in methodology
Rolling 5 year programme of service reviews	Clearly set out in methodology
Covering all aspects of association's business	Clearly set out in methodology
Consultation with tenants on programme of reviews	Clearly set out in methodology
Development of tenant participation compact(s)	Compact in place with one local tenant group. General tenant participation compact also in place.
Establishment of clear methods for measuring and reporting on customer satisfaction	Yes. Tenant satisfaction survey undertaken.
Integration of principles of BV into everything association does	Yes. Strong culture of self challenge and improvement.