



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

An evaluation of Best Value Guidance for Registered Social Landlords



Dadansoddi ar gyfer Polisi

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Chapter 1 - Introduction

1. Background

1.1 Best Value was introduced into local authorities by central government in 1997 on a pilot basis, and became a statutory requirement under the Local Government Act, 1999. In April 2002, Best Value principles were introduced as a non-statutory requirement for housing associations. Whilst there is no statutory requirement for housing associations to work along Best Value lines, the Welsh Assembly Government made a commitment to apply Best Value principles to all social housing and, in 2001, issued Best Value guidance for Registered Social Landlords¹.

1.2 The Welsh Assembly Government's stated objectives for Best Value, as it applies to housing associations in Wales, are to:

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

1.3 The guidance requires all housing associations to:

- produce an annual Best Value Performance Plan;
- develop a clear and effective methodology for reviewing services, activities and processes, using the 4Cs - challenge, consult, compare and compete;

- develop a rolling programme of service reviews, to ensure that every aspect of their business is reviewed within a maximum 5-year period;
- develop a Tenant Participation Compact or Compacts, setting out how the association will involve its tenants in its activities, and the resources that will be made available to support this; and
- establish clear methods for measuring and reporting on customer satisfaction with its services.

1.4 Since the introduction of the Best Value regime for Registered Social Landlords, several policy developments have changed the context within which associations operate. These are discussed in Chapter 2, and include, for example, the introduction of the Wales Programme for Improvement (WPI) to replace the Best Value regime for local authorities, the introduction of a National Performance Measurement Framework for local authorities and housing associations, and changes to the regulatory regime in which Registered Social Landlords operate, including a new Regulatory Code and the introduction of a new inspection regime.

1.5 The Welsh Assembly Government made a commitment² that there would be an early review of the Best Value guidance and its application by Registered Social Landlords, to ensure the guidance was appropriate, and was meeting its stated objectives.

¹ National Assembly for Wales (2001a).

² National Assembly for Wales (2001b).

In view of the changing policy context outlined above, this research project has two key objectives:

- to determine the effectiveness of the Best Value guidance in achieving its aim of enabling Registered Social Landlords to apply the principles of Best Value to their work and to achieve Best Value policy objectives; and
- to make recommendations for the future development of the Best Value regime as it applies to Registered Social Landlords in Wales.

2. Research Methods

2.1 The research project was carried out by Anne Delaney, Tamsin Stirling and Simon Inkson of Housing + Cymru. Fieldwork for the research was conducted between January and July 2006. A Project Steering Group³ comprising staff members from the Housing Directorate of the Welsh Assembly Government, representatives of the Welsh Local Government Association and Welsh Federation of Housing Associations, and a member of the academic staff at Cardiff University, met regularly during the project to receive progress reports and to act as a sounding board for the research outputs.

2.2 There were three main phases in the research design.

Policy/literature review and key interviews

2.3 The aims of this phase of research were:

- to build up a comprehensive picture of different approaches to continuous improvement, with a focus on the three objectives of Best Value as set out in Welsh Assembly Government guidance to Registered Social Landlords;

- to develop a full understanding of the Welsh policy scene so that recommendations for the future approach to continuous improvement for Registered Social Landlords in Wales fit this broader context; and
- to inform subsequent research phases, including the telephone interviews and case studies, as well as the policy recommendations for the future development of the Best Value regime operated by Registered Social Landlords.

2.4 The policy/literature review drew upon a large and diverse range of literature on Best Value and continuous improvement, and included:

- a UK-wide review of the different policy contexts for Best Value and continuous improvement via an analysis of relevant policy documents, guidance and legislation;
- a review of the academic and other literature on Best Value and continuous improvement; and
- a review of literature evaluating the success of different models of continuous improvement.

2.5 Face-to-face and telephone interviews were carried out with a range of key stakeholders⁴, including housing professional bodies, organisations representing tenants, and organisations with responsibility for Best Value and continuous improvement in Wales, England and Scotland, with the aim of:

- clearly establishing the current policy framework;
- obtaining information on likely future developments; and

³ Membership of the Steering Group is listed in Appendix 1.

⁴ A list of key stakeholders interviewed is shown in Appendix 2a.

- ascertaining their views on the implementation of different approaches to continuous improvement in practice (including Best Value guidance in Wales) and the extent to which they have driven, or assisted in achieving, their objectives⁵.

2.6 The results of this phase of the research are shown in Chapters 2 and 3 of this report.

Telephone interviews

2.7 Telephone interviews were carried out with the chief executive or senior manager of 31 of the main developing Registered Social Landlords in Wales⁶.

2.8 The aim of the telephone interviews was to provide an overview of the implementation of Best Value guidance by Registered Social Landlords, in order to:

- identify the extent to which Best Value guidance had been implemented;
- understand associations' perception of and experience of implementing Best Value guidance; and
- ascertain the effectiveness of the guidance in enabling the policy objectives of the Best Value regime to be realised⁷.

2.9 An analysis was also carried out of associations' Best Value documentation, including:

- the housing association's most recent Best Value Performance Plan or equivalent; and
- information on Best Value provided to tenants.

2.10 The results of this phase of the research are shown in Chapter 4 of this report.

Case studies

2.11 Case studies were carried out in six housing associations.

2.12 The purpose of the case studies was:

- to look in more detail at the approaches Registered Social Landlords have adopted to Best Value and continuous improvement; and
- to provide a 360-degree view of Best Value and continuous improvement to supplement the views of the single senior officer obtained via telephone interview.

2.13 The six housing associations were selected to include:

- associations where Best Value was the only or main driver for continuous improvement, and associations where Best Value played a minor part or no part in the organisation's approach to continuous improvement;
- associations where the approach to Best Value/continuous improvement was embedded in the organisation's business processes, and associations with a 'stand-alone' approach to Best Value/continuous improvement;
- small and large associations;
- general needs only associations and associations with a broader remit than general needs; and
- associations from different development consortia.

⁵ A list of questions put to key stakeholders is shown in Appendix 2b.

⁶ A list of associations participating in telephone interviews is shown in Appendix 3a.

⁷ A list of telephone interview questions is shown in Appendix 3b.

2.14 Case studies involved:

- an interview with the chief executive;
- an interview with the member(s) of staff with responsibility for the implementation of Best Value/continuous improvement;⁸
- an interview with the Board chair;⁹
- a focus group with a group of housing association staff from a range of departments and grades;¹⁰ and
- a focus group with members of the association's tenant panel/tenant forum¹¹.

2.15 Case studies also included a review of documentation, including:

- the housing association's most recent Best Value Performance Plan or equivalent;
- information on Best Value provided to tenants;
- the methodology used to guide reviews;
- the housing association's corporate plan;
- results of key performance indicators for the last 5 years; and
- any other information comparing the housing association's year-on-year performance over the last 5 years.

2.16 Case study reports have been used to inform Chapter 4 of this report, and provide practical examples to illustrate key points. Anonymised case study reports are published electronically as technical appendices to this report, and can be found on the Welsh Assembly Government website¹².

3. Structure of the report

3.1 The remainder of the report is structured as follows:

- Chapter 2 reviews the current policy context for Best Value and continuous improvement in England, Scotland and Wales, and the likely changes to the current policy context in Wales;
- Chapter 3 reviews the effectiveness of different models of continuous improvement, drawing on key interviews and published evaluations;
- Chapter 4 draws on the results of telephone interviews and case studies to set out the current all-Wales picture regarding the application of Best Value and continuous improvement in Welsh housing associations; and
- Chapter 5 draws out the key themes and conclusions emerging from the evaluation, and makes recommendations for the future development of the Best Value regime for housing associations in Wales.

⁸ A list of questions put to the chief executive and to staff member(s) responsible for the implementation of Best Value/continuous improvement is shown in Appendix 4a.

⁹ A list of questions put to the Board chair is shown in Appendix 4b.

¹⁰ A list of questions put to the staff focus group is shown in Appendix 4c.

¹¹ A list of questions put to the tenants' focus group is shown in Appendix 4d.

¹² www.wales.gov.uk

Chapter 2 - The current policy context

1. Continuous improvement across the UK

1.1 The literature review and key interviews included relevant documents and individuals involved with continuous improvement across the UK. Table 1 below summarises the key elements of each approach, to assist in identifying the main similarities and differences.

1.2 It can be seen from the table that different approaches are taken to continuous improvement for both Scottish and Welsh local authorities compared to the other groups. In neither is the 4Cs a required element of the approach. The Scottish and Welsh local authority approaches emphasise the importance of continuous improvement / Best Value principles being embedded within wider strategic and corporate planning processes.

Table 1: Continuous improvement across the UK

	Welsh Housing Associations	Welsh Local Authorities	English Housing Associations
Overarching mechanism(s) for continuous improvement	Best Value	Wales Programme for Improvement	Best Value/Efficiency agenda
Objectives	<p>To promote continuous improvement in service delivery</p> <p>To increase the influence of tenants on the delivery of services</p> <p>To deliver cost effective, efficient and effective services</p>	<p>To secure continuous improvement in the way in which authorities exercise their functions, having regard to a combination of economy, efficiency and effectiveness</p> <p>To consult widely on how to do so, and report publicly on the outcome</p>	<p>To strengthen the influence of residents over the design and delivery of services they receive</p> <p>To deliver high quality and cost effective services</p> <p>To achieve continuous improvement in the services delivered to residents and others</p>
Main elements/ processes	<p>Annual Best Value Performance Plan</p> <p>Methodology for service reviews which incorporates the 4Cs</p> <p>Review of all services over 5 years</p> <p>Tenant participation compacts</p> <p>Clear methods of measuring and evaluating customer satisfaction</p>	<p>Annual performance assessments</p> <p>Joint risk assessment</p> <p>Periodic reviews</p> <p>Using performance information</p> <p>Communication and accountability</p> <p>Improvement and regulatory plan</p>	<p>Service statements revised periodically</p> <p>Comprehensive service reviews based on 4Cs</p> <p>Performance plans emerge from service reviews</p> <p>Performance reports</p> <p>Annual efficiency reporting</p>
Links to regulation	Regulatory Code includes continuous improvement and refers to Best Value guidance		Regulatory Code includes continuous improvement and value for money and refers to Best Value techniques

	English Local Authorities	Scottish Housing Associations	Scottish Local Authorities	Northern Ireland Housing Associations
	Best Value/Corporate Performance Assessment (CPA)	No separate mechanism - Best Value principles seen as threaded through Communities Scotland existing guidance	Best Value	Best Value
	<p>To deliver services to clear standards - of cost and quality - by the most economic, efficient and effective means available</p> <p>To demonstrate to local people that authorities are achieving continuous improvement in all services</p>		<p>The need to secure continuous improvement</p> <p>The need to provide customer and citizen focused public services</p> <p>The need to achieve the best balance of cost and quality in delivering services</p> <p>The need to have regard to economy, efficiency, effectiveness and the equal opportunity requirements</p>	<p>To strengthen the influence of residents over the design and delivery of the services they receive</p> <p>To deliver high quality and cost effective services</p> <p>To achieve continuous improvement in the services delivered to residents and others</p>
	<p>Targeted service reviews based on 4Cs</p> <p>Annual Best Value Performance Plans</p> <p>Assessment via CPA which tests how well councils understand their communities and provide community leadership, how this understanding translates into council's ambitions and priorities and what, in practice, councils are achieving</p>	Performance standards - guiding standards include commitment to continuous improvement	<p>Commitment and leadership</p> <p>Responsiveness and consultation</p> <p>Sound governance</p> <p>Sound management of resources</p> <p>Use of review and options appraisal</p> <p>Competitiveness, trading and discharge of authority functions</p> <p>Sustainable development</p> <p>Equal opportunities</p> <p>Joint working</p> <p>Accountability</p>	<p>Service reviews based on 4Cs</p> <p>Performance plans follow reviews</p> <p>Service statements</p> <p>Annual performance reports</p>
	Best Value is placed within context of CPA, and freedom and flexibilities agenda	Common regulatory framework with local authorities	Common regulatory framework with housing associations	

2 Welsh policy context overview

Wales: A Better Country

2.1 The current Welsh Assembly Government administration set out its strategic agenda in the document *Wales: A Better Country*¹³ published in September 2003. This sets out four strategic priorities for the Welsh Assembly Government:

- helping more people into jobs;
- improving health;
- developing strong and safe communities; and
- creating better jobs and skills.

Wales: A Better Country also sets out a series of key objectives:

- promoting the economy;
- action on social justice within communities;
- action in the built and natural environment;
- strengthening Wales' cultural identity;
- ensuring better prospects in life for future generations;
- supporting healthy, independent lives; and
- promoting openness, partnership and participation.

Making the Connections

2.2 A key element of the Welsh Assembly Government's agenda is its vision for the future of public services, which is set out in *Making the Connections: Delivering Better Services for Wales*¹⁴ published in October 2004. This makes the case for a collaborative model of reform rather than a competitive one. This reform is set within the context of a significant increase

in investment in public services from £7 billion in 1999/00 to nearly £14 billion by 2007/08.

2.3 The document sets out four principles for better services and the action that will be taken to put these principles into practice:

- citizens at the centre - services should be more responsive to the needs of users, accessible and designed and delivered with the active participation of citizen, communities and businesses;
- equality and social justice - every citizen must have the opportunity to contribute to the social and economic life of Wales. Resources will be targeted to where the need is greatest;
- working together as the Welsh Public Service - improving service delivery will be achieved by more co-ordination between providers rather than competition. Services should be delivered by whichever organisations are best placed to secure the outcomes needed. Some services are best delivered by regional or national centres of expertise, but they will still be accessible to all;
- value for money - the Welsh Assembly Government is determined that people in Wales should get the greatest possible value from the investment in public services. A target figure of £600 million has been set for improved value for money across the major public bodies by 2010 through more efficient ways of working, achieving cost reductions or service improvements. The target figure is equivalent to approximately 5% of total current investment in public services. Smarter procurement will include reshaping the Wales Procurement Initiative as Value Wales. Streamlining

¹³ Welsh Assembly Government (2003).

¹⁴ Welsh Assembly Government (2004b).

support functions, reshaping services and making better use of the time, skills and expertise of staff will all play a role in ensuring improved value for money.

2.4 Published in June 2005, *Delivering the Connections*¹⁵ is a five-year action plan for delivering better services based on the vision set out in *Making the Connections*. *Delivering the Connections* notes, in order to achieve the vision, organisations providing services must:

- design planning processes which create avenues for genuine participation in decisions about the running of their public services at an early stage;
- listen and respond to the messages they receive;
- take steps to inform people about service standards, performance and challenges;
- create opportunities for people to express their views and concerns proactively;
- identify barriers that disadvantaged groups face in engaging in the running of their public services and implement solutions to overcome these barriers; and
- demonstrate how people's views are helping to shape the provision of their services.

2.5 The document includes the Welsh Assembly Government's top ten commitments to 'Making it Happen'. Two of these are particularly relevant to this project:

- standards - put in place core standards of customer care for public services in Wales; and
- participation - develop new core standards for public participation in service planning and delivery,

to include a particular focus on effective engagement with disadvantaged groups.

Core Principles for Public Service

2.6 In July 2006, the Assembly published a consultation document on *Core Principles for Public Services*¹⁶ and accompanying good practice guidance. The principles were developed drawing on citizen research and the expertise and views of a group of stakeholders. The purpose of the core principles is to establish a common vision for strengthening customer service which extends across the public service in Wales. The document proposes five core principles for public services as follows:

- access - citizens will be able to find and access the information, advice and services they need (whether by phone, in person, through third parties or through self-service or electronic means) and get a timely response with information and advice they are able to understand;
- personal experience - citizens will be dealt with politely, shown care and dignity, have options explained openly and constructively and be kept informed of progress. Citizens and public services also need to treat each other on the basis of mutual respect;
- responsiveness - citizens will be offered services that take into account their needs/circumstances and any barriers they might face;
- language options - citizens who prefer to access and use services in English or Welsh, or need to use minority ethnic languages or British Sign Language will be able to do so; and

¹⁵ Welsh Assembly Government (2005a).

¹⁶ Welsh Assembly Government (2006c).

- redress - citizens will find it easy to complain and get things put right when the service they receive is not good enough.

2.7 The core principles paper sets out what constitutes a good service in respect of each of the five principles, while the good practice document provides advice for providers of public services on how to put the principles into practice (illustrated by examples of notable practice).

Wales Programme for Improvement

2.8 The Wales Programme for Improvement sits alongside *Making the Connections* as the main continuous improvement mechanism for local government in Wales. Revised guidance on the Wales Programme for Improvement was issued in December 2005. The main changes this introduced are:

- removing the requirement on local authorities to undertake whole authority analysis;
- a more flexible approach to reviewing functions and processes;
- simplification of the process for improving planning, delivery and reporting;
- a more rigorous approach to communicating improvement activity to a wide range of audiences;
- a broader definition of risk;
- the inclusion of annual targets for efficiency gains; and
- placing clearer emphasis on equality and sustainability in improvement planning.

2.9 The main elements of the Wales Programme for Improvement are now:

- annual performance assessments;
- joint risk assessment;

- periodic reviews;
- using performance information;
- communication and accountability; and
- an improvement and regulatory plan.

2.10 One of the key features of the Wales Programme for Improvement is its non-prescriptive nature which has, in general, been welcomed by Welsh local government. However, this flexibility presents a challenge to measuring the outputs achieved by the programme. The Wales Audit Office produces an annual report on the Wales Programme for Improvement. The most recent report¹⁷ published in April 2006, which reports on the year 2004/05, notes the following:

'We have found that flexibility is a key feature of the Wales Programme for Improvement framework and has been instrumental in securing commitment to it but, as a consequence, it is difficult to comprehensively and consistently demonstrate improvement. The Wales Programme for Improvement framework is being applied appropriately and the overall picture of risk and performance is mixed, with some good signs of improvement.'

2.11 The report makes a number of suggestions for improvement including:

- the development of minimum service assessment criteria or minimum service standards to inform the risk assessment process; or
- the use by all authorities of a recognised risk assessment or evaluation methodology such as the European Foundation for Quality Management.

The report also notes, the new Performance Measurement Framework (see paragraphs 2.12 and 2.13 below) should improve

¹⁷ Welsh Assembly Government (2006c).

the ability of authorities to measure the outcomes of their services in a way that can be compared with others.

Performance Measurement Framework for Local Government in Wales

2.12 A series of other related mechanisms and processes support the implementation of the Wales Programme for Improvement and *Making the Connections*, including a new performance measurement framework for local government and policy agreements.

2.13 In 2003, the Local Government Modernisation Directorate of the Welsh Assembly Government commissioned a fundamental review of the Performance Measurement Framework for Local Government in Wales, led by the Local Government Data Unit Wales. A new set of statutory National Strategic Indicators was introduced for 2005/06 and April 2006 saw the introduction of new core sets of indicators for each key service area. Housing has a number of such areas - supported housing, homelessness and housing advice, private sector renewal and landlord services. For landlord services, Registered Social Landlords will be expected to report on the same indicators as local government, enabling comparison between the sectors. Shared outcomes indicators (where local government does not have sole responsibility for delivering services) and user surveys are being developed during 2006/07 as complementary elements of the performance measurement framework.

Policy agreements

2.14 Policy agreements between individual local authorities and the Welsh Assembly Government set out what the local authority aims to achieve

as its key contributions towards shared strategic priorities, over a three-year period. In return for making and delivering upon the agreement, the Welsh Assembly Government makes a Performance Incentive Grant to the authority, which the authority can deploy as it sees fit. The purposes of policy agreements are to draw an explicit link between local and national priorities, and to set out specific measures of success, so that the public can see whether progress is being made. The key themes within policy agreements are the four strategic priorities in *Wales: A Better Country* and the Welsh Assembly Government sets out a number of indicators that authorities are expected to set targets against. Authorities can also set their own priorities within policy agreements.

3. Welsh policy context: housing

Better Homes for People in Wales

3.1 The Welsh Assembly Government's national housing strategy *Better Homes for People in Wales*¹⁸ was published in July 2001. Its vision is for:

'everyone in Wales to have the opportunity to live in good quality, affordable housing; to be able to choose where they live and decide whether buying or renting is best for them and their families.'

3.2 The strategy has a number of key themes:

- quality;
- affordability and choice;
- homelessness; and
- meeting the housing requirements of disadvantaged people.

¹⁸ Welsh Assembly for Wales (2001b).

3.3 The strategy document notes, Best Value provides a framework for improving the way in which housing and other services are provided by local authorities and for making the delivery of those services much more accountable. It also notes, the Welsh Assembly Government had consulted widely on the introduction of Best Value to Registered Social Landlords from April 2002 and that support was being provided to assist in its implementation and in the development of tenant participation (through the Social Housing Management Grant Programme).

Welsh Housing Quality Standard

3.4 The Welsh Assembly Government expects all housing owned by local authorities and Registered Social Landlords to reach the Welsh Housing Quality Standard (WHQS) by 2012. In summary, the standard means that a property:

- is in a good state of repair;
- is safe and secure;
- is adequately heated, fuel efficient and well insulated;
- has up-to-date kitchens and bathrooms;
- is well managed (for rented housing);
- is located in an attractive and safe environment; and
- as far as possible suits the specific requirements of the household, for example, specific disabilities.

This means that:

- all necessary aids and adaptations should be provided to meet the specific requirements of any household members including those with disabilities; and
- it should reflect the changing needs of the household.

3.5 Guidance has been issued to local authorities and housing associations, setting out what is expected of them in relation to meeting the standard. However, some elements of the standard are not well defined. Further guidance has been in production for some time, but has not yet progressed to publication. The approach in the more detailed guidance may take a similar approach to that used in the Living in Wales survey, which identified essential and desirable elements of the standard.

3.6 Welsh housing associations are required to produce 30 year business plans that set out how they will resource the achievement and maintenance of the standard of the property they own.

Tenant participation

3.7 In 2004, the Welsh Assembly Government commissioned a review of tenant participation in Welsh local authorities and housing associations, the findings of which were published as the research report *Evaluating Tenant Participation in Housing Management and Design*¹⁹. The key findings of the review include:

- the importance of providing a range of opportunities for participation, including both informal and formal structures;
- one fifth of Registered Social Landlords have not developed their tenant participation compacts in partnership with tenants. Many tenants and staff said they found the guidance too detailed and prescriptive;
- the majority of tenants want a say in services provided by their landlord. However, the most common problem identified by both tenants and landlords is the reluctance of tenants to take part

¹⁹ Welsh Assembly Government (2004a).

in formal tenant participation structures. Most of the traditionally 'hard to reach' groups of tenants prefer to have their say informally or individually rather than by attending meetings; and

- the majority of tenants say positive outcomes are more important than the process of participation. However, existing regulation concentrates on testing the process of participation rather than evaluating the results.

3.8 Amongst the recommendations for the Welsh Assembly Government are the removal of the mandatory requirement on Registered Social Landlords to put in place tenant participation compacts and that the current compact guidance is reworked to provide a framework for a model national tenant involvement strategy which:

- validates informal and formal ways of involving tenants;
- requires landlords to support tenant organisations; and
- places importance on achieving positive outcomes to participation.

Registered Social Landlords would then be required to put in place a tenant involvement strategy based on the Welsh Assembly Government framework.

3.9 In response to the review, a national resident participation strategy has been developed and a consultation draft was issued for consultation in September 2006. The primary aim of the strategy is to promote quality resident participation services in Wales in the pursuit of continuous improvement in the delivery of responsive and accountable housing and related services. The strategy is the Welsh Assembly Government's main

expression of its policy of developing citizen-centred services in respect of housing and related services.

3.10 The strategy sets out the expectation of the Welsh Assembly Government that, by August 2007, Registered Social Landlords, together with residents, should develop a local resident participation strategy or review their existing strategy, having due regard for the national strategy and accompanying guidance, the law and good practice. Local strategies are intended to allow sufficient discretion for landlords and residents to develop participation measures which suit local conditions. Participation measures are set out which constitute a minimum standard for participation. The draft strategy is supported by guidance for Registered Social Landlords on developing local resident participation strategies, together with practical advice on how to achieve the minimum standard.

STATUS

3.11 The Welsh Assembly Government's guidance on Best Value for Registered Social Landlords requires associations to develop robust ways of measuring tenant satisfaction. One approach to this is the STATUS survey which was developed in England by the National Housing Federation and has been used since 1998. To date, over 330 landlords have used STATUS, which provides an opportunity for comparison of results between organisations. In Wales, the Welsh Federation of Housing Associations worked with the National Housing Federation to develop a bilingual Welsh version of the questionnaire. This was piloted in six Welsh housing associations and feedback used to finalise the standard Welsh version.

4. Welsh policy context: housing associations

Best Value for housing associations

4.1 The Assembly's guidance, *Best Value for Registered Social Landlords* sets out three objectives:

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

4.2 The guidance notes while flexibility is encouraged, Registered Social Landlords are required to incorporate five elements in their approach to Best Value:

- an annual Best Value Performance Plan which incorporates a range of information set out in the guidance;
- a methodology for service reviews which incorporates the 4Cs of Best Value;
- a planned programme of service reviews which ensures that every aspect of their business is reviewed within a maximum five year period;
- tenant participation compacts; and
- clear methods of measuring and evaluating customer satisfaction.

4.3 The Welsh Federation of Housing Associations' three-year *Best Value Promotion and Support Project* reported in October 2005²⁰. The final report notes that, as well as providing ongoing assistance to individual housing associations in relation to their Best Value activity at a national level, the project played a key role in a number of areas including:

- sharing of practice and experience between housing associations through

establishing a Best Value Network for all housing associations across Wales (recently renamed the Continuous Improvement Network);

- performance measurement through involvement in the national review of the Performance Measurement Framework;
- benchmarking through joint work with HouseMark and Constructing Excellence Wales;
- the measurement of customer satisfaction through working with the National Housing Federation to develop and pilot a Welsh version of the STATUS satisfaction survey.

Regulation and inspection

4.4 A new approach to the regulation and inspection of Welsh housing associations was set out in a 2004 Assembly consultation paper which also included a draft of a new Regulatory Code. The 'final version' of the Regulatory Code was published in March 2006²¹. It sets out:

- key expectations of housing associations in the following areas:
 - providing housing;
 - rents and service charges;
 - letting housing;
 - managing housing;
 - maintaining housing;
 - housing for people with support needs;
 - openness and accountability;
 - relationship to residents;
 - equal opportunities;
 - financial and risk management;
 - board responsibilities;
 - staffing;

²⁰ Welsh Federation of Housing Associations (2005).

²¹ Welsh Assembly Government (2006f).

- working with others;
 - strategic direction;
 - performance management; and
 - continuous improvement;
- what evidence the Welsh Assembly Government will look for to identify whether housing associations are following the Regulatory Code; and
 - how the Welsh Assembly Government will assess whether housing associations are following the Regulatory Code. That is, the main sources of information they will consider.

4.5 The Regulatory Code includes a key expectation that housing associations should seek to deliver continuous improvement in all their activities and services. In addition, within the section of the code on financial and risk management is a key expectation that housing associations should deliver value for money in all activities and services.

4.6 During their inspection of housing associations, the Wales Audit Office (commissioned by the Welsh Assembly Government to undertake inspection of housing associations) looks for evidence the association:

- plans for continuous improvement;
- follows Welsh Assembly Government guidance on Best Value, applying the 4Cs;
- is improving performance year on year;
- ensures services remain relevant to customer and community needs and that standards of service continually improve via a comprehensive 5 year rolling programme of reviews;

- provides clear information to residents, staff and other stakeholders on the service review programme, the outcomes of service reviews and the business targets the association plans to meet in future years; and
- makes appropriate financial provision for planned improvements from service reviews.

In relation to value for money, the Wales Audit Office looks for evidence that:

- the costs of the association's services compare favourably with other social landlords; and
- the association delivers cost effective and efficient services.

4.7 The regulatory approach proposed by the Welsh Assembly Government in 2004 includes an annual process of Whole Association Analysis to be undertaken in two stages. First, a self assessment by the association itself using the template produced by the Welsh Assembly Government and second, consideration of the self-assessment alongside a range of other financial and contextual information about the association by a Welsh Assembly Government Regulation Coordinator. The result of this consideration is to form a view of the level of risk the association poses and, therefore, when it should be inspected. To date, self-assessment has been used as the initial stage of association inspection, but the full process of Whole Association Analysis has not yet been undertaken. It is also not clear to what extent the other elements of the regulatory approach set out in the 2004 paper are to be implemented.

Development consortia

4.8 The way in which Welsh housing associations develop new property with funding from Social Housing Grant has changed relatively recently with the establishment of development consortia. The Welsh Assembly Government set out its proposals on consortia in its March 2005 paper *Developing Partnerships*²² which followed on from a consultation paper issued in July 2004. The March 2005 paper includes the following elements:

- a move to three-year programmes of Social Housing Grant funding to replace the annual cycle, these programmes to be informed by local housing strategies/evidence of need;
- an essential role for local authorities in putting together bids for three-year programmes; and

- the establishment of development bodies (ie. consortia) capable of managing a Social Housing Grant funding programme of at least £10 million per year. The paper sets out a series of minimum requirements for such development bodies which include:

- an efficiency improvement plan setting out the sources and sizes of expected gains (in terms of reduced cost and improved quality), the timescales within which the gains will be achieved and how they will be measured; and
- continuous improvement to quality and efficiency in procurement.

4.9 The paper invited housing associations to come forward with formal proposals for development bodies. As at March 2006, six development consortia were in place, as shown in Table 2 below.

Table 2: Welsh housing association development consortia as at March 2006

Consortium	Association members
DEVCO	Cynon Tâf, Dewi Sant, Hendre, Merthyr Tydfil, Pontypridd & District and Rhondda
GENuS	Gwerin, Eastern Valley, Newport and the Seren Group
Integrate	Cadwyn, Cardiff Community, Newydd, Pembrokeshire, Swansea, Taff, United Welsh and Valleys to Coast
South West Wales	Bro Myrddin, Cantref, Family and Grŵp Gwalia
Syniad	Clwyd Alyn, Glamorgan and Gwent, Wales and West
Undod	Clwyd, Eryri, Mid Wales and North Wales

²² Welsh Assembly Government (2005c).

4.10 The work of a number of consortia is well progressed and is likely to generate a wide range of benefits. The scope of the work of consortia is well set out by David Hedges in his March 2006 Welsh Housing Quarterly article²³, in which he notes consortia are looking to:

- integrate asset management programmes with their new development activity to enable collective procurement of labour and materials;
- partner to deliver effective long-term supply chain co-ordination and management;
- develop improvement plans which have clear gains in reduced cost and improved quality;
- develop small and medium sized local contractors and suppliers in the supply chain and grow capacity through training and employment initiatives, particularly where there is a spin off in community regeneration and capacity building;
- make their activity as sustainable as possible; and
- continuously improve the quality and efficiency of procurement.

5. Likely changes to the current policy context

5.1 The following were identified as key influences on the future policy context in Wales.

The Beecham review of local service provision

5.2 The aims of the Beecham Review were to:

- identify improvements in the arrangements for local service delivery,

which are as radical and innovative as necessary; and

- examine how existing arrangements for accountability can be used, developed and adapted to support this innovation.

5.3 The final report from the Beecham Review was published in June 2006²⁴. The Beecham Review concluded there is a need for a much more rapid and far-reaching transformation in public services than has been achieved to date and that Wales should seek to become a benchmark for delivering flexible, citizen-centred local services.

5.4 More detailed observations and conclusions include the following:

- the Review identified a number of strengths within the Welsh system of service delivery (across all deliverers of public services) which include scale, commitment to partnership, co-terminosity at local level and common purpose in support of the citizen-centred model of delivery set out in *Making the Connections*;
- weaknesses or barriers within the Welsh system were identified as organisational culture, capacity and complexity;
- the role of the Assembly needs to change to far more engaged leadership of the delivery process;
- action is urgently needed to address capacity constraints and share expertise across areas and sectors. A number of possible models for this are set out in the report; and
- the transformation of public services to deliver more effectively for citizens is dependent on four critical success factors:

²³ Hedges, David (March 2006).

²⁴ Welsh Assembly Government (2006e).

- citizen engagement - needing new models for informing and engaging citizens and greater investment in understanding citizens' views;
- delivery - needing effective leadership, a proportionate approach to managing performance, appropriate system design, integrated policy and process, managerial and workforce excellence, strong scrutiny, appropriate and focused inspection and regulation, a closure of the delivery gap and more diversity in delivery (including development of the 'third sector');
- partnership - needing a different model of central-local engagement, a bigger strategic leadership role for local authorities, the skills and capacity for partnership and greater ambition for partnerships (including the development of Partnership Action Contracts);
- challenge - needing a culture that does not tolerate sub-standard performance or mediocrity, effective performance management with a focus on learning rather than compliance, a less defensive approach to the use of performance and customer satisfaction information and effective challenge roles at national and local levels.

5.5 The Beecham Review report is wide ranging in scope and includes a large number of recommendations for national and local organisations. The themes and recommendations in the report will inform the development of national policy in Wales over the coming years. They apply as

much to housing associations, as deliverers of local services, as they do to local authorities. The recommendations will, therefore, play a key role in determining the future policy environment for Welsh Registered Social Landlords in their own right, as well as organisations that work closely in partnership with local authorities.

Further development of the Making the Connections agenda

5.6 The *Making the Connections* agenda is a powerful tool for influence on public services (whether delivered by local government, the voluntary or private sectors). There will be an expectation Registered Social Landlords will take account of the proposed core principles for public services and forthcoming standards on public participation/engagement in services, and that they will be able to demonstrate this. It will be the responsibility of the regulation section of the Welsh Assembly Government Housing Directorate to ensure these standards are embedded within associations.

5.7 *Making the Connections* also emphasises partnership working in a range of areas including service delivery and procurement. Registered Social Landlords will increasingly be expected to participate in partnership initiatives which may, or may not, coincide with the geographical coverage of development consortia.

Changes to the Wales Programme for Improvement

5.8 The Welsh Local Government Association position statement *Taking Stock*²⁵ (taken to the March 2006 meeting of the Partnership Council) flags up a number of radical proposals in relation

²⁵ Welsh Local Government Association (March 2006).

to the further development of the Wales Programme for Improvement. Of particular interest, in relation to this project, are proposals to:

- transform policy agreements into local area agreements (which may include housing associations);
- introduce peer challenge into the Wales Programme for Improvement;
- fully explore the 'vexed question' of minimum standards for services;
- improve the ability of organisations and service users to compare performance across organisations;
- evaluate 'intervention' models drawn on in Wales and compare them to English models in order to inform future practice; and
- review the triggers, protocols and models for intervention.

5.9 In relation to housing (which is identified through the Wales Programme for Improvement as an area of high risk in many authorities) the Welsh Local Government Association is jointly funding (with the Assembly and four local authorities) a project to develop service improvement toolkits for four areas of housing - the strategic housing role, housing repairs and improvements, management of the supporting people programme, and housing advice and homelessness. The project aims to fill a gap in self-assessment methodologies and performance management relating to housing, and is designed to make a significant contribution to managing performance, improving services and managing risk.

Experience of the inspection regime for housing associations

5.10 The learning from the housing association inspection regime has been slow, in the main due to the delay in publication of inspection reports from the first full year of inspection (2005/06). These reports are now beginning to be published, and will allow an analysis of different approaches to continuous improvement across a number of associations.

5.11 As at mid September 2006, the Wales Audit Office had published two housing association inspection reports²⁶. Each report is structured around two questions:

- does the association deliver good quality services?
- does the association secure continuous improvement in services?

5.12 Positive aspects of the approach used by associations to secure continuous improvement identified in the two reports are:

- integrating performance and strategic plans;
- connecting proposals for improvement with resource planning as part of the business planning process;
- alignment of financial and corporate plans;
- implementation of recommendations that emerge from Best Value reviews;
- use of external agents for specific reviews;
- personal development opportunities provided for staff aligned with business objectives;

²⁶ Wales Audit Office (2006a, 2006b).

- use of structured self-appraisal for Board members;
- regular performance reporting to the Board focusing on key indicators and trends and the results of consultation with service users;
- systematic engagement with stakeholders;
- review processes resulting in a focus on key areas for improvement;
- track record of service improvement demonstrated by performance indicators and development of services to better meet the needs of users;
- challenging, but realistic, SMART plans for improvement linked to the strategic direction of the association; and
- record of securing alternative sources of funding to resource projects.

Further development of the Performance Measurement Framework

5.13 The Local Government Data Unit is planning to use data from the core performance information sets to produce service profiles for each core set. These profiles will include performance data alongside contextual data, for example on population and deprivation, and will enable a more meaningful picture of performance to be developed and used by housing associations and others.

5.14 The Data Unit has a role in improving the quality of data and how it is collected. It has carried out an exercise to rationalise data collected via the housing statistical returns for local authorities, and will be doing the same in relation to housing association returns. The Data Unit now has the role of receiving and

publishing housing association performance indicators, having been commissioned to undertake this task by the Assembly.

Further implementation of development consortia

5.15 There are significant expectations of the development consortia. The consortia have the potential to make efficiency gains, not just in relation to the development of new social housing, but also in relation to the procurement of planned maintenance work to reach the Welsh Housing Quality Standard, housing management services and central services. The consortia also offer the potential for sharing experience and effective practice in areas such as the management of housing and community regeneration. There will be a need to make links between the efficiency improvement plan that each consortia is required to produce and other housing association planning processes.

5.16 Some interviewees expressed concerns as to whether the influence of service users and the sense of the customer will be lessened, or even lost, by consortia that operate over wide areas of Wales. There are already examples of the establishment of consortia leading to mergers between associations within the same consortium and of the exploration of bigger group structures created by associations joining others within the same consortium.

Stock transfer

5.17 At the moment, there is only one stock transfer association in Wales (Valleys to Coast). At the time of writing, seven authorities had taken a decision to ballot for stock transfer within the

next year or so (Conwy, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Swansea and Torfaen). Two of these (Swansea and Rhondda Cynon Taf) would instantly become Wales' largest housing associations should they proceed to stock transfer. It is likely the face of the housing association movement in Wales will change significantly over the next few years.

Elsewhere in the UK

5.18 Possible changes to, and influences on, the continuous improvement regime elsewhere in the UK include:

- an emerging new performance framework for local services in England;
- refocusing of the inspection and regulation framework in Scotland;
- different funding mechanisms for social housing which will challenge the status quo;
- the payment of Social Housing Grant to developers; and
- the increasing influence of resident involvement across all services through the double devolution agenda.

6. Wales policy map

6.1 The preceding sections of this chapter demonstrate the policy framework affecting associations in Wales in relation to continuous improvement is wide and subject to considerable development and change.

6.2 The policy map in Table 3 below summarises the key policies any new guidance would need to be aligned with, and highlights the elements of these policies that are of greatest relevance to continuous improvement.

Table 3: Wales policy map

All public services (including housing associations)		Housing associations specifically
Wales: A Better Country <ul style="list-style-type: none"> developing strong and safe communities 	Strategy	Better Homes for People in Wales <ul style="list-style-type: none"> quality of services
Making the Connections <ul style="list-style-type: none"> citizens at the centre equality and social justice collaborative working value for money Delivering the Connections <ul style="list-style-type: none"> creating opportunities for genuine participation informing listening responding Core Principles for Public Services <ul style="list-style-type: none"> responsiveness redress Wales Programme for Improvement <ul style="list-style-type: none"> flexibility non-prescriptive approach improvement planning 	National frameworks/ guidance	Welsh Housing Quality Standard and 30 year business plan Developing Partnerships (development consortia) <ul style="list-style-type: none"> efficiency improvement plan continuous improvement in procurement Assembly Regulatory Code <ul style="list-style-type: none"> continuous improvement National Resident Participation Strategy <ul style="list-style-type: none"> tenant participation seen as fundamental to continuous improvement

All public services (including housing associations)		Housing associations specifically
<p>Performance Measurement Framework</p> <ul style="list-style-type: none"> • user-surveys • national indicators • local indicators <p>Policy agreements</p> <ul style="list-style-type: none"> • inclusion of housing associations within partnership action contracts <p>Audit, regulation and inspection</p> <ul style="list-style-type: none"> • risk-based approach • role of self-assessment • consequences for non-compliance or non-performance 	<p>Supporting processes</p>	<p>Regulation and inspection</p> <ul style="list-style-type: none"> • identification of positive practice <p>Measurement of user satisfaction (STATUS)</p> <ul style="list-style-type: none"> • use in tracking outcomes
<p>Beecham Review of Local Service Provision</p> <ul style="list-style-type: none"> • citizen engagement • delivery • partnership • challenge <p>Further development of Wales Programme for Improvement (Taking Stock)</p> <ul style="list-style-type: none"> • peer challenge • exploration of minimum standards • better comparisons of performance • intervention <p>Further development of Performance Measurement Framework</p> <ul style="list-style-type: none"> • service profiles • rationalisation of housing association returns <p>Core Standards on Public Engagement</p> <ul style="list-style-type: none"> • (in development) 	<p>Influences on the future</p>	<p>Experience of inspection regime for associations</p> <ul style="list-style-type: none"> • inspection as a driver of improvement • dissemination of positive practice <p>Stock transfer</p> <ul style="list-style-type: none"> • need for relevance to new stock transfer associations, including Community Mutual model <p>Further development of development consortia</p> <ul style="list-style-type: none"> • expectation of further efficiency gains • sharing of experience and good practice • link between consortia efficiency improvement plans and continuous improvement within individual associations • influence of service users in consortia

7. Key themes

7.1 Key themes emerging from the literature review and key interviews in respect of the current policy context are outlined below. These were considered and explored in the later stages of this evaluation, and have informed the conclusions and recommendations set out in Chapter 5.

7.2 The policy context for continuous improvement is subject to continuous change. Some of the potential changes are substantial, many are about detail. Any future guidance on Best Value or continuous improvement for housing associations in Wales will, therefore, need to be robust enough to remain relevant in the face of those changes.

7.3 Continuous improvement needs to take place within a very broad policy context. There is, therefore, a need to ensure policies and practices on continuous improvement are well aligned. There is, for example, a need for clear alignment between:

- housing association regulation, inspection and self assessment, including clarity about the consequences for organisations that do not follow Assembly guidance;
- associations' 30 year business planning to meet Welsh Housing Quality Standard;
- the newly developed national resident participation strategy;
- the *Making the Connections* agenda for public services;
- recommendations emerging from the Beecham review of local service delivery;

- expectations of development consortia (especially in terms of expectations regarding efficiency improvement planning and continuous improvement in procurement); and
- any new guidance on Best Value and continuous improvement for housing associations to emerge from this evaluation.

There is potential for multiple sets of guidance to emerge, all addressing in various ways the three key objectives of Best Value (continuous improvement in service delivery, increasing the influence of tenants, and the delivery of cost-effective services), which would not aid a cohesive approach by Welsh Housing associations.

7.4 In terms of one of the key objectives of Best Value, increasing the influence of tenants on the delivery of services, expectations are set to change and to increase. For example:

- the newly developed Assembly resident participation strategy has removed the requirement for the production of tenant participation compacts, introduced a requirement for the production of local resident participation strategies, and validated a wider range of ways to involve and support tenants;
- the *Making the Connections* agenda puts increased emphasis on public participation/engagement in services and
- the Beecham Review stresses the need for citizen-centred local services.

7.5 Various policy developments provide impetus for reconsideration of, and greater potential regarding, the range of ways in which services are reviewed. For example:

- the new regulatory and inspection regime for housing associations includes a process of self-assessment;
- toolkits being produced by Welsh Local Government Association are designed to aid self-assessment and peer assessment of a number of housing services and, although they are aimed at local authorities, it is anticipated at least some of their content will also be of relevance to Registered Social Landlords;
- changes to the Wales Programme for Improvement seek to introduce greater peer challenge; and
- the new development consortia provide new opportunities for peer review within and between consortia.

7.6 Across the UK, it is increasingly being recognised that embedding the principles and processes of continuous improvement within business and corporate planning processes is crucial to effective implementation. The Beecham Review points to the particular barriers to improvement imposed in Wales by the scale of organisations and the resources available to them. Welsh organisations, therefore, would have particular problems in pursuing continuous improvement processes as something separate from their mainstream business.

7.7 Lastly, there is the question of parity of requirements in relation to continuous improvement regimes between local authorities and Registered Social Landlords. This becomes a more important issue in the context of:

- the likely expansion of stock transfer associations;
- the possibility in the future of housing associations being included in joint local housing policy or partnership agreements between local authorities and the Assembly Government;
- the development of a common performance measurement framework;
- supported housing (with Supporting People as the largest housing budget), where Best Value applies to one group of providers (housing associations), the Wales Programme for Improvement to another (local authorities), and neither applies directly to voluntary sector support providers; and
- recommendations from the Beecham Review in relation to voluntary sector organisations that provide public services.

Currently, there is a significant lack of parity between the requirements of the Wales Programme for Improvement and Guidance on Best Value for Registered Social Landlords in Wales. The Welsh Local Government Association paper *Taking Stock* sets out proposed changes to the Wales Programme for Improvement which would bring the two regimes somewhat closer.



Chapter 3 - The effectiveness of models of continuous improvement

1 Views of key interviewees

1.1 The key interviews²⁷ explored how well the policy frameworks have been implemented in practice and how effective they have been in driving continuous improvement, increasing the influence of tenants on the delivery of services and ensuring the delivery of cost effective, efficient and effective services.

1.2 The application of the Wales Programme for Improvement was felt to have been inconsistent across local authorities and across service areas, and to have had greater success as a corporate improvement tool than as a service improvement tool. A number of those interviewed felt the Wales Programme for Improvement had reduced the overall risk of authorities at a corporate level, but acknowledged this did not necessarily equate to improved performance at service level. Some services can evidence improvement (for example, education and waste management) but others (such as housing and social care) cannot. This was attributed to:

- a concentration on corporate improvement in the early years of the Programme;
- the lack of a robust performance measurement framework; and
- risk being used as a proxy for performance.

1.3 The Wales Programme for Improvement was seen by a number of organisations as providing less clarity for service users than Best Value.

1.4 The flexibility of the Wales Programme for Improvement was seen as a very positive aspect of the approach and an important element in achieving buy-in from local government. It was acknowledged, however, this flexibility had made it difficult to get a clear, consistent and comparable view of improvement across authorities and that there was a need to find a way to account for performance nationally in Wales in the absence of a Corporate Performance Assessment type mechanism.

1.5 Self-assessment, where undertaken robustly, was seen as a strong driver for improvement. Self-assessments by Welsh local authorities were reported to have improved greatly since the implementation of the Wales Programme for Improvement. However, it was acknowledged services had not necessarily improved as a result, and there was a view that local authorities are stronger on identifying issues than on improvement planning in relation to the issues identified.

1.6 In relation to Best Value, there was a perception, particularly from those involved in the Wales Programme for Improvement, that this was an outdated mechanism. A number of interviewees expressed surprise that Registered Social Landlords in Wales are still required to

²⁷ A list of key stakeholders interviewed is shown in Appendix 2a, and a list of questions put to key stakeholders is shown in Appendix 2b.

work to Best Value, given how long the Wales Programme for Improvement has been in place for Welsh local authorities.

1.7 There was a view that Best Value guidance had assisted continuous improvement in housing associations, but not driven it. Much of the continuous improvement taking place in associations was felt to have come from outside the Best Value framework. Other drivers for continuous improvement included, for example, Investors in People, Charter Mark, and business process re-engineering. The view was also expressed that improvement was not often referred to in terms of Best Value.

1.8 There was a view from both within and outside Wales that the inspection regime and publication of inspection reports had been more of a stimulus in relation to the influence of tenants on services than the Best Value regime.

1.9 Inspection reports on Welsh housing associations are now beginning to be published. There was a view that these reports will provide greater evidence of continuous improvement, tenant influence on services, efficiency and effectiveness. Observations from inspections to date include:

- a lack of evidence of user influence over which services are reviewed;
- evidence of alternative approaches to continuous improvement which are as robust as Best Value, are clearly focused on users, and utilise the 4Cs (even though they are not referred to as such); and
- generally insufficiently challenging self-assessments with the role of Board members as internal challenge not fully developed.

1.10 Lessons noted by interviewees in England and Scotland included:

- the need to avoid regulatory burdens which do not have a purpose (for example, documents which are submitted but receive little feedback);
- the need to strengthen guidance on user influence on services; and
- the need to ensure that continuous improvement is not a 'stand alone' issue, but is integrated into an organisation's normal business planning processes.

2. Evaluation of models of continuous improvement

2.1 Table 4 below sets out a summary of published evaluations of a range of models of continuous improvement.

2.2 As can be seen from the table, most models of continuous improvement encompass a range of elements. These include:

- service reviews and action planning resulting from reviews;
- performance/strategic planning and deploying resources to deliver against plans;
- engagement with/participation of a range of audiences;
- analysing systems and considering them from the perspective of service users;
- self-assessment; and
- dissemination of learning and effective practice.

Different models place more or less emphasis on different elements, but most models group a series of different elements together to produce an improvement package.

2.3 The results of published evaluations suggest a number of issues:

- any tool for continuous improvement can be applied effectively or ineffectively, and 'success' in delivering improvement is about the culture of organisations;
 - organisational buy-in is needed whatever approach is taken, in order for the culture to be positive in relation to making the required changes;
 - the various models place different emphasis on the service user and their experience of services;
- some of the models have been assessed as being more likely to be able to be used alongside other improvement tools;
 - additional resources and inspection results appear to be significant drivers of improvement; and
 - it is vital the particular approach taken to continuous improvement should not be an isolated mechanism, but should mesh well with corporate processes, as well as with central government priorities.

Table 4: Summary of evaluations of models of continuous improvement

Model of continuous improvement	Elements of model	Scope of evaluation
Beacon Scheme (England)	<p>Beacon councils (or police or fire services) apply and are recognised as demonstrating exceptional performance overall and within specific themes or areas chosen by government</p> <p>Beacon status granted on an annual basis. Each round of the scheme has activities designed to spread best practice including open days, web-based material, etc.</p> <p>IdeA Knowledge website carries wide range of Beacon material</p>	<p>Self-completion questionnaire of local authority officers. 448 officers representing 191 local authorities participated in the survey, including some responses from elected members. One in three respondents was based in an authority that had been a Beacon at some stage</p>
Beacon Scheme (England)	As above	In-depth case studies of four Round 5 Beacon themes, of different authority types
Best Value (England)	<p>Targeted service reviews based on 4Cs</p> <p>Performance Plans</p>	<p>Long-term evaluation of the impact of the Best Value regime between 2001 and 2005 examining the success of approaches adopted by local authorities to implement Best Value and the impact of Best Value as a key component of the local government modernisation agenda</p> <p>Study involves extensive surveys, analysis of Best Value reviews and regression analysis</p>

Key findings	Reference
<p>Overall perceptions of the scheme are positive</p> <p>High percentage of officers believe it informs best practice, encourages networking with peers and provides models to improve performance</p> <p>Question as to whether it sits within the broader scheme of local authority activity, in particular its potential to distract from the modernisation agenda</p> <p>Application process not seen as useful. Needs to link up with CPA process</p> <p>Those who have been Beacons generally indicate that costs outweigh benefits</p> <p>Mixed views on usefulness of learning activities</p>	<p>ODPM (2006) Long-term evaluation of the Beacon scheme</p>
<p>Consensus that Beacon Scheme is a positive mechanism to reward and recognise services and to help share experience and learning from good and poor practice</p> <p>Often seen just as one tool and usually competes with a host of other awards and programmes</p> <p>Councils with more limited involvement in the scheme (ie. that had not been Beacons) were less enthusiastic about it</p> <p>Some non-Beacons could provide examples of learning and transferring of good practice but barriers exist</p>	<p>Warwick Business School (2005) Long-term evaluation of the Beacon scheme Time 1 Case studies Overview Report</p>
<p>Most respondents believed the reviews undertaken by their authority had produced ambitious recommendations and would lead to significant improvements</p> <p>The Best Value regime was seen as the most significant government policy driving improvement</p> <p>By 2003, authorities had scaled down review activity and were focusing more on improvement planning</p> <p>Respondents believed there were links between Best Value and internal changes within their authorities</p> <p>The analysis showed reviews where all 4Cs were used were much more likely to produce recommendations for major changes</p> <p>Best Value processes appear to have been having a positive impact on authorities and services</p>	<p>ODPM (2004) Evaluation of the Long-Term Impact of the Best Value Regime: First Interim Report</p>

Model of continuous improvement	Elements of model	Scope of evaluation
Best Value (England)	As above	Study of the factors that lead housing authorities to improve and sustain their performance involving analyses of national data, literature review, interviews, focus groups, case studies and a postal questionnaire
Best Value (Wales pilot programme)	Performance plans 5 year programme of reviews Action plans resulting from reviews	Evaluation of Wales 1998/99 pilot programme of Best Value within local authorities
Charter Mark	Government award for public sector excellence in customer service Awards reviewed against 6 criteria and resubmitted every 3 years Criteria: <ul style="list-style-type: none"> • set standards and perform well • actively engage with your customers, partners and staff 	Benefits of Charter Mark material

Key findings	Reference
<p>Scores for first inspections vary but have not improved over time</p> <p>Often, some external force is needed to raise the profile of housing performance</p> <p>Second inspections have recorded significant improvement</p> <p>'Carrots' of ALMO funding and extra resources for homelessness have worked, as have 'sticks' of poor CPA and inspection results</p> <p>Aspiration for a high CPA rating had the strongest effect on authorities</p> <p>No single magic ingredient underpinning success but performance management and measurement are key and tenant participation needs to be widened beyond the 'usual suspects'</p>	<p>ODPM (2005) Best Value in Housing: What makes local authorities improve and sustain their performance</p>
<p>Perceptions of whether Best Value has worked to date vary across and within pilot authorities and data is not available to judge whether services have improved as a result</p> <p>Reviews are time- and resource- consuming</p> <p>User evaluation needs to be tailored to different services and client groups</p> <p>A structured approach to employee evaluation is needed</p> <p>Good performance measures are needed to track improvement</p> <p>Much benchmarking activity has been unproductive</p> <p>Many local politicians and officials are coming to the view that Best Value is primarily a set of boxes to be ticked in order to keep government happy - a shift from processes to outcomes is urgently required</p>	<p>Cardiff Business School (2000) Wales Evaluation Study on Best Value</p>
<p>Benefits identified as helping organisations determine what the customer wants and how that can be delivered effectively</p> <p>Charter Mark holders report that success has a positive impact on staff morale, organisations are able to meet related corporate objectives as a result of applying Charter Mark principles and some are able to map the work they do for Charter Mark against other initiatives such as Best Value</p>	<p>Charter Mark FAQs - Cabinet Office website</p>

Model of continuous improvement	Elements of model	Scope of evaluation
	<ul style="list-style-type: none"> • be fair and accessible to everyone and promote choice • continuously develop and improve • use your resources effectively and imaginatively • contribute to improving opportunities and quality of life in the communities you serve <p>Self assessment toolkit used in preparation for assessment</p>	
Charter Mark	As above	<p>Six month independent review of Charter Mark (which was combined with a review of measurement of customer satisfaction)</p> <p>Review also looked at other award and recognition schemes</p>
Comprehensive Performance Assessment (England)	<p>Tool for improvement which measures how well councils are delivering services for local people and communities while reducing the overall regulatory burden on them</p> <p>Assessment against a series of building blocks which test how well councils understand their communities and provide community leadership, how this understanding translates into council's ambitions and priorities and what, in practice, councils are achieving</p>	Report by the Audit Commission setting out approach to the next phase of CPA

Key findings	Reference
<p>Charter Mark fits closely with government principles for public service reform</p> <p>Clear focus on the experience of the customer and the service they receive</p>	
<p>Charter Mark holders are positive about the scheme and consider it valuable in driving up standards</p> <p>There is much anecdotal but little hard evidence of its effectiveness</p> <p>Overall penetration of the scheme within public services (and, therefore, impact) is low</p> <p>Low level of public awareness of the scheme and public scepticism about quality and award schemes</p> <p>Review of other research indicated key drivers of customer satisfaction are:</p> <ul style="list-style-type: none"> • delivery of promised outcomes and handling problems effectively • timeliness of service provision • accurate and comprehensive information and progress reports provided • professionalism and competence of staff and treating customers fairly • staff attitudes - friendly, polite and sympathetic to customers' needs 	<p>Herden, Bernard (June 2006)</p> <p>The Customer Voice in Transforming Services - Independent Report from the Evaluation of the Charter Mark Scheme and Measurement of Customer Satisfaction with Public Services Cabinet Office</p>
<p>Over 70% of councils are improving strongly or well</p> <p>68% of councils achieve 3 or 4 star performance demonstrating that they perform consistently well in all the elements assessed under CPA</p> <p>Councils are improving across all regions</p> <p>Top performing councils are improving to a greater degree than those in lower categories. Potential for a wider gap in performance to emerge in future years</p>	<p>Audit Commission (2005) CPA - The Harder Test</p>

Model of continuous improvement	Elements of model	Scope of evaluation
Comprehensive Performance Assessment (England)	As above	Regression analysis on CPA results and average ward deprivation scores Paper reviewing external constraints on CPA framework
Comprehensive Performance Assessment (England)	As above	Paper reviewing external constraints on CPA framework
EFQM	<p>The EFQM Excellence Model is a practical self-assessment tool, to help organisations establish where they are on the path to excellence</p> <p>Philosophy of the Model is that superior performance is achieved by involving people in improving their processes and maintains core values of continuous improvement and employee participation. Successful innovative ideas schemes are central to that philosophy</p> <p>Emphasis on self-assessment</p>	Study looked at two sets of performance measures - accounting and financial performance - of companies that had received the EFQM award and those that had not
Investors in People	<p>Principles on which the standard is based. Employers:</p> <ul style="list-style-type: none"> • show a commitment to develop all employees to achieve business goals • plan and review the training and development needs of all employees • take action to train and develop employees on recruitment and throughout their employment • evaluate the investment in training and development to assess achievement and improve future 	Review of research and evaluation evidence of the implementation and effectiveness of Investors in People up to July 2001

Key findings	Reference
<p>Found for the first round of CPA, that for over half the performance indicators used, deprivation has a statistically significant influence on performance. For many of the customer satisfaction indicators, deprivation had a positive impact</p>	<p>Centre for Local & Regional Government Research, Cardiff University (2002) Deprivation and Local Authority Performance: The Implications for CPA</p>
<p>Found local service performance significantly constrained by external circumstances in relation to London boroughs and county councils with deprived and diverse populations which find it more difficult to perform well. Conversely, high levels of central funding and very large populations are conducive to high performance</p> <p>CPA does not adequately take account of external circumstances beyond the control of local policy makers. Implication is that some councils are being lauded for operating in favourable circumstances and other wrongly criticised for performance effects of difficult local conditions</p>	<p>Centre for Local & Regional Government Research, Cardiff University (2003) External Constraints and the CPA Exercise</p>
<p>Found that award winning companies experience higher increases in share value, sales, capital expenditure over assets, higher growth in assets and further reduction in costs over sales within a short period of time after having received a first award</p> <p>Study results indicate that the effective implementation of the principles of Business Excellence make good economic sense</p> <p>EFQM approach dovetails well with various improvement tools</p>	<p>University of Leicester (2005) Organisational excellence strategies and improvement in financial performance</p>
<p>Employers who become involved in Investors in People mainly expect to see benefits in terms of workforce development although some also expect to see improved business performance and increased public recognition</p> <p>Majority of employers report having achieved the benefits they anticipated in terms of workforce development</p> <p>A recent study indicates that attainment of Investors in People is associated with improved business performance but the study has not proved the link to be causal. Investors in People may be just one element of a package of associated measures and other influences on performance</p>	<p>DFES (October 2001) Review of Research and Evaluation on Investors in People Brief No. RBX 18-01</p>

Model of continuous improvement	Elements of model	Scope of evaluation
Investors in People	As above	<p>Study of a sample of 1,600 companies including recognised public sector organisations, small and medium enterprises, large employers and non-recognised companies. Based on a telephone survey of the companies</p> <p>Study identified financial and non-financial benefits from following the Investors in People principles</p>
ISO 9000	<p>Quality management system</p> <p>ISO 9000 is a generic name given to a family of standards developed to provide a framework around which a quality management system can effectively be implemented.</p>	Part of wider report examining a range of quality schemes
Systems Thinking	<p>Whole system approach</p> <p>Business process re-engineering</p> <p>Lean thinking</p> <p>An example of the approach is the Vanguard Consulting lean systems approach</p>	Pilot of three housing organisations in three service areas – rent collection and debt recovery, voids and rehousing, and responsive repairs

Key findings	Reference
<p>Organisational changes made by Investors in People recognised employers are twice as profitable as changes made by other companies</p> <p>Profit attributable to Investors in People varied between £42 and £602 per employee per year</p> <p>92% of recognised employers had made changes to improve their business since commitment</p> <p>Empowering employees increases profits</p> <p>Improving benefits increases productivity</p> <p>Greater employee buy-in helps meet objectives</p>	<p>Databuild Research and Solutions (August 2004) Investors in People Impact Assessment</p>
<p>Attractive to routine services whose processes and procedures can be easily mapped</p> <p>Emphasises procedural compliance via comprehensive documentation</p> <p>Can lead to improved efficiency of processes and more consistent performance and improved staff morale as staff know what is expected of them</p> <p>Often viewed as bureaucratic and paper driven</p>	<p>Price Waterhouse Coopers (December 2000) Report on the Evaluation of the Public Sector Excellence Programme</p>
<p>Results of pilots were extremely positive, eg. significant reduction in time to undertake repairs, increase in customer satisfaction, efficiency gains, reduction in arrears and reduced void relet time</p> <p>Pilots providing an improved level of service using the same resources. Will help achieve Gershon targets</p> <p>Trust of staff needed to be gained early in the process of change</p> <p>Effective communication vital</p> <p>Resource intensive process</p> <p>Challenges existing performance indicator regime which can drive some perverse behaviour in systems</p> <p>Systems thinking encourages change in the thinking of the organisation</p>	<p>ODPM (2005) A systematic approach to service improvement: evaluating systems thinking in housing</p>

3. Key themes

3.1 Key themes emerging from the literature review and key interviews in respect of models of continuous improvement are outlined below. These were considered and explored in the later stages of this evaluation, and have informed the conclusions and recommendations set out in Chapter 5.

3.2 It is clear from published evaluations a wide range of improvement mechanisms outside of Best Value work well to drive improvement. It is also clear from key interviews (backed up by evidence from early inspections of Welsh housing associations) much of the improvement taking place in Welsh housing associations is driven from outside the Best Value framework. Published evaluations also suggest that success in delivering improvements largely depends on the culture of an organisation and organisational buy-in to whatever approach is taken.

3.3 Robust self-assessment emerges as one strong driver of improvement. However, evidence from the Wales Programme for Improvement and from Corporate Performance Assessment in England suggests the required robustness is not always applied, particularly in relation to service assessments. Evidence also suggests that self-assessment alone is not enough to drive improvement if it is not linked to good improvement planning.

3.4 Evaluations of Best Value and Corporate Performance Assessment in England suggest that inspection results have been significant drivers of improvement. Inspection reports for Welsh housing associations have only just begun to be published, and it is too early to tell whether they will have a similar effect.

3.5 Finally, there is again (as in Chapter 2, para 7.7) the question of parity between Best Value for Registered Social Landlords and the Wales Programme for Improvement for local authorities. The perception of some key interviewees was that Best Value was an outdated mechanism. The flexibility of the Wales Programme for Improvement was seen by many as a very positive aspect of this approach. However, there were several words of caution. For example, key interviewees felt the Wales Programme for Improvement:

- had been more successful at corporate improvement than at service improvement;
- made it difficult to get a consistent and comparable view of improvement; and
- provided less clarity for service users, and less obvious mechanisms for their involvement in the process.

Chapter 4 - Best Value and continuous improvement in Welsh Registered Social Landlords

1. The all-Wales picture

1.1 As part of the evaluation, telephone interviews were carried out with the chief executive or senior manager of 31 of the main developing Welsh housing associations²⁸, and case studies were conducted in six housing associations²⁹. This chapter sets out the main findings from, and issues raised by, those interviews and case studies.

Overall approach to Best Value

1.2 Housing associations were asked how they were seeking to meet Best Value objectives, and what overall approaches they had adopted.

1.3 The approach to meeting Best Value objectives envisaged by the Welsh Assembly Government's Guidance on *Best Value for Registered Social Landlords* was adopted by most housing associations when it was first introduced. Many have continued with that approach, but for various reasons (outlined later) many have now adapted or abandoned Best Value as their main or only driver for continuous improvement.

1.4 Housing associations are now using a very wide and complex range of approaches to continuous improvement, which are broadly summarised below.

1.5 Just over half the housing associations interviewed said they continue to operate a five-year programme of Best Value reviews:

- the five-year programme of Best Value reviews as envisaged by the Welsh Assembly Government guidance is currently the main driver of continuous improvement in twelve of the thirty-one associations interviewed;
- one small specialist housing association has contracted out a programme of Best Value reviews to another housing association; and
- three other housing associations still have a five-year Best Value review programme, but have integrated this with other improvement mechanisms. One has integrated Best Value with a business excellence model, one with a control self-assessment approach, and one with its efficiency strategy (these approaches are described in Table 5 below).

1.6 Other housing associations no longer have a five-year Best Value review programme, but still use Best Value principles to a greater or lesser extent:

- two housing associations say they undertake risk-based reviews as and when necessary; and
- eight housing associations say Best Value principles are now used to support other main drivers for improvement. The main drivers adopted by these associations include continuous improvement strategies, wider business planning processes, and a balanced scorecard approach (described in Table 5 below).

²⁸ A list of associations participating in telephone interviews is shown in Appendix 3a, and a list of telephone interview questions is shown in Appendix 3b.

²⁹ A list of case study questions is shown in Appendix 4.

1.7 Other housing associations no longer use a Best Value approach to continuous improvement:

- two housing associations have adopted, as an alternative to Best Value, a business process re-engineering/lean thinking approach (described in Table 5 below);
- one small specialist housing association has an annual review process for each of its projects, but does not use a Best Value/4Cs approach; and
- one housing association (which contracts out most of its services) uses tendering and retendering of services as its main approach to continuous improvement.

Case study association 1 has adopted a 'Guide to creating Best Value' which incorporates the Best Value model and the European Foundation for Quality Management (EFQM) Business Excellence model, which it describes as "helping people understand that changes in one part of the process will affect outcomes elsewhere".

Case study association 2 says its Corporate Plan is its main driver for continuous improvement, and distills all issues that need to be addressed. The Corporate Plan is derived from key performance indicators, tenant feedback via surveys, staff feedback, external demand (from, for example, local authorities and the Welsh Assembly Government) and Best Value reviews. Best Value has a role in this process, but does not start the process of continuous improvement, and is not its main driver.

Case study association 3 considers that Best Value has clearly been the main driver of service improvement within the association, and closely follows Welsh Assembly Government guidance.

Case study association 4 views Best Value as one element of the toolkit that it uses to secure continuous improvement but considers that Best Value plays a fairly marginal role in driving improvement in the association. The association uses a range of approaches to continuous improvement, the main approach being use of the balanced scorecard in business planning and performance management.

Case study association 5 considers the organisation made a reasonable job of fully implementing Best Value guidance when it was published, but has been moving away from this more recently. While Best Value has been a significant activity in the association for a number of years, continuous improvement is seen as being about much more than this, demonstrated by a wide range of improvement mechanisms used within the association. Some Best Value reviews have resulted in big changes in the way services are provided to tenants while others have had little impact despite a lot of investment in the reviews. There were many examples of improvements in services that came out of mechanisms other than Best Value reviews.

Case study association 6 says it tried to implement Best Value as prescribed, but was not able to do this effectively. The association has no objection to Best Value principles, but feels the approach set out in Welsh Assembly Government guidance was overly prescriptive - "You can't argue with the 4Cs or the 3 objectives for Best Value. They are reasonable principles of the process of a review. But when you embed them in a bureaucratic system, then you get problems". It describes people as being overwhelmed by Best Value as it is not linked to other mechanisms and requirements such as internal audit, personal objectives, corporate strategy and key performance indicators.

1.8 As noted in Chapter 2, this evaluation has taken place in a rapidly changing policy environment. Many associations have already responded to this and, at the time the telephone interviews and case studies

were conducted, many were in the process of significantly changing, or of considering significant change to, their approaches to Best Value and continuous improvement.

Case study association 5 was starting to implement a new approach to continuous improvement at the time the case studies took place. It has developed a framework for continuous improvement that brings together Best Value reviews, the role of internal audit and risk management within the corporate planning processes of the association. The chair of the association said 'we wanted to get rid of the millstone of Best Value which didn't always deliver and was costly ... we wanted to move from a Best Value Officer to everyone having responsibility to implement continuous improvement'. The association's new continuous improvement framework notes the association is 'stepping away from the five year review cycle of heavyweight reviews ... and placing ownership for service improvement with the management teams'.

Case study association 6 was, at the time of the case study, moving to a new approach for continuous improvement where a series of 'improvement projects' will be identified in its operational plan. These projects will be identified during an appraisal fortnight where teams consider what the organisation's objectives are and what needs to improve, and the Tenant Representative Council will be consulted as part of this process. Within this approach there was often no direct user input on the detailed subject matter of a review. Some reviews relied instead upon large scale customer surveys conducted outside the review process to ascertain tenants' views. This information was sometimes several years old, and at too general a level to be likely to be very useful in ascertaining tenants' views on the detailed processes under review.

Services/policy areas covered by Best Value

1.9 Just over half of housing associations interviewed (sixteen associations) said they systematically review all the activities of the association. However, three said that, although they have a five-year programme covering all activities, things are sometimes deferred or fall out of the programme, depending on priorities at the time and resources available.

1.10 Other housing associations do not systematically review all their activities:

- one housing association said its reviews cover all its customer-facing services but not its internal activities (such as governance); and

- seven housing associations said they select issues for review where they think they can make most impact, or take a risk-based approach using, for example, an internal audit or a balanced scorecard approach to identify risk.

1.11 The business process re-engineering/lean thinking adopted by two housing associations covers all service and policy areas, but places more emphasis on areas which impact on tenants. The focus tends not to be on internal services except as a consequence of customer-facing work.

Conduct of reviews

1.12 Most housing associations have adopted their own methodologies for the conduct of reviews. Some use their methodologies as broad guidelines, but detailed methodology varies from review to review. Three associations work to no overall methodology for reviews.

1.13 Nineteen housing associations said their reviews use the 4Cs (consult, compare, compete, challenge). Other housing associations said they use the 4Cs 'where appropriate'. One housing association said it does not use the 4Cs because they became 'very processy'.

Some of the 4Cs had been applied more rigorously than others. For example:

- consult

There was often no direct user input on the detailed subject matter of a review. Some reviews relied instead upon large scale customer surveys conducted outside the review process to ascertain tenants' views. This information was sometimes several years old, and at too general a level to be likely to be very useful in ascertaining tenants' views on the detailed processes under review.

- compare

Many housing associations said they had difficulty in obtaining accurate comparative data. Some (especially smaller associations) said their capacity to engage with other organisations was limited.

- compete

This 'C' tended to get the least attention in reviews. Some housing associations said they did not understand what was required in this respect. Some thought it was about outsourcing, and that they needed to subject services to competition with other providers. Others have taken a broader look at procurement.

- challenge

The use of external challenge in reviews was limited. Staff from outside the subject area under review often provided some form of 'external' challenge, but Board members were only involved in a third of reviews, and people from outside the housing association in less than a quarter.

Case study association 2 has added an 'E' to the 4Cs, which covers equalities.

Review teams look at equality of access, the diversity agenda, disabled access, accessible formats of any information, and cultural factors.

Case study association 5 gathered evidence to answer each of the following questions in relation to each of the 4Cs:

- where are we now?
- where do we want/need to be?
- what changes do we want to make?
- how do we make sure the service continues to improve?

Case study association 6 asked 'ten big questions' in relation to 'challenge':

- What are we trying to achieve? Are we good at it and can we prove we are good at it? Where's our evidence?
- Why are we doing it this way?
- What do our customers want?
- Has our customer base and operating environment changed since we set up this service? Do our customers need different or additional services?
- Is there a credibility gap between what we think we are providing and what we are actually providing?
- Should we continue this service?
- Are we the right organisation to provide this service?
- Do our customers want us to be their service provider?
- How can we improve the quality of our service?
- How can we make our service more cost-competitive?

1.14 The composition of review teams varies widely:

- staff from inside the review area are normally involved. Staff from outside the review area are involved in eleven housing associations to provide an element of challenge. Only two housing associations interviewed said staff were not involved in review teams (one where reviews are contracted out, and one where reviews are carried out by senior managers);
- tenants are sometimes (but not always) included on review teams (see para 1.20 below for further details);
- Board members are involved in review teams in ten housing associations. One association said that Board members are invited, but generally do not take part;
- seven housing associations sometimes include people on review teams from other associations, local authorities, partner agencies or consultants to provide challenge and an external perspective; and
- many review teams include the housing association's performance manager, Best Value officer, or internal audit officer.

Case study association 1 runs a 'Review Group Reward' scheme, and makes £100 available to the review team on completion of the review, to be used, for example, on a meal out for the team.

Case study association 3 involved staff from across the association in review teams, and said that reviews gave staff "a better understanding of the wider operation of the association" and that they were "able to bring back that learning into their own departments".

1.15 There is also variation in the approach to leadership of teams. Some teams are led by managers from within the review area, some by managers from outside the review area, some by the person in the organisation responsible for Best Value. Two housing associations

share one officer with responsibility for performance, who leads and coordinates reviews in both associations. One housing association uses consultants to guide staff working groups through the review process.

Case study association 4 engages a consultant to undertake and lead a review where it considers it does not have the expertise in-house or feels the subject area requires a certain amount of objectivity. Recent examples include reviews of Remuneration, Equality and Diversity, and IT.

1.16 The scope of reviews and the length of time they take to complete varies widely.

Case study association 1 said the scope of its reviews to date has been service-wide, but that some staff had become demotivated by, in their words “having to jump through hoops” to review all aspects of a service, when they felt they knew from the outset which aspects of that service needed improvement. Staff felt reviews should “cut to the chase”. Consideration is now being given to reducing the scope of reviews to focus more on areas which need attention.

Reviews were currently taking 3 months to complete, but it had sometimes been difficult to retain staff interest for that period. Revised proposals would reduce the timescale for reviews to 6-8 weeks, in order to give them a sharper focus and to maintain the energy of the review team.

Case study association 2 said the timescale for its reviews is generally 6-12 months, and pointed to the need to ensure reviews are intensely project managed, with clear short-term deadlines.

1.17 Most (but not all) Best Value reviews result in a report and an action plan. Staff from one housing association said that

Best Value review reports were “weighty, and no-one reads them”. Action plans are not always SMART.

Case study association 5 said action planning towards the end of a review could sometimes take place with little reference to the resources available, resulting in an action plan that was very unlikely to be implemented. It also felt it was not helpful to have a series of separate action plans which are monitored separately. It has now adopted a process whereby all action planning is directly related to the corporate planning process.

1.18 There are a range of reporting arrangements for review teams. Some report direct to the Board. Some report via senior management teams

or audit sub-committees. One reports through a Best Value steering group chaired by the chief executive.

Case study association 1 said a 'missing link' in the past had been the lack of robust internal auditing of files, process audits, and so on to ensure that changes in approach arising from Best Value reviews are being implemented consistently following reviews. It aims to address this in future via a continuous checking process.

Involvement of stakeholders and customers

1.19 Housing associations were asked how stakeholders and customers were involved in reviews, and whether they were involved in deciding which services will be reviewed.

1.20 Tenants are not always members of review teams:

- seven housing associations interviewed said they never included tenants on review teams;
- when tenants are included on review teams, this is most often on teams reviewing tenant-focused services.

They are not often involved on teams carrying out internally focused reviews. One housing association said they would not involve tenants on internal reviews as this would be 'tokenistic and disempowering' for tenants involved;

- some housing associations invite tenants' federations/ residents' forums to nominate tenant representatives to sit on review teams; and
- several housing associations commented on the reluctance of tenants to be involved, and the problem that the same tenants tend to be involved again and again.

Case study association 3 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 Best Value review teams.

1.21 Housing associations seek customers' views for reviews in a range of ways, including:

- using information from large-scale customer surveys conducted outside the review process;
- conducting smaller scale surveys as part of the review process (some using the association's existing customer panel);
- commissioning consultants to carry out a survey for the review;

- telephone surveys;
- seeking feedback from tenant panels and tenant groups;
- conducting focus groups; and
- mystery shopping exercises (one housing association is training its own tenants as mystery shoppers, one employs a consultancy to conduct mystery shopping on regular basis).

Case study association 2 has recently started a process whereby, every month, each regional office telephones 12 randomly selected tenants who have recently contacted the association, to get their feedback on the services they have received

1.22 Not all housing associations have involved customers in deciding which services will be reviewed. Where associations had involved customers, several methods have been used, for example:

- eight housing associations have used the findings of large-scale customer surveys to determine what reviews should be undertaken, and in what priority order;
- eight housing associations have involved their residents' panels, tenants' forums, etc. in determining priorities for and order of reviews;
- one housing association consulted tenants via a survey in its tenant newsletter; and
- one specialist housing association surveyed all tenants, support providers, Social Services Departments, Board, and staff to come up with a five year review plan.

Some housing associations said, since the initial programme of reviews had been determined, other issues had since been added in as a result of tenant concerns. One housing association reported a problem with involving tenants in determining priorities for review, in that tenants had not wanted to review arrears, although it was an important financial issue to the association.

1.23 Several housing associations have attempted to involve other stakeholders in their reviews, through for example, benchmarking with other associations. They report mixed success.

Best Value Performance Plans

1.24 Housing associations were asked what form their Best Value Performance Plans (BVPPs) took, how they were used and disseminated.

1.25 Six housing associations interviewed said they no longer produced annual BVPPs, but reported no sanctions applied by the Welsh Assembly Government as a result.

1.26 Of those housing associations that did produce BVPPs:

- just over half (sixteen associations) said they produced stand-alone BVPPs in compliance with Welsh Assembly Government guidance, but five of these associations said they produced minimal BVPPs mainly for compliance purposes;
- one housing association produced BVPP information across two publications - an annual performance report and its annual report;
- eight housing associations used their annual reports to summarise BVPP information; and
- three said the BVPP information formed part of their corporate/business plans.

1.27 Dissemination of BVPPs varies. For some housing associations BVPPs are mainly internal documents. Others are (variously) distributed to tenants, local authorities, lenders, other stakeholders, and other housing associations. Some BVPPs are put on housing associations' websites (but one association had been criticised by the Welsh Assembly Government for only disseminating its BVPP by this method).

1.28 The general opinion of housing associations is BVPPs are dry, boring documents that serve little purpose.

Information provided to tenants

1.29 Housing associations were asked what information about Best Value, continuous improvement and performance they provided to tenants, and in what formats. They were also asked whether any feedback was sought or received from tenants.

1.30 Only four housing associations interviewed sent a full version of their Best Value Performance Plan to their tenants.

1.31 Other housing associations provided information on Best Value to tenants in a range of ways:

- three housing associations send tenants a BVPP summary;
- one specialist housing association sends an accessible version of its BVPP to tenants;
- one association sends tenants an annual performance report plus its annual report;

- six housing associations send tenants annual reports which include summaries of BVPP information. One association says, by doing this, it saved £1000 on a separate BVPP;
- two housing associations include BVPP information on an annual Tenants' Calendar;
- twenty-five housing associations use tenants' newsletters to (variously) summarise BVPP information, provide information on performance, report on the progress and outcomes of reviews, and report on initiatives following reviews;
- one housing association provides summary information about reviews on its website;
- one housing association sends the outcomes of each Best Value review to all tenants; and
- several housing associations discuss performance with tenants at conferences, tenants panels, etc.

Case study association 5 produces an annual report for tenants which looks at improvements made against the aims in the association's corporate plan as well as summary findings and outcomes from Best Value reviews and summary performance information.

1.32 BVPP information for tenants is produced in a variety of formats. One housing association uses 'smiley faces' to denote degrees of performance. Another uses traffic lights (following consultation with its tenants on how they would like information presented).

1.33 One housing association reported a positive response from tenants to the BVPP information provided to them, but all others reported little or no feedback from tenants.

Use of performance information

1.34 Housing associations were asked what type of performance information they used, and who it was used by.

1.35 Most housing associations use a variety of performance information, including:

- Key Performance Indicators (KPIs);
- local indicators;

- comparisons with other associations, using various benchmarking clubs or groups, including Housemark and a benchmarking club for medium sized English housing associations; and
- performance targets.

1.36 Two housing associations felt KPIs were unreliable and unhelpful, one saying KPIs were not credible, one saying it used local indicators in preference to KPIs because it was not happy with the current or planned KPI sets.

1.37 One housing association said it tried not to set targets, because performance may be going in the opposite direction for good reason (eg. increased void times because of work to meet the Welsh Housing Quality Standard). It reported using measurements 'not to set targets but to see what could be done about a problem'.

1.38 Housing associations present performance information in a variety of formats, including:

- figures;
- graphs;
- traffic light format;
- scatter graphs (one association felt these provided clearer information than averages, and showed a pattern of performance which allowed the association to look for and understand the reason for outliers); and
- matrix format using balanced scorecard or other 'quartile' approaches.

1.39 Housing associations provide performance information to a variety of audiences, including:

- Board members;
- area committees;

- directors;
- managers;
- all staff;
- tenants' panels; and
- other key stakeholders.

1.40 Performance information is provided at various frequencies, most commonly monthly or quarterly. Some housing associations provide performance information weekly to officers. Two associations said they only report performance to their Board on an exception basis.

1.41 One housing association has adopted a system which brings together performance information and actions from different places (for example, Best Value reviews, Business Plan) into one plan, describing previous Board papers as 'like War and Peace'.

1.42 Staff of several housing associations have personal targets/objectives linked to the performance targets/objectives of the association.

1.43 Two housing associations said they 'know they need to improve' their performance management reporting.

Implementation of the Welsh Assembly Government's 'Guidance on Best Value for Registered Social Landlords'

1.44 Sixteen housing associations interviewed describe themselves as having implemented the Welsh Assembly Government guidance on Best Value in full, others as having implemented the guidance partially. Several housing associations say they have implemented the guidance fully in the past, but are about to change their approach and to move away from the guidance. However, from housing associations' answers to other questions,

most associations appear to have departed from the guidance on certain issues.

Most commonly reported departures were:

- not producing a BVPP;
- not having a 5 year plan of reviews of all areas, or not implementing such a plan;
- not always using the 4Cs in review methodology; and
- limited involvement of tenants in the review process.

1.45 Two housing associations say their implementation of the guidance has been 'very limited'. One says it has 'used the guidance as best we can for a small association'. Four housing associations say they are not currently implementing the guidance at all.

Successes in the implementation of Welsh Assembly Government guidance

1.46 Housing associations were asked whether they could point to any particular successes in the implementation of the Welsh Assembly Government's guidance on Best Value.

1.47 Housing associations pointed to a range of successes:

- several felt the guidance had helped associations to foster a culture of continuous improvement, introduced a focus and structure to the process, and ensured it did not fall off the agenda;
- several felt the guidance had helped foster a culture of self-assessment, getting staff to be self-critical and challenge what they do, resulting in the adoption of change;
- one housing association said that, as a result of following the guidance, it had been able to reduce the time spent on committee meetings by introducing a monthly scrutiny committee;
- some felt that interdepartmental review teams had helped to break down barriers internally and had been good for personal development; and
- one association felt initially the guidance had been useful to ensure the organisation looked at areas that tended to be forgotten, but also felt that they did not need to do that again.

Case study association 2 felt Best Value reviews had helped to formalise and bring order to the process of improvement, and helped to avoid knee-jerk reactions to problems. It believes that Best Value reviews are an effective approach that definitely make a contribution, engage staff, enhance staff's knowledge of each others' work, and encourage the association to compare itself with others.

1.48 Many housing associations reported successes in terms of particular reviews.

Most mentioned in this respect were:

- reviews of rent arrears, which had led to, for example, changes to working practices, policies, procedures, and IT systems, the development of specialist rather than generic teams, the introduction of direct debit and PayPoint for tenants, and had resulted in positive changes in terms of performance;
- reviews of maintenance, which had led to, for example, changes to the structure of maintenance systems, how tenants access the service, how the association engages with tenants in terms of specification of goods, materials and selection of maintenance contractors, the incorporation of partnering with cyclical maintenance partners, and resulted in several instances in cost savings;

- reviews of tenancy management, which had led to, for example, a move from specialist to generic working (because users said they felt 'pushed from pillar to post' rather than dealing with one staff member), and the appointment of an Anti-Social Behaviour Officer; and
- reviews of lettings, which had led to, for example, the adoption of choice-based lettings, and of common housing registers with local authorities.

1.49 Some housing associations were more sceptical about the success of the guidance:

- one housing association felt reviews had introduced minor improvements, but that these had tended to be around the margins;
- three housing associations felt it was difficult to establish how much positive change was related to Best Value, believing it may have more to do with the culture of continuous improvement within the association; and
- four housing associations felt Best Value guidance had led to no particular successes.

Barriers to the implementation of Welsh Assembly guidance

1.50 Three housing associations interviewed felt there were no barriers to the implementation of the Welsh Assembly Government guidance on Best Value.

1.51 Three housing associations were particularly negative. One felt Best Value and the guidance were not applicable to its organisation and context. One felt Best Value was 'demotivational'. One said it had been impossible to make Best Value work, and 'regret that we had to go through such an expensive learning curve to reach that conclusion'.

1.52 A large number of housing associations pointed to the resource implications of Best Value guidance, and questioned whether inputs justified outputs. They felt reviews were labour and time intensive, taking staff resources away from the front-line, and that a cost-benefit analysis would probably show a loss. One housing association said that some review recommendations had not been implemented because of resource issues. Resources were a particular problem for small associations.

1.53 Many housing associations pointed out that the way the guidance suggested implementing Best Value was not related to risk. They felt they spent a lot of time reviewing things that were working well, and that resources had often been directed towards things that were relatively unimportant. Because reviews were not always tied to priorities, some associations were reviewing urgent issues outside the Best Value programme.

1.54 Many housing associations felt the way the guidance suggested implementing Best Value was not sufficiently responsive. Some felt the time taken to undertake reviews had sometimes got in the way of introducing change in the interim. The five year timeframe was seen as a barrier by many, who felt this timeframe should be reduced, because change happens at a rapid rate.

1.55 Some housing associations felt Best Value had not become embedded, and that a more mainstreamed approach to continuous improvement would have been better for organisations. The requirements of Best Value were seen by many as different from those of ordinary business planning processes, something additional to, rather than a part of day-to-day work, and, therefore, an added and onerous

burden. Others felt Best Value forced housing associations to think segmentally, and to focus on one part of the business instead of the business as a whole.

1.56 Many housing associations felt the Welsh Assembly Government's guidance was not sufficiently outcome focused. They felt the Welsh Assembly Government's view considered only the Best Value model would deliver improvement, and that the Assembly looked for evidence of the Best Value model, rather than evidence of improvement. They felt there was more concern with documentation showing meetings had occurred and actions had been fulfilled than with what had been achieved.

1.57 Some felt Best Value leads housing associations down the route of cost saving, when continuous improvement may generate better and more effective ways of operating that do not lead to cost savings.

1.58 Some housing associations pointed out that implementing Best Value guidance had led to what they called 'the usual barriers to change'. Staff had shown concern about the impact of change on them personally. Some staff had been reluctant to challenge themselves, and others had shown 'the natural reluctance of staff in a hierarchical organisation to challenge what the organisation does'. One housing association reported instances where the team involved had not been signed up to the required improvements, and that there had been 'lack of ownership'. One housing association felt there was a tendency for Best Value to be led by senior managers, often with no practical outcome, and that real change should come up from below.

1.59 Several housing associations had experienced problems in obtaining accurate comparative data for reviews,

and many pointed out the capacity to engage with other associations was limited. One housing association felt the process had been 'hijacked by people employed in Best Value', who 'have a vested interest in getting into the detail, and circulate meaningless information and silly questionnaires'.

Most useful aspects of Assembly guidance

1.60 Six housing associations felt the most useful aspect of the guidance was its flexibility and lack of prescription (which contrasts strongly with comments from other associations in paragraph 1.66 about the inflexibility of the guidance, and comments in paragraph 1.67 about problems associated with too little prescription).

1.61 A large number of housing associations felt the main value of the guidance had been the way it had made associations think about performance, and made the concept of continuous improvement specific. Some said if it had not been a requirement it is doubtful whether the amount of effort invested in service review would have occurred.

1.62 Many housing associations felt the main use of the guidance had been in providing a framework and criteria for service reviews, focusing minds on the 4Cs, and helping associations to do reviews well (which contrasts with comments in paragraph 1.66 on the guidance's inflexible approach to reviews).

1.63 Two housing associations said the main usefulness was the clear expectation of what needed to be in BVPPs (which contrasts with comments in paragraph 1.66 about the over-prescription of BVPP requirements).

1.64 One housing association felt the main use had been the emphasis placed by the guidance on customer involvement, but pointed out inspection is now emphasising this anyway, and that there are dangers in formalising customer involvement when it should be the main focus of the whole organisation.

Least useful aspects of Welsh Assembly Government guidance

1.65 Several housing associations had a very negative view of Best Value:

- some associations thought the guidance was a dead document and that the idea of Best Value had come and gone. They felt Best Value was an 'academic approach' that 'does not fit well in a modern business environment'; and
- some associations said Best Value had an adverse affect on morale and was seen as 'an additional burden'.

1.66 Many housing associations bemoaned the prescriptive nature of the guidance. Many thought that BVPP requirements were far too prescriptive and 'boring'. Some felt the guidance pressurised them to conduct reviews in a particular way, when they would have preferred a more flexible approach. Again, some housing associations cited the inflexibility of the need to carry out reviews on a five-year cycle.

1.67 Other housing associations bemoaned the lack of prescription, clarity and definitions. One housing association felt the lack of clarity had created uncertainty about whether its approach to Best Value was the correct one, and would have welcomed feedback on the approach they adopted.

1.68 Many housing associations felt the guidance was very process-focused, putting undue emphasis on proving that reviews

have been done instead of focussing on the outcome of reviews, and lacked guidance on how to move to improvement planning when a review had been concluded.

Contribution made by Welsh Assembly Government guidance to securing continuous improvement in service delivery

1.69 A large number of housing associations said the Welsh Assembly Government guidance and the implementation of Best Value had made little or no contribution to meeting the first of the guidance's objectives - promoting continuous improvement in service delivery. Many said they were continually trying to improve performance and that this was not related to the introduction of the Best Value guidance. One housing association said the Welsh Federation of Housing Associations' Best Value Network had seen numerous examples of excellent review processes, but fewer examples of improvements in service performance and quality following reviews.

1.70 Most housing associations said Best Value was only one of many things that contributed to continuous improvement. One association put a figure of 15% to the contribution of Best Value, and a figure of 70% to the contribution of the culture, leadership and management of an organisation. Other housing associations felt the impact of the guidance was not particularly visible, but was 'there somewhere'.

1.71 Housing associations pointed to a number of ways in which the guidance and Best Value had contributed to securing continuous improvement in service delivery:

- some associations said they had been involved in continuous improvement before Best Value guidance had been

introduced, but the guidance had helped to bring this to the surface by making it a more formal process which associations had to report on, and had prompted them to document what they were doing;

- some housing associations thought the guidance had given continuous improvement a higher profile with staff, enabled staff to share practices and ideas, helped staff to move away from a narrow insular focus, made staff more willing to come up with ideas for positive change, and helped to foster a culture of self-assessment at all levels in the organisation; and
- one housing association felt it had been particularly useful by giving Board members a closer insight into how services were delivered.

1.72 Several housing associations were very positive about the contribution of the guidance and Best Value:

- one housing association said Best Value had 'picked up the best bits of Compulsory Competitive Tendering but dropped the unhelpful bits' and had 'ended up at about the right level';
- another said it had identified on average eight areas of improvement per review, which 'has to be a good thing'; and
- several housing associations said Best Value had 'made a huge contribution'. One association said Best Value was 'one of the central planks of continuous improvement within the organisation'. Another said Best Value had 'integrated continuous improvement into the culture and mindset of staff and is now at the forefront of everything the association does'.

Case study association 1 believes Best Value has had a large role in its success in improving services, because it means the association "digs down into a specific service area at least every 5 years, takes it apart, and puts it back together again", and without that there is a danger the association would become too 'broad brush' in its improvement activity.

Case study association 2 felt Best Value had been a real driver of improvement, as it had allowed staff to take a step back and look at services, provided deadlines which have given improvement work a high priority, and facilitated planned improvement rather than crisis management. However, it felt the next round of reviews would be much harder and would not have the same impact, as they would need to 'improve on improvement'.

It attributed improvement to teamwork, the Board driving change, managers coming up with ideas, and staff embracing change and making it work. It stressed Best Value had rarely been a reason for change, but had supported change and continuous improvement. The association had been aware of the need for changes before Best Value Reviews, but Best Value had helped them to see how to tackle those changes.

Case study association 3 attributes its success in improving services to the culture of the organisation. Staff felt 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 says Best Value reviews have contributed to the improvement of services by ensuring reviews are undertaken holistically, taking on board a wider perspective of tenants and other departments within the association rather than a narrow departmental perspective. It believes the investment of staff, Board and tenant resources in Best Value reviews is a substantial but invaluable investment by the association in driving forward the improvement of the association's services.

Case study association 4 considers Best Value plays a fairly marginal role in driving improvement in the association. It believes the main driver of improvement in an organisation is leadership, which includes the culture of the organisation and its vision and values. It suggested robust business planning processes, the quality of staff, the training policies adopted by the association and the culture of the association contribute much more to the success of the association than Best Value.

Case study association 5 considers most improvements in services have been driven by mechanisms other than Best Value reviews, and questions whether the inputs have justified the outputs. It stresses the importance of leadership in driving continuous improvement - "a cultural mindset is much more important than processes ... if people feel they are working in an open environment, they will take more ownership of improvement".

Case study association 6 saw the drivers for improvement of services as a range of continuous improvement mechanisms, with Best Value playing a role. However, it only attributed improvement largely to Best Value in one area of service (anti-social behaviour).

Contribution made by Welsh Assembly Government guidance to increasing the influence of tenants

1.73 The majority of housing associations said the Welsh Assembly Government guidance and the implementation of Best Value had made limited contribution, or no contribution at all, to meeting the second of the guidance's objectives - increasing the influence of tenants on the delivery of services - and that it did not drive the tenant participation agenda. Most associations said the increased influence of tenants had pre-dated Best Value, and was part of a general trend in relation to public sector services.

1.74 One housing association thought Best Value had been a barrier to increasing tenants' influence. Another thought it had frustrated tenants and raised expectations that the association could not fulfil.

1.75 However, several housing associations pointed to some positive contributions:

- several felt Best Value had reinforced the message that tenants are important, and ensured associations made greater use of customer views instead of filing the findings of surveys away;
- others felt tenant involvement in service reviews had provided the evidence to support fundamental change, and had provided tenants with a greater understanding of the whole function and been a reality check on their expectations;
- one housing association said Best Value had a significant impact, and that the development of their Tenants' Panel had come from a review; and
- another felt Best Value had made the greatest contribution, and had been the impetus to use a much wider variety of approaches to tenant involvement.

Case study association 1 said that tenants' input had resulted in some significant changes. For example, as a result of their input into a Best Value review on allocations, priority is now given to transfers, and as a result of their input into the review on personnel, the Tenants' Panel now gets the opportunity to meet candidates for jobs informally before they are appointed, and to provide their views.

Contribution made by Welsh Assembly Government guidance to ensuring the delivery of cost effective, efficient and effective services

1.76 In respect of the third of the guidance's objectives - delivering cost effective, efficient and effective services - most housing associations said Best Value does not in itself save money, and had not resulted in significant savings. Several said Best Value had made no difference, and that they would be doing most things without Best Value. One housing association said the introduction of the use of internal auditors (prior to the introduction of Best Value) had more of an effect. Another said the need to reduce expenditure to invest in planned maintenance to meet Welsh Housing Quality Standard had been a much greater driver.

1.77 Several housing associations said Best Value had cost them money in terms of the resources being used to undertake reviews. One housing association said that, for the first few years, it had cost them more to run the process than they got out of it.

Others said it had cost them money to make improvements resulting from reviews.

1.78 One housing association commented that Best Value could help make small savings, but, since the majority of costs are staffing costs, it was more useful to focus on HR issues via, for example, Investors in People (IIP).

1.79 However, a number of housing associations pointed to positive contribution:

- some associations said Best Value had prompted them to look at the relative costs of delivering services, and made them question whether they were delivering value for money;
- several cited cost savings as a result of Best Value reviews, for example, a significant reduction in rent loss due to voids as a result of a move from specialist to generic working; and
- some housing associations said Best Value had helped by promoting more benchmarking and the setting up of the Welsh Housemark Club. Others had found it difficult to get good cost comparisons.

Case study association 1 said, so far, Best Value has cost money. Services have improved, and are probably more efficient, but there has been an increased cost. However, it points out it is still able to provide housing at benchmark rents and to keep its management costs in the mid to lower (least expensive) quartile. It believes, however, a weakness of its Best Value reviews to date has been that the efficiency agenda was not at the forefront of reviews. Revised proposals under consideration would put greater focus on cost-effectiveness.

Case study association 5 felt it was hard to separate out the role of Best Value in achieving efficient services from the wider improvement work carried out by the association. However, Best Value was thought to have been helpful in moving away from only looking at cost to including consideration of quality.

Other mechanisms used to secure continuous improvement

1.80 Housing associations were asked whether they used any other mechanisms to secure continuous improvement, what different approaches they used, how well these approaches worked with Best Value, and what their views were on the relative usefulness of the different approaches.

1.81 The vast majority (25 of the housing associations interviewed) said they had used other mechanisms to secure continuous improvement, and three said they had not. Many housing associations have integrated these other approaches with Best Value in the way they deal with continuous improvement. Some housing associations felt Best Value can lead to a tunnel vision view of quality focusing on costs, and that by using a series of approaches the organisation obtains a more

holistic view of service improvement. Several housing associations now use other approaches as a preferred alternative to Best Value.

1.82 Some housing associations felt the other mechanisms did not work well with Best Value, and could lead to duplication of activity. For example, one questioned why, if IIP is achieved, that aspect of the association's work would need to be reviewed under Best Value. One association said they could not say how well other approaches had worked with Best Value, as they regarded each approach as separate.

1.83 The different approaches used, together with housing associations' views on their usefulness, are shown in Table 5 below.

Table 5: Other approaches to continuous improvement

Approaches used	Associations' comments
Investors in People (IIP)	<p>Noted by twenty associations interviewed.</p> <ul style="list-style-type: none"> • Aims to maximise the contribution of staff by ensuring they are briefed and trained to perform roles and are aimed at achieving the organisation's aims and objectives • Some attempt made to verify actuality • Very useful if implementing a lot of change • Majority of costs are staff costs, so focusing on HR is important • Keeps us focused on impact of reviews on people, training plans, service delivery from customer perspective • Free consultancy • IIP has done for staff what Best Value has done for customers • Useful to help generate a balance between staff views and customer views

Approaches used	Associations' comments
Charter Mark	<p>Noted by eleven associations interviewed.</p> <ul style="list-style-type: none"> • Aims for excellence in service quality and in delivery of customer services • Helps to establish quantifiable improvements to customers because it requires us to produce evidence • "Much the best" • Focused on treating customers with respect • Good re PR with staff • Not an awful lot of depth to it
Housemark	<p>Noted by three associations interviewed</p> <ul style="list-style-type: none"> • Benchmarking club comparing performance and process with other associations • Useful in terms of sharing information and ideas • Did zero-based budgeting using Housemark information, and made considerable savings as a result • Only of value where performance is significantly lower or higher than average • Doesn't tell us anything we don't know • Took decision to pull out because of resources issue, and not much comparative information for small associations
Green Dragon	<p>Noted by three associations interviewed.</p> <ul style="list-style-type: none"> • Environmental management award for excellence in sustainability practices
Positive about disabled people	<p>Noted by two associations interviewed.</p> <ul style="list-style-type: none"> • Recognition given by Jobcentre Plus to employers who have agreed to take action to meet five commitments regarding disabled employees

Approaches used	Associations' comments
Business process re-engineering/ lean thinking	<p>Noted by two associations interviewed.</p> <ul style="list-style-type: none"> • Based on John Seddon's whole systems review • Of more value than Best Value • Very useful and hugely motivating, especially for staff, who found Best Value confusing, vague and boring. Very hands-on, gets people involved • Visible, liberating and quick • Has become very embedded in organisation • Organisation needs to be culturally compatible with system. Need to make cultural change • Needs more staff time than Best Value
Balanced scorecard	<p>Noted by two associations interviewed.</p> <ul style="list-style-type: none"> • Demonstrates how the activities of an organisation link up and drive the organisation towards the achievement of its aims and objectives • Allows Board to spot what's going wrong quickly and shift resources to deal with it • Really good at focusing business and being flexible
Internal audit	<ul style="list-style-type: none"> • Of more use than Best Value • Pick up key risks and point association in the right direction in terms of how to address issues • Use them to do a lot of reviewing • Some reviews have come back with very few recommendations
Whole business model	<ul style="list-style-type: none"> • 30 year business model and annual business plans to identify where review of services is required
EFQM business excellence model	<ul style="list-style-type: none"> • Helps people understand that changes in one part of the process will affect outcomes elsewhere • Looks at the drivers of business and particularly how leadership and strategy can deliver performance outcomes
Wales Quality Award	<ul style="list-style-type: none"> • Based on EFQM Business Excellence Model

Approaches used	Associations' comments
CLS quality mark	<ul style="list-style-type: none"> • Gives access to advice partnerships • Useful for networking
Basic skills post-16 quality mark	<ul style="list-style-type: none"> • Framework for raising standards of literacy and numeracy amongst adults
Retendering	<ul style="list-style-type: none"> • Drives improvement by creating service standards for all services and putting out to tender • Very explicit way of driving up standards and adding value
Value based management (VBM)	<ul style="list-style-type: none"> • Review of processes to strip out duplication
Development of risk strategies	<ul style="list-style-type: none"> • Sometimes carried out with insurers
Control self assessment	<ul style="list-style-type: none"> • Internal form of challenge
Project management techniques	<ul style="list-style-type: none"> • Useful in undertaking reviews and in implementation of action plans
Traditional management techniques	<ul style="list-style-type: none"> • eg. individual appraisal and target setting
Annual project review process	<ul style="list-style-type: none"> • For supported housing projects
Efficiency plans	<ul style="list-style-type: none"> • Makes senior managers and managers accountable
Mock inspection	<ul style="list-style-type: none"> • No comments made
Self suggestion scheme	<ul style="list-style-type: none"> • Money for all suggestions with quarterly and annual prizes
Continuous outcome assessment	<ul style="list-style-type: none"> • Applied to support services
Investing in leadership	<ul style="list-style-type: none"> • Builds confident and talented leaders that see improvement and efficiency as challenges not problems
Other 'task and finish' groups outside Best Value	<ul style="list-style-type: none"> • Useful for 'quick and dirty' reviews • Not usually interdepartmental so not so good for staff development

Approaches used	Associations' comments
JETCAMB	<ul style="list-style-type: none"> • Benchmarking club for medium sized English associations involving performance, process and outcome benchmarking
WFHA Best Value Network	<ul style="list-style-type: none"> • No comments made
Procurement improvement clubs	<ul style="list-style-type: none"> • No comments made
Peer review within consortia Key Lines of Enquiry (KLOEs)	<ul style="list-style-type: none"> • Will become far more relevant than Best Value approach
Key Lines of Enquiry (KLOEs)	<ul style="list-style-type: none"> • Assist in identifying areas where improvements are necessary

Opportunities provided by development consortia

1.84 Housing associations were asked whether the establishment of development consortia had offered new opportunities for driving continuous improvement, and whether any specific work along these lines was planned by consortia.

1.85 Six housing associations felt it was too early to answer this question, but others gave many examples of how this is already beginning to happen. Examples included:

- specialist groups meeting to compare performance and spread best practice in development, maintenance, housing management, IT and financial services;
- partnering around development and supply chain management;
- partners in consortium converting to open book cost processes and moving from price to cost models;
- development of regional clusters of constructors and installers;
- looking to tender schemes at the same time to achieve cost savings;
- work in early stages around collaborative procurement, particularly around planned maintenance and IT, some with the local authority;
- joint funding bids, achieving better margins than available to individual associations;
- joint training on maintenance and development;
- development of standard customer satisfaction forms;
- looking to jointly market shared ownership;
- looking at social inclusion strategies across consortium;
- considering using one association to provide anti-social behaviour services across the consortium;
- talking about specialising in certain forms of care;
- potential for shared services, for example HR, financial services, housing management, stock management; and
- one consortium is looking at a regional excellence approach.

Case study association 1 reported the consortium it is involved in has already secured a finance deal with two major lenders, which it believes will lead to a six figure cost saving annually.

Changes associations would like to see to guidance

1.86 Housing associations were asked what sort of changes they would like to see if there is to be revised guidance on Best Value for Registered Social Landlords.

1.87 Several housing associations feel Best Value is old hat and should go. Many would like to see no guidance, or minimal guidance with an emphasis on outcomes. One association said it would like to see 'a framework rather than a procedure'. Some feel, with the advent of inspection, guidance needs to say only that the Welsh Assembly Government expects housing associations to be able to demonstrate continuous improvement, to have a strategy and method for this, and to demonstrate that tenants are fully involved.

1.88 Other housing associations listed changes they would like to see to Welsh Assembly Government guidance:

- eleven housing associations said they would like to see less emphasis on Best Value, and more emphasis on continuous improvement and business improvement with a clear link into corporate planning;
- two associations felt there should be a move towards an approach more like Wales Programme for Improvement in terms of flexibility and the role of self-assessment;
- several would like to see a move away from a five-year programme of reviews to a regime based on risks and opportunities;
- many would like to see less prescription in general, for example, in terms of what constitutes a Best Value review;

- smaller housing associations would like to see a recognition of the burden the review process can place on them; and
- many associations felt Best Value Performance Plans were a waste of time and resources.

1.89 Some housing associations would like to see more detailed guidance in some respects:

- some associations felt more guidance would be beneficial on positive practice in relation to undertaking reviews, delivering an action plan, engaging tenants, and the balance between efficiency/quality/customer expectations;
- some would like greater clarity around terms and definitions;
- one specialist housing association would like to see a strengthened expectation for associations to look at their supported housing, saying that questionnaires from some associations demonstrate little understanding of the issues and that more guidance is required;
- one housing association asked the Welsh Assembly Government to be more specific about whether it wants specific outcomes (for example cost efficiencies); and
- one housing association felt that guidance on economy and efficiency required further development to reflect the Welsh policy stance on efficiency.

1.90 Several housing associations asked for a clearer link between Best Value, regulation and inspection, and one suggested any future guidance should concentrate on the key expectations

of associations as set out in the Regulatory Code.

1.91 One housing association would like clearer feedback from the Welsh Assembly Government on whether they are adopting acceptable approaches. Several asked for better ways of identifying and disseminating good practice.

Comparison between Best Value and the Wales Programme for Improvement

1.92 Housing associations were asked how they thought the system of Best Value for housing associations compared with the Wales Programme for Improvement (WPI) for local authorities. The vast majority of housing associations felt they did not have enough knowledge of the Wales Programme for Improvement to comment.

1.93 Of those housing associations that did have a view:

- three felt the Wales Programme for Improvement was an improvement over Best Value and more flexible; and
- others commented the Wales Programme for Improvement was too 'light touch', they were unsure how robust its implementation was in practice, and that there was little evidence the Wales Programme for Improvement was driving improvement.

Associations' compliance with requirements of Welsh Assembly Government Best Value guidance

1.94 Table 6 below summarises the compliance of the thirty one housing associations interviewed with the requirements of the Welsh Assembly Government's Best Value guidance.

Table 6: Associations' compliance with requirements of Assembly Best Value guidance

Requirements	Associations' comments
Produce a Best Value Performance Plan (BVPP)	<ul style="list-style-type: none"> • Six associations no longer produce a BVPP • Sixteen produce stand-alone BVPPs in compliance with guidance, of which five produce minimal BVPPs mainly for compliance purposes • The remainder summarise BVPP information in other publications
Develop a clear and effective methodology for reviewing services, activities and processes, using the 4Cs (consult, compare, compete, challenge)	<ul style="list-style-type: none"> • Most associations have adopted their own methodologies for conducting reviews • Three associations work to no overall methodology • Nineteen associations always use the 4Cs in reviews • Others use them 'where appropriate' • Consultation was not always robust • Associations sometimes had difficulty in obtaining accurate comparative data • 'Compete' was generally given least attention, and there was some confusion as to what was required • Challenge was not always robust

Requirements	Associations' comments
<p>Develop a rolling programme of service reviews, to ensure that every aspect of their business is reviewed within a maximum 5-year period</p>	<ul style="list-style-type: none"> • Sixteen associations have a systematic five year programme of reviews of all activities, although three sometimes defer issues or drop issues from their programme • One association reviews all customer-facing services but not internal activities • Two associations focus mainly on customer-facing services • Seven associations take a risk based approach to the selection of activities for review
<p>Develop a Tenant Participation Compact or Compacts, setting out how the association will involve its tenants in its activities, and the resources that will be made available to support this</p>	<ul style="list-style-type: none"> • The majority of associations have tenant participation compacts in place • However, tenant involvement in Best Value has been patchy
<p>Establish clear methods for measuring and reporting on customer satisfaction with services</p>	<ul style="list-style-type: none"> • Eight associations say they use satisfaction information from large scale customer surveys • A variety of others methods are used, including: <ul style="list-style-type: none"> • small scale surveys for reviews • telephone surveys • feedback from tenant panels • focus groups

2. Key themes

2.1 Key themes emerging from the telephone interviews and case studies are outlined below. These were considered and explored in the later stages of the evaluation, and have informed the evaluation's conclusions and recommendations outlined in Chapter 5.

2.2 Many housing associations have already responded to the rapidly changing policy environment outlined in Chapter 2 and are in the process of significantly changing, or of considering significant change to, their approaches to Best Value and continuous improvement.

2.3 Best Value guidance was fully implemented by most housing associations immediately following its issue, and appears to have been instrumental in many associations in helping to foster a culture of continuous improvement. That culture now appears to be generally well-embedded across associations. New opportunities for driving continuous improvement have also been provided by development consortia, which are already beginning to do a lot of work jointly on continuous improvement, with more planned.

2.4 Housing associations have learnt lessons from the early implementation of Best Value, and most have now moved on from Best Value in various ways:

- some associations have adapted Best Value to better suit their business, for example in the way they prioritise Best Value reviews, conduct reviews, and present and distribute performance information;
- some have abandoned Best Value for other continuous improvement mechanisms; and

- most associations are now combining Best Value with a wide range of other approaches to continuous improvement.

2.5 In many housing associations, whilst Best Value guidance is being applied, it does not appear to have been mainstreamed or embedded. Best Value is sometimes a 'stand alone' function, viewed as an 'additional burden', and leading to segmental, rather than holistic approaches to improvement. Other housing associations, however, have a more integrated approach to improvement and business planning across the organisation. Many housing associations believe strongly the successful pursuit of continuous improvement has less to do with the application of Best Value guidance than with organisational culture and leadership.

2.6 Many housing associations believe current guidance on Best Value is too focused on process and not sufficiently focused on outcomes. Some associations believe the guidance is not sufficiently clear about whether specific outcomes are expected (for example cost efficiencies).

2.7 Many housing associations believe current Best Value guidance is inflexible and over-prescriptive, for example in respect of:

- the requirement to review all activities of the association;
- the five-year timeframe;
- the conduct of Best Value reviews; and
- the content of Best Value Performance Plans.

A minority of housing associations welcomed many prescriptive elements of the guidance, and some felt that the guidance was not prescriptive enough. These housing associations wanted clear

expectations of what they needed to do, clearer definitions, and better feedback about whether they were doing 'the right things'. However, the majority of housing associations would prefer any new guidance to emerge from this evaluation to be non-prescriptive.

2.8 There were criticisms of the prescriptive nature of current Best Value guidance in respect of when, and how, Best Value reviews should be conducted, and housing associations were now timing and conducting reviews in a wide variety of ways. However, there was no objection to the principle that services and activities should be reviewed. Housing associations had generally found reviews useful and productive, and reported many successes in terms of improvements achieved as a result of reviews.

2.9 Most housing associations no longer regularly review all of their services and activities. One housing association, for example, said that although an initial review of all areas had been useful, they did not need to do it again. Many associations have moved, or are considering moving, to a process which focuses reviews where they can make the most impact, or, as one housing association put it, 'a regime based on risks and opportunities'.

2.10 Housing associations had generally found the 4Cs (consult, compare, compete, challenge) a useful framework for reviewing services and activities. Most associations had applied the 4Cs to most of the reviews they had conducted, although not all of the 4Cs were considered suitable for all reviews, and one housing association had found the use of the 4Cs had become 'very processy'. Some of the 4Cs had been applied more

rigorously than others, with several housing associations saying they did not understand what was required in some respects (especially in terms of 'compete').

2.11 Tenant involvement in Best Value has been very patchy:

- tenants have not always been included as members of review teams. Many associations said tenants have been reluctant to be involved in reviews. Where tenants have been included, they have tended to be drawn from the same small group of active tenants;
- there are many examples of effective and innovative tenant consultation for Best Value reviews, but also examples where tenant consultation for reviews appears to have been somewhat cursory;
- only about half the housing associations interviewed had involved tenants in deciding which services to review. Some associations had reported problems in this respect, with tenants' interests not always coinciding with business interests; and
- information on Best Value provided to tenants was patchy. Only four housing associations interviewed still send tenants full versions of Best Value Performance Plans as required by current guidance, most believing they served no purpose. Most associations send some information via newsletters, but some of this information is minimal. Most housing associations report little or no tenant response to information sent.

2.12 Finally, how successful has the Assembly's Best Value guidance been in achieving Best Value objectives?

- promoting continuous improvement in service delivery;

Some improvements can be evidenced through, for example, Performance Indicators, but it is not possible to evidence what role Best Value (as opposed to other continuous improvement mechanisms or indeed day-to-day management of services) has had in securing those improvements. Best Value appears to have been only one of many things (including leadership and effective management) that has contributed to continuous improvement. Best Value reviews had identified and led on to many areas of improvement, but the general consensus is that continuous improvement was less to do with Best Value than with organisational culture.

- increasing the influence of tenants on the delivery of services;

Best Value appears to have made limited or very little contribution to this objective, and tenant involvement in Best Value has been patchy (see paragraph 2.10 above).

The consensus is that Best Value has not driven the tenant participation agenda, but that the drive towards increased emphasis on tenant engagement in services is part of a wider trend in public sector services generally.

- ensuring the delivery of cost effective, efficient and effective services;

There is some evidence from housing associations of cost savings resulting from Best Value reviews, but also evidence of Best Value reviews bringing increased costs, in terms of the improvements resulting from reviews and of the resources needed to undertake reviews, with some housing associations questioning whether inputs have always justified outputs.

Chapter 5 - Conclusions and recommendations

1 Key themes and conclusions

1.1 The Welsh Assembly Government's guidance on Best Value for Registered Social Landlords was fully implemented by most associations immediately following its issue, and appears to have been instrumental in helping to foster a culture of continuous improvement in many associations. That culture now appears to be generally well-embedded across housing associations. New opportunities for driving continuous improvement have also been provided by development consortia, which are already beginning to do a lot of work jointly on continuous improvement, with more planned.

Changing policy environment

1.2 Many housing associations have already responded to the rapidly changing policy environment outlined in Chapter 2 and are in the process of significantly changing, or of considering significant change to, their approaches to Best Value and continuous improvement. This suggests any new guidance will need to be responsive to changing policy at a strategic level, with enough flexibility (and not too much detail) to ensure it does not become quickly outdated.

Wide range of approaches to continuous improvement

1.3 Housing associations have learnt lessons from the early implementation of Best Value guidance. It is clear from key interviews and telephone interviews (backed up by evidence from early inspections of Welsh housing associations)

that most housing associations have now moved on from Best Value in various ways:

- some associations have adapted Best Value to better suit their business, for example in the way they prioritise Best Value reviews, conduct reviews, and present and distribute performance information;
- some have abandoned Best Value for other continuous improvement mechanisms; and
- most associations are now combining Best Value with a wide range of other approaches to continuous improvement.

1.4 It is also clear from published evaluations that a wide range of improvement mechanisms outside of Best Value work well to drive improvement.

1.5 Various policy developments provide impetus for reconsideration of, and greater potential regarding, the range of ways in which services are reviewed. For example:

- the new regulatory and inspection regime for housing associations includes a process of self-assessment;
- toolkits being produced by Welsh Local Government Association are designed to aid self-assessment and peer-assessment and, although they are aimed at local authorities, it is anticipated at least some of their content will also be of relevance to housing associations;
- changes to the Wales Programme for Improvement seek to introduce greater peer challenge; and

- the new development consortia provide new opportunities for peer review within and between consortia.

1.6 All of this strongly suggests the present Welsh Assembly Government guidance on Best Value should be withdrawn, and that any new guidance on Best Value and continuous improvement to emerge from this evaluation should embrace and recognise the validity of a wide range of approaches to service review and continuous improvement, and should not be prescriptive about the improvement mechanisms to be used.

Embedding continuous improvement

1.7 Key interviews showed, across the UK, it is increasingly being recognised that embedding the principles and processes of continuous improvement within business and corporate planning processes is crucial to effective implementation. The Beecham Review points to the particular barriers to improvement imposed in Wales by the scale of organisations and the resources available to them. Welsh organisations, therefore, would have particular problems in pursuing continuous improvement processes as something separate from their mainstream business.

1.8 Telephone interviews and key interviews showed, in many housing associations, whilst Best Value guidance is being applied, it does not appear to have been mainstreamed or embedded. Best Value is sometimes a 'stand alone' function, viewed as an 'additional burden', and leading to segmental, rather than holistic approaches to improvement. Other housing associations, however, have a more integrated approach to improvement and business planning across the organisation.

1.9 Many housing associations strongly believe the successful pursuit of continuous improvement has less to do with the application of Best Value guidance than with organisational culture. This is borne out by published evaluations which suggest success in delivering improvements largely depends on the culture of an organisation and organisational buy-in to whatever approach is taken.

1.10 All of this suggests any new guidance on Best Value and continuous improvement to emerge from this evaluation will need to focus on ensuring the principles and processes of continuous improvement are embedded in associations' culture and corporate and business planning.

Focusing on objectives and outcomes

1.11 The literature review and key interviews showed clearly the policy context for continuous improvement is subject to continuous change. Some of the potential changes are substantial, many are about detail. Any future guidance on Best Value or continuous improvement for Registered Social Landlords in Wales will, therefore, need to be robust enough to remain relevant in the face of those changes. This is likely to be best achieved by being clear about the objectives of such guidance and by ensuring the content of the guidance supports the achievement of those objectives.

1.12 Many housing associations believe current guidance on Best Value is too focused on process and not sufficiently focused on outcomes. Some associations believe the guidance is not sufficiently clear about whether specific outcomes are expected (for example cost efficiencies). If (as suggested in paragraph 1.5 above) any new guidance is to recognise the validity of a wide range of approaches to

continuous improvement, then a focus on process is no longer appropriate. Evidence of improvement, not methods of delivering improvement, is what matters. This suggests future guidance should be outcome-based, should be clearer about what outcomes are expected, and should provide a framework for continuous improvement rather than a procedure.

Flexibility and prescription

1.13 Many housing associations believe current Best Value guidance is inflexible and over-prescriptive, for example in respect of:

- the requirement to review all activities of the association;
- the five-year time frame;
- the conduct of Best Value reviews; and
- the content of Best Value Performance Plans.

A minority of housing associations welcomed many prescriptive elements of the guidance, and some feel the guidance is not prescriptive enough. These housing associations want clear expectations of what they need to do, clearer definitions, and better feedback about whether they are doing 'the right things'.

1.14 The majority would prefer any new guidance to emerge from this evaluation to be non-prescriptive, and this is consistent with the suggestion in paragraph 1.11 above that any new guidance should provide a framework for continuous improvement rather than a procedure. However, it would also be important for new guidance to provide greater clarity around terminology, definitions and expectations, and it would be helpful to many housing associations if it were to refer to examples of good practice in driving continuous improvement.

Desirability of reviewing services and activities

1.15 There were criticisms of the prescriptive nature of current Best Value guidance in respect of when and how Best Value reviews should be conducted, and housing associations are now timing and conducting reviews in a wide variety of ways. However, there was no objection to the principle that services and activities should be reviewed. Associations had generally found reviews useful and productive, and reported many successes in terms of improvements achieved as a result of reviews. This suggests any new guidance, whilst avoiding prescription regarding methodology, should continue to require associations to adopt a systematic process whereby services and activities are reviewed.

Risk based approach to review

1.16 Most housing associations no longer regularly review all of their services and activities. One housing association, for example, said although an initial review of all areas had been useful, they do not need to do it again. Many associations have moved, or are considering moving, to a process which focuses reviews where they can make the most impact, or, as one housing association put it, 'a regime based on risks and opportunities'. It would seem sensible, if new guidance continues to require associations to conduct reviews, it should require them to take a risk based approach to the selection of services and activities for review.

Robustness of review processes

1.17 Robust self-assessment emerges from policy evaluations as one strong driver of improvement. However, evidence from the Wales Programme for Improvement and from Corporate Performance Assessment in England suggests the required robustness

is not always applied, particularly in relation to service assessments. Evidence also suggests self-assessment alone is not enough to drive improvement if it is not linked to good improvement planning. As yet, self-assessment is fairly undeveloped within housing associations. Housing associations have not yet undertaken a full process of Whole Association Analysis, and it is not clear to what extent this is to be implemented. This represents a current gap in the policy framework for associations in Wales. If any new guidance on Best Value and continuous improvement is to embrace self-assessment as one approach to service review, attention will need to be paid to ensuring the process is robust, and that appropriate focus is placed on resulting improvement planning.

1.18 Housing associations had generally found the 4Cs (consult, compare, compete, challenge) a useful framework for reviewing services and activities. Some of the 4Cs have been applied more rigorously than others, with several associations saying they did not understand what is required in some respects (especially in terms of 'compete'). It is difficult to see how any review or self-assessment could be conducted rigorously without consulting stakeholders, comparing with others, challenging current approaches, and examining a range of options for procurement. This suggests any new guidance should recommend (but not require) the application of the 4Cs (or 3Cs and a P - consultation, comparison, challenge and procurement) to reviews of services and activities, outline the reasons this framework might be useful, provide clear explanations of what is meant by each element of the framework, and provide good practice examples of their application.

1.19 The robustness of any approach to service review will largely depend on the evidence base used for that review. Many housing associations expressed a desire for a future continuous improvement framework to focus more clearly on outcomes than is the case with the present Welsh Assembly Government guidance (as outlined in paragraph 1.11 above). Assessing whether desired outcomes have been achieved will require an effective evidence base from which this can be judged. This suggests any new guidance should address how associations themselves might assess whether they have achieved expected outcomes, and what evidence regulators might want to see.

1.20 A robust evidence base is unlikely to come solely from performance indicators. The evidence gap will be plugged in part by the publication of housing association inspection reports, which will provide an evidenced judgment of an association's performance and share good practice. However, there still appears to be the need for a robust methodology for judging, for example, the quality of services and the influence residents have had on services. The self-assessment toolkits being developed by Welsh Local Government Association should help aid the process, but these will not cover all housing services.

The role of tenants

1.21 Expectations in terms of one of the key objectives of Best Value, increasing the influence of tenants on the delivery of services, are set to change and to increase. For example:

- the new Welsh Assembly Government resident participation strategy (under development) has removed the requirement for the production of tenant participation compacts, introduced the requirement for the production of

local resident participation strategies, and validated a wider range of ways to involve and support tenants;

- the *Making the Connections* agenda puts increased emphasis on public participation/engagement in services; and
- the Beecham Review stresses the need for citizen-centred local services.

1.22 Tenant involvement in Best Value has been very patchy:

- tenants have not always been included as members of review teams. Many housing associations said tenants have been reluctant to be involved in reviews. Where tenants have been included, they have tended to be drawn from the same small group of active tenants;
- there are many examples of effective and innovative tenant consultation for Best Value reviews, but also examples where tenant consultation for reviews appears to have been somewhat cursory;
- only about half the housing associations interviewed had involved tenants in deciding which services to review. Some associations had reported problems in this respect, with tenants' interests not always coinciding with business interests;
- information on Best Value provided to tenants was patchy. Only four housing associations interviewed still send tenants full versions of Best Value Performance Plans as required by current guidance, most believing they served no purpose. Most associations send some information via newsletters, but some of this information is minimal. Most housing associations report little or no tenant response to information sent.

1.23 All this suggests the need to ensure greater weight is given to tenants' perspective on services, to involving

tenants in decisions about services, and to providing information on performance to tenants. There are dangers, however, to being prescriptive about the way tenants should be involved in Best Value, and to formalising customer involvement when it should be the main focus of the whole organisation. This suggests any new guidance on continuous improvement should clearly underline the importance of tenants in this process, provide good practice examples from housing associations where this has been done effectively, but emphasise (by linking to the new Welsh Assembly Government resident participation strategy under development and to the *Making the Connections* agenda) that effective tenant involvement and consultation can only be achieved by mainstreaming involvement and strengthening the role of tenants in the organisational culture as a whole. It also suggests tenants or tenant representative organisations should be fully involved in the process of drawing up any new guidance to help ensure a clear focus on the importance of tenants in the process of improvement.

Alignment of policies

1.24 The literature review and key interviews demonstrated continuous improvement needs to take place within a very broad policy context. There is, therefore, a need to ensure policies and practices on continuous improvement are well aligned. There is a need for clear alignment between, for example:

- housing association regulation, inspection and self-assessment, including clarity about what consequences there are for organisations that do not follow Welsh Assembly Government guidance;

- housing associations' 30 year business planning to meet Welsh Housing Quality Standard;
- the newly developed national resident participation strategy;
- the *Making the Connections* agenda for public services;
- recommendations emerging from the Beecham review of local service delivery;
- expectations of development consortia (especially in terms of expectations regarding efficiency improvement planning and continuous improvement in procurement); and
- any new guidance on Best Value and continuous improvement for Registered Social Landlords to emerge from this evaluation.

1.25 There is potential for multiple sets of guidance to emerge, all addressing in various ways the three key objectives of Best Value (continuous improvement in service delivery, increasing the influence of tenants, delivery of cost effective services). Successful implementation would be more likely if an integrated approach were to be put in place at a policy/guidance level.

1.26 Evaluations of Best Value and Corporate Performance Assessments in England suggest inspection results have been significant drivers of improvement. Inspection reports for Welsh housing associations have only just begun to be published, and it is too early to tell whether they will have a similar effect. But, if they are to have a positive effect on the continuous improvement agenda in Welsh housing associations, it will be particularly important (as suggested in paragraphs 1.23 and 1.24 above) there is clear alignment between any new guidance to emerge

from this evaluation, housing association inspection, and the consequences there are for organisations that do not follow that guidance or achieve good outcomes.

Parity between local authorities and housing associations

1.27 There is an issue regarding parity of requirements in relation to continuous improvement regimes between local authorities and housing associations. This becomes more important in the context of:

- the likely expansion of stock transfer associations;
- the possibility in the future of housing associations being included in joint local housing policy agreements between local authorities and the Welsh Assembly Government;
- the development of a common performance measurement framework;
- supported housing (with Supporting People as the largest housing budget), where Best Value applies to one group of providers (housing associations), the Wales Programme for Improvement to another (local authorities), and neither applies directly to voluntary sector support providers; and
- recommendations from the Beecham review in relation to voluntary sector organisations that provide public services.

1.28 Currently, there is a significant lack of parity between the requirements of the Wales Programme for Improvement and guidance on Best Value for housing associations in Wales. The Welsh Local Government Association paper *Taking Stock* sets out proposed changes to the Wales Programme for Improvement which would bring the two regimes somewhat closer.

Greater consistency would help address mutual suspicion and reduce the ability for local authorities or housing associations to present themselves as 'different'.

1.29 Parity did not seem to be a particular issue for housing associations, the vast majority of telephone interviewees feeling they did not have enough knowledge of the Wales Programme for Improvement to comment on it. But the perception of some key interviewees was that Best Value was an outdated mechanism, and the flexibility of the Wales Programme for Improvement was seen by many as a very positive aspect of this approach.

1.30 However, there were several words of caution. For example, some key interviewees felt the Wales Programme for Improvement:

- had been more successful at corporate improvement than at service improvement;
- made it difficult to get a consistent and comparable view of improvement; and
- provided less clarity for service users.

1.31 This suggests any moves towards greater parity should not be achieved via wholesale adoption of the continuous improvement regime currently in place for local authorities, but should draw from the lessons which that regime has learnt in practice (some of which are addressed in Chapter 2, paragraph 4.8).

Success of Best Value guidance in achieving its objectives

1.32 Finally, how successful has the Welsh Assembly Government's Best Value guidance been in achieving Best Value objectives?

1.33 How successful has Best Value guidance been in promoting continuous improvement in service delivery? Some improvements can be evidenced through, for example, performance indicators, but it is not possible to evidence what role Best Value has had in securing those improvements. Best Value appears to have been only one of many things (including leadership and effective management) that have contributed to continuous improvement. Best Value reviews had identified and led on to many areas of improvement, but the general consensus is that continuous improvement is less to do with Best Value than with organisational culture.

1.34 How successful has Best Value guidance been in increasing the influence of tenants on the delivery of services? Best Value appears to have made limited or very little contribution to this objective, and tenant involvement in Best Value has been patchy (see paragraph 1.21 above). The consensus is Best Value has not driven the tenant participation agenda, but that the drive towards increased emphasis on tenant engagement in services is part of a wider trend in public sector services generally.

1.35 How successful has Best Value been in ensuring the delivery of cost effective, efficient and effective services? There is some evidence from housing associations of cost savings resulting from Best Value reviews, but also evidence of Best Value reviews bringing increased costs, in terms of the improvements resulting from reviews and of the resources needed to undertake reviews, with some associations questioning whether inputs have always justified outputs.

1.36 The conclusion would seem to be, whilst a direct causal link between the application of the Welsh Assembly Government's Best Value guidance and the achievement of the objectives of that guidance cannot be positively established, the guidance would appear to have helped to secure many improvements in service delivery, but to have been less effective in increasing the influence of tenants or in improving the cost effectiveness of services.

2. Recommendations

2.1 Our recommendations for the future development of the Best Value regime for Registered Social Landlords in Wales are outlined below.

2.2 We propose the Welsh Assembly Government should withdraw its current guidance *Best Value for Registered Social Landlords* and issue revised guidance for Registered Social Landlords on continuous improvement.

2.3 Revised guidance should be clearly aligned with the Welsh Assembly Government's wider policy agenda, including:

- housing association regulation, inspection and self-assessment;
- housing associations' 30 year business planning to meet Welsh Housing Quality Standard;
- the national resident participation strategy (under development);
- the *Making the Connections* agenda for public services;
- recommendations arising from the Beecham review of local service provision;
- expectations of development consortia (especially in terms of expectations regarding efficiency improvement planning and continuous improvement in procurement); and
- be sufficiently flexible to ensure it remains responsive to changing policy and does not become quickly outdated.

2.4 The revised guidance should:

- recognise the validity of a wide range of approaches to service review and continuous improvement, and not be prescriptive about the improvement mechanisms associations should use;
- focus on ensuring the principles and processes of continuous improvement are embedded within organisational culture and corporate and business planning;
- spell out its objectives, and ensure the content of the guidance is designed to support the achievement of those objectives;
- include clear explanations and definitions of terminology used;
- be outcome-based, clear about what outcomes are expected, and provide a framework for continuous improvement rather than a procedure;
- continue to require Registered Social Landlords to review services and activities, but to adopt a systematic, risk-based approach to identifying which services and activities will be reviewed;
- require Registered Social Landlords to demonstrate HOW they achieve continuous improvement and WHAT they have achieved;
- stress the importance of self-assessment in driving improvement, and of ensuring that such self-assessment is robust;

- recommend (but not require) Registered Social Landlords to apply the 4Cs (or 3Cs and a P - consultation, comparison, challenge, procurement) to reviews of services and activities, outline the reasons this framework might be useful, and provide clear explanations of what is meant by each element of the framework;
- stress the importance of tenants in the process of continuous improvement, and of giving due weight to tenants' perspective on services, involving tenants in decisions about services, and providing information to tenants on performance. It should emphasise (by linking to the Welsh Assembly Government resident participation strategy under development) and the *Making the Connections* agenda the importance of mainstreaming that involvement and strengthening the role of tenants in the organisational culture as a whole;
- ensure an appropriate focus is placed on the importance of improvement planning following review of services and activities; and
- be clear about the evidence regulators might want to see, and the consequences there will be for Registered Social Landlords that do not follow the revised guidance or achieve good service outcomes.

2.5 In addition, the revised guidance should include, or refer to, examples of good practice in respect of issues outlined in our other recommendations, for example:

- different improvement mechanisms;

- embedding of continuous improvement;
- systematic approaches to review;
- risk assessment;
- robust self-assessment;
- the application of each of the 4Cs (or 3Cs and a P);
- the involvement of tenants in the process of continuous improvement, including:
 - ascertaining and giving due weight to tenants' perspective on services;
 - involving tenants in decisions about services;
 - providing information to tenants on performance; and
- improvement planning.

2.6 Tenants and tenant representative organisations should be fully involved in the process of drawing up any new guidance to help ensure a clear focus on the importance of tenants in the process of improvement.

2.7 The Welsh Assembly Government should consider how best it can:

- collect and disseminate examples of good practice to provide robust evidence against which Registered Social Landlords can judge the quality of their services and activities; and
- promote robust methodologies to assist Registered Social Landlords in assessing their services and activities.



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Appendix 1: Membership of Project Steering Group

Chair:	Helen Bushell, Research & Information Unit, Welsh Assembly Government
Research Project Manager:	Karen Bathgate, Research and Information Unit, Welsh Assembly Government
Policy Advisers:	Linda Whittaker, Head of Housing Department, Welsh Assembly Government Paul Webb, Head of Housing Strategy and Service Unit, Welsh Assembly Government Chris Hobday, Head of Social Housing, Regulation and Investment Unit, Welsh Assembly Government
Advisers:	Sue Finch, Housing Policy Officer, Welsh Local Government Association Tom Entwistle, Lecturer in Public Policy and Management, Cardiff University Amanda Oliver, Supported Housing Policy Officer, Welsh Federation of Housing Associations

Appendix 2: Key Stakeholders

Appendix 2a: List of interviewees

Face-to-face interviews were undertaken with:

- Audit Commission
 - Roy Irwin (Chief Housing Inspector)
- Chartered Institute of Housing Cymru
 - Keith Edwards (Director)
- Cymorth
 - Joy Kent (Director)
- Local Government Data Unit
 - Richard Palmer (Head of Improvement and Development)
 - Suzanne Lloyd (Improvement and Development Advisor)
- TPAS Cymru
 - John Drysdale (Director)
 - Liz McDonnell (TPAS Cymru Management Committee tenant member)
- Wales Audit Office
 - Steve Barry (re housing and housing associations)
 - Julie May (re WPI)
- Welsh Assembly Government
 - Linda Whittaker (Housing Division)
 - Chris Hobday (Housing Division)
 - Steve Pomeroy (Local Government Modernisation)
 - James Watkins (Making the Connections Unit)
- Welsh Federation of Housing Associations
 - David Hedges (Acting Director)
 - Amanda Oliver (Policy Officer)
- Welsh Local Government Association
 - Colin Everett (re WPI / continuous improvement)
 - Steve Williams (re WPI / continuous improvement)

Sue Finch (Policy Officer, Housing)

- Welsh Tenants Federation

Terry Hennigan (Chair)

Steve Clarke (Policy Officer)

Telephone interviews were undertaken with:

- Communities Scotland

Karen Watt (Head of Regulation and Inspection)

- Housing Corporation

Deborah Ilott (Policy Lead)

Appendix 2b: Key stakeholders questions³⁰

1	Housing associations
1.1	<p>Can you describe the policy framework currently in place to encourage housing associations to:</p> <ul style="list-style-type: none"> • achieve continuous improvement? • increase the influence of tenants on the delivery of services? • ensure the delivery of cost effective, efficient and effective services? <p>How does this Best Value policy framework link to the wider policy framework for delivering local services?</p>
1.2	How well do you consider that this policy framework has been implemented in practice?
1.3	<p>How successful has this policy framework been in driving, or assisting in:</p> <ul style="list-style-type: none"> • achieving continuous improvement? • increasing the influence of tenants on the delivery of services? • ensuring the delivery of cost effective, efficient and effective services? <p>Can you point to any examples of particularly good practice in the way the policy framework has driven these Best Value objectives?</p> <p>Can you point to any particular tensions in the policy framework which work against the achievement of these objectives?</p>
1.4	What changes to this policy framework are likely to take place in the future?
2	Local authorities
2.1	<p>Can you describe the policy framework currently in place to encourage local authority housing services to:</p> <ul style="list-style-type: none"> • achieve continuous improvement? • increase the influence of tenants on the delivery of services? • ensure the delivery of cost effective, efficient and effective services? <p>How does this Best Value policy framework link to the wider policy framework for delivering local services?</p>
2.2	How well has this policy framework been implemented in practice?

³⁰ These are generic questions which were customised to reflect the context of each key interviewee, eg. re housing sector (local authority, housing association) and location (Wales, England, Scotland).

2	Local authorities
2.3	<p>How successful has this policy framework been in driving, or assisting in:</p> <ul style="list-style-type: none"> • achieving continuous improvement? • increasing the influence of tenants on the delivery of services? • ensuring the delivery of cost effective, efficient and effective services? <p>Can you point to any examples of particularly good practice in the way the policy framework has driven these Best Value objectives?</p> <p>Can you point to any particular tensions in the policy framework which work against the achievement of these objectives?</p>
2.4	<p>What changes to this policy framework are likely to take place in the future?</p>
3	Any other information/views

Appendix 3: Telephone Interviews

Appendix 3a: Housing associations participating in telephone interviews

Aelwyd	Linc Cymru
Cadarn	Merthyr Tydfil
Cadwyn	Mid Wales
Cantref	Newport Housing Trust
Cardiff Community	North Wales
Clwyd	Pembrokeshire
Cynon Taf	Pennaf
Dewi Sant	Pontypridd and District
Eastern Valley	Rhondda
Eryri	Seren
First Choice	Swansea
Gwalia Housing Group	Taff
Gwerin	United Welsh
Hafan	Valleys to Coast
Hafod	Wales and West

Appendix 3b: Telephone interview questions

1	How is your association seeking to meet Best Value objectives? What overall approach have you adopted?
2	What services/policy areas are covered by Best Value?
3	How are services reviewed?
4	How are stakeholders and customers involved? Are they involved in deciding
5	What form does your Best Value Performance Plan take? How is it used/ disseminated?
6	What information about Best Value, continuous improvement and performance is provided to tenants? In what formats? Is any feedback sought/received from tenants?
7	What type of performance information used, and by whom (officers, directors, board, partners)?
8	To what extent have you implemented the Assembly's 'Best Value guidance to RSLs'?
9	Can you point to any particular successes in the implementation of this guidance?
10	Can you point to any barriers to the implementation of this guidance?
11	In your experience of using the Guidance, what has been most useful?
12	In your experience of using the Guidance, what has been least useful?
13	What contribution has the Guidance, and Best Value itself, made in your association to securing continuous improvement?
14	What contribution has the Guidance, and Best Value itself, made in your association to increasing the influence of tenants?
15	What contribution has the Guidance, and Best Value itself, made in your association to ensuring the delivery of cost effective, efficient and effective services?
16	Has your association used any other mechanisms to secure continuous improvement?
17	If so, can you describe the different approaches you have used?
18	How well have these approaches worked with Best Value?

19	What are your views on the relative usefulness of the different approaches?
20	Has the establishment of development consortia offered new opportunities for driving continuous improvement? Is any specific work along these lines planned by your consortium?
21	If there is to be revised guidance on Best Value for housing associations, what sort of changes would you like to see?
22	How do you think the system of Best Value for housing associations compares with the Wales Programme for Improvement for local authorities?

Appendix 4: Case study questions

Appendix 4a: Chief executive and staff member(s) responsible for Best Value

1	<p>What overall approach is your association taking to continuous improvement?</p> <ul style="list-style-type: none"> • Does the association have a Best Value/continuous improvement policy in place? • What range of improvement mechanisms do you use? • What is the association's main driver for continuous improvement? • What role does Best Value play in driving continuous improvement in your association?
2	<p>How closely is your association following the Assembly's Best Value guidance?</p> <ul style="list-style-type: none"> • Which aspects of the guidance are you following? • Which aspects of the guidance are you not following, and why? • Have you changed your approach to Best Value/continuous improvement since the guidance was issued? • If so, why?
3	<p>How are the activities of the association reviewed?</p> <ul style="list-style-type: none"> • What approach is used? <ul style="list-style-type: none"> - Best Value? - another approach ? • What services/policy areas are reviewed? • How often are they reviewed? • Are the 4Cs used (consult, compare, compete, challenge)? • How effective is the approach used?
4	<p>Are reviews carried out by review teams?</p> <ul style="list-style-type: none"> • If not, who are they carried out by? • If so: <ul style="list-style-type: none"> - what is the composition of review teams? - who chairs review teams? • Do they include: <ul style="list-style-type: none"> - staff at different grades in the organisation? - staff from inside the review area?

<p>4 cont</p>	<ul style="list-style-type: none"> - staff from outside the review area? - staff responsible for Best Value/continuous improvement in the association? - tenants? - board members? - people from outside the association?
<p>5</p>	<p>How are reviews of activities reported?</p> <ul style="list-style-type: none"> • Do they result in written reports? • Do they result in action plans? • What are reporting mechanisms? Are they reported to: <ul style="list-style-type: none"> - senior management team? - Board? - other? • How is action resulting from reviews monitored? • How effective is that monitoring?
<p>6</p>	<p>Have reviews of activities driven improvement in the association?</p> <ul style="list-style-type: none"> • If not, why not?
<p>7</p>	<p>How are tenants and residents involved in reviews of activities?</p> <ul style="list-style-type: none"> • Are they involved in deciding which services will be reviewed? • Are they members of review teams? • How are their views sought? • How effective is their involvement?
<p>8</p>	<p>Do you produce a Best Value Performance Plan?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - what form does it take? - who is it sent to? - how useful do you think it is?

<p>9</p>	<p>Do you provide information to tenants about Best Value, continuous improvement and performance?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - what information is provided? - in what formats? - how useful do you think it is?
<p>10</p>	<p>How is continuous improvement monitored in your association?</p> <ul style="list-style-type: none"> • Who is it monitored by: <ul style="list-style-type: none"> - Board? - senior management team? - others? - why not? - how is it monitored? • What information is used for monitoring: <ul style="list-style-type: none"> - key performance indicators? - association's own indicators? - performance against targets? - other? • How is monitoring information presented: <ul style="list-style-type: none"> - figures? - graphs? - other? • How effective is that monitoring process?
<p>11</p>	<p>Are services in your association improving?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what is the evidence for this? - what do you attribute this success to? - what role do you think Best Value has played in that success?

12	<p>Is the influence of tenants in your association increasing?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what is the evidence for this? - what do you attribute this success to? - what role do you think Best Value has played in that success?
13	<p>Is your association delivering cost effective, efficient and effective services?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what is the evidence for this? - what do you attribute this success to? - what role do you think Best Value has played in that success?
14	<p>Has the establishment of development consortia offered new opportunities for driving continuous improvement in your association?</p> <ul style="list-style-type: none"> • What specific work along these lines is currently being carried out by your consortium? • What future work is planned?
15	<p>If there is to be revised guidance on Best Value or continuous improvement for housing associations, what sort of changes would you like to see?</p>
16	<p>Are there any other comments you would like to make?</p>

Appendix 4b: Board chair

1	How familiar are you with the Assembly's Best Value guidance to RSLs?
2	<p>What overall approach is your association taking to continuous improvement?</p> <ul style="list-style-type: none"> • Does the association have a Best Value/continuous improvement policy in place? What range of improvement mechanisms do you use? • What is the association's main driver for continuous improvement? • What role does Best Value play in driving continuous improvement in your association?
3	<p>How are the activities of the association reviewed?</p> <ul style="list-style-type: none"> • What approach is used? <ul style="list-style-type: none"> - Best Value? - another approach? • What services/policy areas are reviewed? • How often are they reviewed? • Are the 4Cs used (consult, compare, compete, challenge)? • How effective is the approach used?
4	<p>Are board members involved in reviewing the activities of the association?</p> <ul style="list-style-type: none"> • If not, why not? • If so, how useful is their involvement?
5	<p>Are reviews of activities reported to Board?</p> <ul style="list-style-type: none"> • If not, why not? • If so, how useful do you find that reporting? • How is action resulting from reviews monitored? • How effective is that monitoring?

<p>6</p>	<p>Does the Board monitor continuous improvement in the association?</p> <ul style="list-style-type: none"> • If not: <ul style="list-style-type: none"> - why not? - how is it monitored? • If so: <ul style="list-style-type: none"> - how often is it monitored? - what information is used for monitoring: <ul style="list-style-type: none"> • key performance indicators? • association's own indicators? • performance against targets? • other? - how is monitoring information presented: <ul style="list-style-type: none"> • figures? • graphs? • other? - how effective is that monitoring process?
<p>7</p>	<p>Are services in your association improving?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what is the evidence for this? - what do you attribute this success to? - what role do you think Best Value has played in that success?
<p>8</p>	<p>Is the influence of tenants in your association increasing?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what is the evidence for this? - what do you attribute this success to? - what role do you think Best Value has played in that success?

9	<p>Is your association delivering cost effective, efficient and effective services?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what is the evidence for this? - what do you attribute this success to? - what role do you think Best Value has played in that success?
10	<p>Has the establishment of development consortia offered new opportunities for driving continuous improvement in your association?</p> <ul style="list-style-type: none"> • What specific work along these lines is currently being carried out by your consortium? • What future work is planned?
11	<p>If there is to be revised guidance on Best Value or continuous improvement for housing associations, what sort of changes would you like to see?</p>
12	<p>Are there any other comments you would like to make?</p>

Appendix 4c: Staff focus group

1	<p>What overall approach is your association taking to continuous improvement?</p> <ul style="list-style-type: none"> • What drives continuous improvement in this association? • What role does Best Value play in driving continuous improvement in this association?
2	<p>How are the activities of the association reviewed?</p> <ul style="list-style-type: none"> • What approach is used? <ul style="list-style-type: none"> - Best Value? - another approach? • What services/policy areas are reviewed? • How often are they reviewed? • What methodology is used for reviews? • Are the 4Cs used (consult, compare, compete, challenge)? • How are tenants' views sought? • How effective is the approach used?
3	<p>Are staff involved in reviewing services/policy areas?</p> <ul style="list-style-type: none"> • If so, does this include: <ul style="list-style-type: none"> - staff at different grades in the organisation? - staff from inside the review area? - staff from outside the review area? - staff responsible for Best Value/continuous improvement in the association? • How useful is staff involvement?
4	<p>Who else is involved in reviewing services/policy areas?</p> <ul style="list-style-type: none"> • tenants? • board members? • people from outside the association? • How useful is their involvement?

5	<p>How are reviews of activities reported?</p> <ul style="list-style-type: none"> • Do they result in written reports? • Do they result in action plans? • How is action resulting from reviews monitored? • How effective is that monitoring?
6	<p>Are services in your association improving?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what do you attribute this success to? - what role do you think Best Value has played in that success?
7	<p>Is the influence of tenants in your association increasing?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what do you attribute this success to? - what role do you think Best Value has played in that success?
8	<p>Is your association delivering cost effective, efficient and effective services?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what do you attribute this success to? - what role do you think Best Value has played in that success?
9	<p>If there is to be revised guidance on Best Value or continuous improvement for housing associations, what sort of changes would you like to see?</p>
10	<p>Are there any other comments you would like to make?</p>

Appendix 4d: Tenant focus group

1	How familiar are you with the Assembly's Best Value guidance to RSLs?
2	<p>Is the influence of tenants in your association increasing?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what do you attribute this success to? - what role do you think Best Value has played in that success?
3	<p>Are services in your association improving?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what do you attribute this success to? - what role do you think Best Value has played in that success?
4	<p>Is your association delivering cost effective, efficient and effective services?</p> <ul style="list-style-type: none"> • If not, why not? • If so: <ul style="list-style-type: none"> - in which areas in particular? - what do you attribute this success to? - what role do you think Best Value has played in that success?
5	<p>How are the activities of the association reviewed?</p> <ul style="list-style-type: none"> • What approach is used? <ul style="list-style-type: none"> - Best Value? - another approach? • What services/policy areas are reviewed? • How often are they reviewed? • Are the 4Cs used(consult, compare, compete, challenge)? • How effective is the approach used?

6	<p>Are tenants involved in reviewing services/policy areas?</p> <ul style="list-style-type: none"> • If so: <ul style="list-style-type: none"> - Are tenants involved in deciding which services/policy areas will be reviewed? - How are tenants' views sought on reviews? - Are tenants involved in review teams? - How useful is tenant involvement in reviews?
7	<p>If there is to be revised guidance on Best Value or continuous improvement for housing associations, what sort of changes would you like to see?</p>
8	<p>Are there any other comments you would like to make?</p>

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