

Getting More For Your Money

**An evaluation of the Value For Money
provided by the work of the
Customer Board and Customer Inspectors**

Summary

Each year the Customer Board agrees a work programme for the next 12 months. As part of its work members decided they should carry out an assessment of the extent to which they, the Customer Board and Customer Inspectors provide Value For Money (VFM) to Stafford and Rural Homes (SARH).

Members of the Customer Board and Customer Inspectors worked together focussing on a specific time period – the financial year 1 April 2013 to 31 March 2014. The group used established VFM assessment techniques to:

- identify all the inputs – the resources they had used, including staff time, travel costs, training costs etc;
- identify what they had achieved in the year;
- assess the immediate and longer-term outputs of their work; and
- identify the wider benefits and outcomes of their activities.

The study is evidence-based and once all this information was gathered together the group was able to reach a judgement as to whether their activities provided VFM.

This exercise has provided clear evidence of the benefits and VFM provided by customer involvement in work that includes scrutiny. The findings demonstrate that the work undertaken the Customer Board and Customer Inspectors provides excellent VFM.

VFM straplines 'More For Your Money' which are used by used by SARH are included in this report to indicate the VFM benefits from the work of the two groups.



The Customer Board and Inspectors believe that other organisations would benefit from a VFM exercise similar to this. Further information can be obtained from Karen Marshall, Head of Governance at SARH.

Introduction

SARH is a successful organisation that manages 6000 properties and employs nearly 200 staff across the area. Rated first class by the Social Housing Regulator it is a registered charity with high customer satisfaction levels. It holds the 20th position in the 2014 Sunday Times Best Not-For-Profit Organisations To Work For.

The organisation was created in February 2006 when council tenants of Stafford Borough Council voted for a change of landlord by agreeing to transfer to the Housing Association.

From the outset SARH has worked closely with its customers and is committed to involving customers in a range of ways, including having customers on the Group Board which sets the

strategic direction for the organisation and makes the key decisions. Customer involvement at SARH continues to evolve and grow ensuring that customers are part of the fabric of the organisation – crucial to everything the organisation does.

The **Customer Inspectors** team was formed in 2008. The Inspectors have been trained to inspect how SARH delivers services to customers. Following each detailed inspection they present to the Leadership Team (the Chief Executive and Directors) of SARH a report which includes recommendations for how services can be improved.

The **Customer Board** formed in 2012, has nine customer members and meets regularly to examine how well SARH is delivering the landlord services. The Customer Board helps shape and prioritise the services the organisation delivers. Its work includes monitoring performance, reviewing policies and procedures, undertaking scrutiny of services and carrying out Customer Journey Mapping to test the way that services are delivered and obtain customer feedback.

Company values

One of the company values is:

- Empowering staff, customers and stakeholders to have real and meaningful input into the business.

The training provided for the Customer Board and the Customer Inspectors and the role that they have been given is just one of the ways that SARH delivers this company value.

Each year the Customer Board agrees a work programme for the next 12 months. As part of its work members decided they should carry out an assessment of the extent to which the Customer Board and Customer Inspectors provide VFM to SARH. To assist them an independent facilitator was appointed to guide them through the process and Karen Marshall, Head of Governance and her team provided staff support. This report is the result of that VFM evaluation.

The importance of VFM

The work of the Customer Board and Customer Inspectors includes looking at how efficiently and effectively services are delivered which links to VFM. The Customer Board therefore felt that they too should be subject to a scrutiny, or self assessment of VFM.

SARH's commitment to VFM is set out in the VFM Strategy and throughout the company VFM strap lines 'More for Your Money' are used to focus on and identify VFM targets and savings. These straplines cover financial, environmental, social, communication and service quality.

The social housing regulator, the Homes and Communities Agency (HCA) sets standards which social housing providers such as SARH must comply with. The main focus is on governance, financial viability and VFM. The basis of the approach is to ensure robust economic regulation, maintain lender confidence and protect public funding. One of the standards set by the HCA includes a requirement to publish a "transparent and robust" VFM self assessment that demonstrates a strategic approach to delivering VFM. The Customer Board and the Inspectors hope that this report will contribute to self-assessment.

Co-regulation

Another requirement of the HCA is that social housing providers must 'engage meaningfully with their customers and offer them opportunities to shape the tailoring of services' and 'have the ability to scrutinise their provider's performance, identify areas for improvement and influence future delivery. Should SARH be unable to satisfy the HCA that the arrangements it has in place for scrutiny and engagement are appropriate it could have serious consequences to the ratings awarded. Currently the HCA has awarded SARH the highest ratings for both Governance (G1) and Financial Viability (V1).

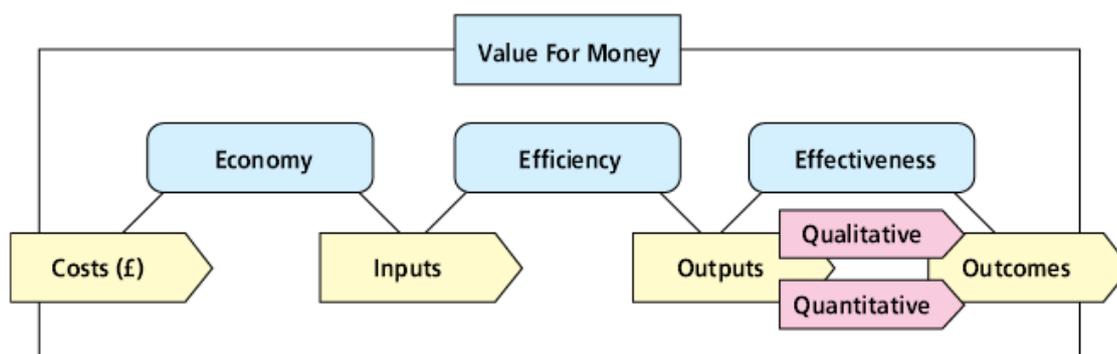
The Assignment Methodology

The group focussed on a specific period of activity – the work of the Customer Board and Customer Inspectors from 1 April 2013 to 31 March 2014. The Group used established VFM assessment techniques:

- **Identifying the inputs:** The Group identified all the resources they had used, including staff time, travel costs, training costs etc.
- **Identifying the outputs:** The Group identified what they had achieved in the year, looking at both the immediate and longer-term outputs of their work.
- **Identifying the outcomes:** Finally the Group identified the wider benefits and outcomes of their activities.

The study is evidence-based and once all this information was gathered together the Group was able to reach a judgement as to whether their activities provided VFM to SARH.

As VFM is defined as making the best possible use of resources to achieve intended outcomes the Customer Board and the Customer Inspectors used the "3 Es model" for their analysis.



Economy: clearly identifying the time and financial resources used by the two groups (inputs). Where a monetary value could be identified, for example, how much was spent on training in the year, these figures were used. The cost of SARH staff time was calculated by estimating the amount of staff time spent on supporting the two groups, and used an average salary figure, which was doubled to take account of overheads and indirect costs. This gave an amount of £50 per hour for staff time.

Efficiency: the relationship between the inputs and what has been achieved by the two groups (outputs). The Customer Board and Inspectors sought to identify everything they have done that has contributed to greater efficiency, monetary savings or improved customer satisfaction levels at SARH.

Effectiveness: to identify the wider benefits of the work of the Inspectors and the Customer Board (outcomes). For this wider evaluation of outcomes and benefits, both for the organisation and for the wider community of Stafford, the group sought to bear in mind equity - using resources fairly.

The group also drew upon the **Achieving Better Community Development (ABCD) Model**. This is a wide-ranging framework for evaluating the benefits of community developments and interventions.

The ABCD model provided us with the definition of a model community as one that is liveable, sustainable and equitable. With its focus on improving the quality of community life the ABCD model helped the group to pinpoint any specific benefits to local neighbourhoods or the wider community in Stafford arising from the work that has been carried out. Items that contribute to making it:

- ✓ A working community
- ✓ A more caring community
- ✓ A safer community
- ✓ A more creative community
- ✓ A more equitable community

Using a standard “task and finish” approach to the work this assignment was undertaken by the Customer Board members and Inspectors working very closely together. The joint group met six times and in between meetings members carried out research for the study. The assignment took place over three months (February – April 2014).

The independent facilitator, David Williams, from **DWA** Housing and Management Consultants, provided support and guidance. He also provided the group with short briefings on topics relevant to this study, including report writing, plain language, reputation management and presentational skills.

All the research has been undertaken by members of the Customer Board and Customer Inspectors and the conclusions and views set out are those of the members who took part.

Findings

The Inputs

The group sought to identify all significant inputs into the work of the Customer Board and Customer Inspectors for the year in question. They found that:

- ✓ the amount of voluntary effort put in by everyone on the Customer Board and Customer Inspectors team during the year in question was approximately 1,000 hours, equivalent to over 130 full days of voluntary work

- ✓ The resources SARH invested in the year in the two groups, including staff support, IT equipment, training and travel costs was calculated to be the equivalent of one full time average salary: £25,000.

The Outputs - What the Customer Board and the Customer Inspectors Achieved

The group catalogued all the work undertaken in the year in question and identified key pieces of work which included:

- ✓ Customer Board monitoring of SARH performance against a range of performance indicators. Members provide challenge when performance is not meeting the targets that have been set or when performance shows a downward trend. The Customer Board also scrutinise the results from the HouseMark annual cost and performance benchmarking exercise. Members use the information as a 'can-opener' to identify areas for more detailed scrutiny or inspection.
- ✓ Customer Board contribution to several policy reviews, including the Repairs Policy and the Complaints Policy, helping to ensure services are delivered in an efficient and relevant way.



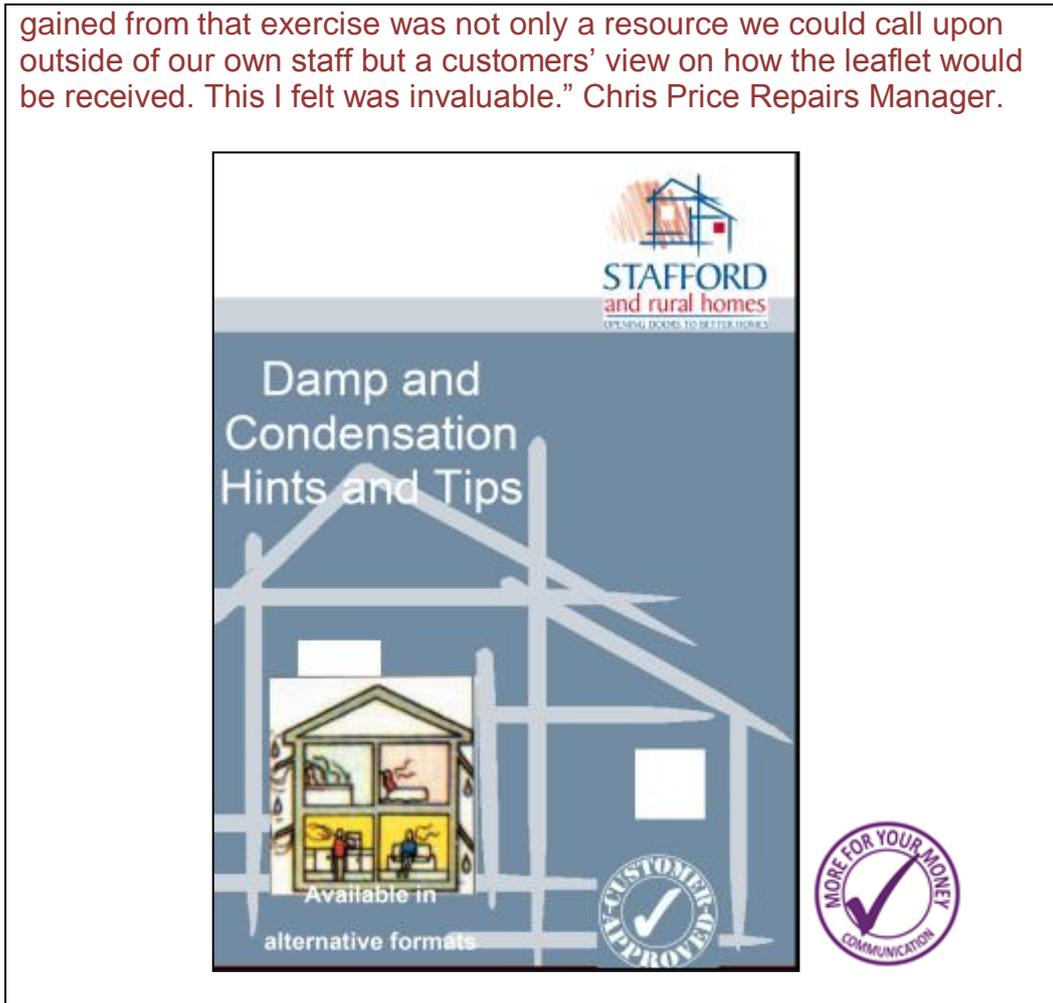
'Having the opportunity to ask the Customer Board and Inspectors to comment on policies gives us the opportunity to consider how we do things from a customer's perspective.....priceless.' Kim Carr, Neighbourhood Services Officer.

- ✓ Customer Board scrutiny of the out-of-hours repairs service which resulted in six recommendations for improvement, all of which were accepted and implemented by SARH, making services more efficient, improving the communication with customers and saving money. Over time these improvements should also result in improved customer satisfaction. As part of its work the Customer Board monitors customer satisfaction so will be able to assess the extent of any improvement.
- ✓ Customer Inspection of services for Independent Living customers which made 16 recommendations for improvement. 15 of these recommendations were accepted and implemented. These improvements should improve communication and customer satisfaction and reduce complaints and the results of this will be monitored.
- ✓ An information leaflet on damp, mould and condensation, that was instigated by the Customer Board. Members then worked with the Repairs Manager to produce the leaflet. Issues relating to damp and mould were identified by the Customer Board as an area where better communication and advice to customers could result in cost savings by reducing the number of Repairs First visits. Work carried out by an organisation called HACT has calculated that addressing damp and mould issues has a value equivalent to £1068 per home.



I recently worked alongside members of our Customer Board to develop a Damp, mould and condensation "hints and tips" booklet. What we

gained from that exercise was not only a resource we could call upon outside of our own staff but a customers' view on how the leaflet would be received. This I felt was invaluable." Chris Price Repairs Manager.



- ✓ Scrutiny of the organisation's website resulted in 10 recommendations for improvement. All recommendations were accepted and the changes being made will improve the accessibility and effectiveness of the website and should result in higher levels of user satisfaction.
- ✓ Work undertaken on the Annual Report for customers. Working with staff the Customer Board ensured that VFM information was highlighted throughout the report. They were also involved in the decision to publish the report electronically reducing printing and postage costs by more than £4,000. Involving customers in the production of the report also ensured an accessible "standard" reading age of the document making it easier for customers to obtain information.
- ✓ Customer Journey Mapping work carried out by the Customer Board. This detailed mapping of customers' real experiences of service delivery highlighted a number of areas for improvement. Recommendations were made to Housing Worx, the SARH trading subsidiary that carries out improvement work such as fitting new kitchens, bathrooms and internal doors. These improvements are contributing to making the service more efficient, improving



communication with customers and should therefore improve customer satisfaction. The Customer Board will continue to monitor customer satisfaction levels to test the impact of these improvements

Jane Cannell, Customer Board member 'Customer Journey mapping tracks the entire customer experience throughout a project or piece of work such as having a new kitchen fitted, a new bathroom or new internal doors. We use a three stage process asking customers to score their satisfaction levels at each stage

Stage 1 Visit the customer at home when the work has just started

Stage 2 Follow-up with a phone call during the installation

Stage 3 A follow-up call about 3 weeks after the work has been done to check there are no problems.

The feedback helps us to identify any improvements that can be made and provides additional insight into customer satisfaction.'

- ✓ Quarterly monitoring of customer satisfaction levels and input into the content of a new satisfaction survey that will be sent to all customers.



'Customer Board members and inspectors help the organisation to focus and target resources at areas that will improve customer satisfaction.' Sandra Shipperley, Customer Liaison Officer.

- ✓ Quarterly monitoring of complaints and reviews of lessons learnt from complaints. This work contributes to reducing the number of complaints going forward and more efficient delivery of services. Customer Board members sit on the Complaints Review Panel which is part of the complaints procedure. Not only does this provide a new and independent assessment and view on the complaint, it makes use of customer knowledge and insight and ensures compliance with the Localism Act in respect of dealing with complaints.



'Having been involved with the Customer Board since it was created I have seen members grow in confidence and be increasingly able to influence several areas of the business. The TPAS award made us feel very proud of the work we do and pleased that we have achieved this external recognition.'

Craig Royall, Customer Board member.

- ✓ Members of the Customer Board are included in procurement selection, ensuring that issues that really matter to customers are considered when contractors are selected. Getting this right puts an emphasis on effective communication with customers when work is being planned for example and contributes to customer satisfaction levels.



- ✓ Customers from the two groups receive training on interview skills and sit on recruitment panels where the post works directly with customers. This helps to ensure that the candidate selected has proper regard for issues that matter to customers and demonstrates the company values which are so important.



- ✓ The Customer Board and the Customer Inspectors provide a readily accessible “sounding board” for staff anywhere in the organisation who want to gain a customer’s perspective.



Karen Marshall, Head of Governance at SARH “having customers who really understand the business and are focused on finding ways to help SARH improve services is so useful to many of my colleagues. Whether it is a new initiative or a policy review our customers bring an invaluable insight and often ask the questions that everyone else might miss.”

- ✓ The contribution of the Customer Board and Customer Inspectors ensures the voice of the customers is clearly heard within SARH, at all levels including Leadership Team and the Group Board. The Customer Board and Inspectors provide a ready feedback mechanism for less active customers and a conduit for their views and opinions directly into the organisation. As a result services are more effective and more relevant to needs. SARH is a better landlord as a result of these efforts.



‘The Customer Board and inspectors provide a valuable link between customers and leadership team.’ Steve Rigby, Technical Officer.

Another important way that the Customer Board and Customer Inspectors provide VFM is by the way that they achieve external recognition and attract positive PR for SARH. SARH’s positive reputation in the housing world is a precious asset that is enhanced by the successful implementation of customer led scrutiny. The Customer Board and Inspectors have contributed to the success of the organisation and build up its immunity to reputational risk.

Examples of this include:

- ✓ A workshop hosted by SARH and the Customer Board in November 2013 to showcase the work done at SARH and share best practice with customers and staff from six other social housing landlords. Outcomes from the event were positive feedback from participants, networking with other active residents and a new regional officers’ group which continues to share best practice. One outcome from the officers’ group was that SARH was able to access and arrange free training from Tenant Central for Customer Board members and customers from other organisations.

'The reputation of the Customer Board had a huge boost following the workshop. Customers from other organisations were clearly impressed with the way we work and commented that it is unique and very effective. They can draw inspiration and ideas from us that they can use for their own groups.'
Kate Owen, Customer Board member.

- ✓ The Customer Board success at the 2014 TPAS awards in the Excellence in Co-Regulation category.
- ✓ Inclusion of the SARH Customer Board in an HQN scrutiny best practice guide published in 2013.
- ✓ The work that Customer Board members and Customer Inspectors do in their role as ambassadors for SARH, both locally and nationally, when attending or presenting at events, such as the AGM and training courses.

"I attended a course on Welfare Reform, attended by customers from all over England. There were many opportunities to network and spread the word about the housing association I represented. People I spoke to were impressed with the assistance given to our Customer Board and Customer Inspectors. Many of the organisations they were from did not have Customer Boards or scrutiny groups that were anything like as effective as ours" Jane Cannell, Customer Board member.

- ✓ A successful "Information Roadshow" organised by the Customer Board in the Market Square in Stafford in August 2013. The event raised the profile of the Customer Board and reached out to non-active customers. It was also a visible demonstration of how SARH works closely with its customers. The Roadshow had the added benefit of recruiting a new member to the Customer Board.

"I visited the Market Square last August where the Customer Board were promoting their work. I think it is great that SARH involves customers to help improve services. As a customer I want to participate, strengthen and aid the efforts of the Customer Board" Sarah May, Customer Board member appointed in 2013.

The Other Benefits – the Outcomes

As well as the tangible outputs set out above there are wider benefits of the Customer Board and Inspectors' work is identified below.

- ✓ **The Cost Of Non-Compliance**
An effective mechanism for co-regulation with customers is vital to the success of all social housing landlords. Without the positive achievements of the Customer Board and the Customer Inspectors SARH might be assessed by the regulator as failing to comply

with the co-regulation requirement. If this happened it would be damaging for SARH's reputation and its ability to win new contracts. It would also require SARH senior management team and the Board to spend time addressing this concern.

✓ **Continuous Improvement of Services**

Regular scrutiny of services and frequent inspections or re-inspections helps maintain the culture of continuous improvement at SARH. The work of the Customer Board and Customer Inspectors contributes to this broader culture of continuous improvement of services resulting in efficiency savings and increased customer satisfaction across SARH.

“The work we do really changes things for the better”. Tony Young, Customer Inspector.

✓ **Customer empowerment and the benefits of volunteering**

The Customer Board and the Inspectors are regularly and fully engaged in discussions, decisions and actions around housing needs and service improvements at the highest levels of the organisation. This empowerment is evidence of SARH's commitment to listening to customers. The achievements of the Customer Board and the Inspectors portray positively the benefits of “getting involved” and having your say” encouraging others at SARH and elsewhere to volunteer. They are an antidote to the refrain “why bother, nothing will change”.



” The fact that we are heard and treated with respect is all that I need to give me the inspiration to continue giving my time voluntarily” Annie Wilkes, Customer Inspector.

✓ **Wider community benefits**

Involved customers gain knowledge and confidence and gain valuable experience by being involved at SARH. This helps them in other work they are involved in too. Members of the Customer Board and the Inspectors team make use of these transferrable skills when they are engaged in a wide range of other work, much of which benefits local communities. Work done by the organisation HACT calculates that being active in tenants groups has a social value monetary equivalent to £7,757; and regular volunteering in the community has a value of £2,307 per person.



“Just doing this piece of work has added to my skills. I am often involved in organising events for a local group that I am involved in and being able to analyse whether an event will be VFM will be extremely useful”. Jane Cannell, Customer Board member.

✓ **Contributing To making SARH A Good Place To Work**

SARH is a successful organisation. This can be demonstrated in a number of ways not least by the fact that it holds 20th position in this year's Sunday Times Best Not-For-Profit Organisations To Work For. Partnership working with customers, the benefits of genuine

and positive engagement with its customers, the regular delivery of service improvements, and the positive reputation of the organisation both locally and nationally all contribute to making SARH a great place to work.

'From their work on interview panels to selection panels... the Customer Board and Inspectors help to shape the future of SARH and make it a better place to work. These customers undertake intensive training and give hours of their time and expertise to ensure that the customers' voice is heard. Pam Smith, Community Involvement Officer.

✓ **Raising a Positive Profile for Social Housing and Social Housing Tenants**

At a time when there are many negative stories in the media about people who live in social housing, the members of the Inspectors team and the Customer Board provide positive role models of social housing tenants in the local media and the housing press.

Conclusions

This VFM exercise has provided clear evidence of the benefits and VFM that properly empowered customers provide. The findings demonstrate that the work undertaken by the Customer Board and Customer Inspectors offers the organisation excellent VFM.

- ✓ For an investment of the equivalent of an average salary the returns are impressive and contribute significantly to the performance of the organisation.
- ✓ Over 1,000 hours of voluntary work is focused totally on improving the performance of the organisation. Members of the Customer Board and Inspectors team have a wide range of skills and experience which it would be difficult, if not impossible to provide if the work they do was carried out by one or two paid employees.
- ✓ It helps to deliver full compliance with regulatory requirements.
- ✓ It delivers service improvement recommendations across a wide range of services.
- ✓ It has raised the profile of the organisation both locally and nationally and contributed to its good reputation.

Recommendations

Measuring inputs against outputs and outcomes is an important start to recognising the VFM impact and gains to be realised for SARH. Looking forward the Customer Board and Inspectors want to build on what they have achieved together.

Areas to look at include:

- The Customer Board and Inspectors maximising their VFM impact by targeting their work on areas of highest potential returns. This will involve working with SARH and using information available through performance reporting etc to identify where

improvements will have most benefit, either in terms of financial value, social value, environmental value, improved communication or improved customer satisfaction.

- ❑ Carrying out more work such as scrutiny, inspections and Customer Journey Mapping and linking the improvements made as a result more directly to identifiable VFM savings.
 - ❑ Measuring the wider long-term gains to estates, neighbourhoods and the wider community of Stafford is more difficult. The ABCD model used in this assignment could help to develop longer-term indicators of community benefits that further measure the positive impact of the work of the Customer Board and Customer Inspectors.
 - ❑ Finally to assist in any future evaluation the Customer Board and the Inspectors have agreed a number of Key Performance Indicators
1. To undertake at least two inspections and two scrutiny assignments (which may include a related project) every year and to report directly on these in person to the Leadership Team.
 2. To undertake Customer Journey mapping across at least three areas of work eg kitchens, bathrooms, internal doors, electrical re-wiring; involving at least six customers who are having work carried out.
 3. That at least 90% of the recommendations made will be accepted and implemented within a reasonable timescale with a review of the implementation within six months. Where a recommendation is not accepted there must be a valid reason.