

**BUSINESS SUPPORT  
OVERVIEW AND SCRUTINY COMMITTEE  
27 JANUARY 2011**

**RESIDENT INVOLVEMENT INVOLVEMENT REVIEW  
AND PROPOSED LOCAL OFFERS**

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**Summary**

On 1 April 2010 the Tenant Services Authority (TSA) became the new Social Housing regulator for all social housing landlords. This brought about a new much tighter regulatory framework including the need to involve customers fully in the scrutiny and development of services. There was a need for a full and fundamental review of the then current Resident Involvement mechanisms available to tenants and leaseholders of Medway Council. This was because the current methods would not deliver the outcomes required from the new regulatory standards.

Part of this new framework requires the Council to work with tenants and leaseholders to develop a series of “local offers” which must be in place by 1 April 2011.

This report sets out details of the conclusions of the Resident Involvement Review and of the proposed “local offers” Medway Housing Services have developed in full consultation with its customers.

**1. Budget and Policy Framework**

1.1 The proposed local offers can be developed within the Council’s Housing Revenue Account (HRA) budget. The Community Plan commits the Council to empower local people to have greater participation and influence in local affairs. Additionally the council’s core values of:

- Putting our customers at the heart of everything we do
- Giving value for money

also fit within the policy context of developing resident involvement and undertaking the Resident Involvement Review and can be contained within the existing budgets.

- 1.2 The Committee is asked to consider this matter as urgent as the tenant consultation has just been completed and the local offers must be in place by 1 April 2010.

## **2. Background**

### **2.1 Resident Involvement Review**

- 2.1.1 On 1 April 2010 the Tenant Services Authority became the regulator for all Social Housing. This brought about a new regulatory framework focussed around the TSA's five national standards: -

1. Tenant Involvement and Empowerment
2. Home – repairs & maintenance, quality accommodation
3. Tenancy – rents, tenure and allocations
4. Neighbourhood and Community - neighbourhood management, local area co-operation and anti-social behaviour
5. Value for Money.

The Council was required to set out how it met these standards in its first Annual Report to tenants and leaseholders, which was published and issued by 1 October 2010. Where it did not meet any areas within the standards it was necessary to ensure plans were in place to meet them.

- 2.1.2 There is also a requirement to fully involve customers in the scrutiny and development of services provided to them by their landlord. This includes for the development of a strategic Housing Landlord Scrutiny panel, which is to be tenant led.
- 2.1.3 The review included consultation meetings with both members and non-members of MeRGe, HRA Housing Services staff and the Portfolio Holder for Housing Services.
- 2.1.4 For many years the Council had relied upon MeRGe to act as its main forum for tenant and leaseholder consultation. As a result of these new requirements it was identified that the current mechanisms of resident engagement would not sufficiently bring about the desired outcomes and it was agreed, in conjunction with MeRGe, for a review of the current resident involvement service to commence. This was undertaken during the Summer 2010 by an independent external organisation.
- 2.1.5 As well as undertaking consultation, the review included a comparison of the service with other housing organisations that were deemed as “good practice” for resident involvement and a cost analysis of the budget.

This review identified that there was a need to broaden and increase opportunities for involvement, as existing methods did not provide opportunity for effective consultation. Additionally, it identified that for the majority of customers, resident involvement and the grant provided to MeRGe was not providing value for money.

2.1.6 In recognition of this and the need to develop resident involvement, MeRGe decided to disband and the formal closure of MeRGE took place in November 2010. The funds that had been provided to MeRGE will be re-allocated to the resident involvement budget to develop new initiatives for involvement and consultation.

2.1.7 The review proposed a new resident involvement structure (see Appendix 1). Since Autumn 2010 Housing Services has launched a series of forums, as recommended in the structure covering all the main areas of the landlord housing service. These include a repairs forum, leaseholder forum and tenancy management forum. Additionally a new editorial panel is in place where residents work with officers to develop publications including their own newsletter "Housing Matters".

Each forum has a terms of reference with the overall objective of each allowing customer involvement in the development of policy work, obtain a greater understanding of the services and how these compare to other similar housing organisations. Forum members also review and monitor service specific performance and act as a primary focus for consultation in relation to the provision and management of the Council's landlord housing service.

Attendance is steadily growing and already policy development work involving customers has been undertaken.

Officers are currently recruiting to the new strategic Housing Scrutiny panel, (Housing Improvement Board) which will hold officers to account on aspects of performance, assist with influencing policy development and budget setting. The board will be made up of a maximum of 12 representatives who will be selected through formal recruitment or be the chairs of the main forums.

The main purpose of the scrutiny panel is for members to represent tenants and leaseholders at the highest level in terms of strategic planning and scrutiny of the service. This gives tenants and leaseholders access to full debate and discussion on matters affecting the management of their homes, thus enabling them to make recommendations in terms of relevant reports about the HRA service that are to be considered by Members of the Business Support Overview and Scrutiny committee. This includes influencing budgetary setting, performance target setting and monitoring.

The dates of the board meetings will be set to allow for discussion and input into relevant reports to Overview and Scrutiny, and officers suggest that the chair of the Housing Improvement Board attend Overview and Scrutiny on an annual basis to provide a review of the board's work.

Through their role in scrutiny, Members will be empowered to 'draw up' reports on areas of the service where performance is either poor or "coasting" for a greater understanding of the reasons. Through these mechanisms and scrutiny, Members will be able to hold Officers to account.

Discussions will be held with the board members about the provision of a "tenants friend" from an external organisations to provide some independent initial support, guidance and training on their roles and how to undertake this effectively.

- 2.1.8 A full copy of the report arising from the review is attached (see Appendix 2) for Members information

## 2.2 Local Offers

- 2.2.1 Local offers and customer consultation is at the heart of the new localism agenda. As part of the new TSA regulatory framework, Social Housing Landlords are required to have local offers in place by April 2011. In developing these, landlords must be able to demonstrate how they have involved customers in shaping the offers. Furthermore customers must be involved in the scrutiny and monitoring of the offers for the future
- 2.2.2 Local offers can be based on geographical service provision, customer group requirements or a type of service. Involving residents in the decision making process and developing local offers for service provision is crucial to meeting the needs of customers and providing them with the opportunity to challenge and influence how housing services are delivered to their communities.

## 3. **Options**

- 3.1 In developing local offers Housing Services need to be able to demonstrate how they have arrived at these using data and feedback from customers. In order to develop the local offers for 2011 to date the following mechanisms have been used: -
- Strengths and weaknesses exercise around the TSA standards with residents in Summer 2010
  - Survey included in Summer 2010 edition of Housing Matters
  - Consultation with the Sheltered Housing Forum
  - Feedback from Citizens Panel survey, BME Group and Equality and Action Group
  - Analysis of complaint reports and complaint learning logs
  - Feedback from a range of customer satisfaction surveys
  - Working with Young Inspectors to prioritise issues for young customers
  - Feedback from existing focus groups and resident meetings
  - Consultation with the Asset Management group, which includes tenants, on the Medway Decent Homes standards
  - Informal feedback from Housing Officers
  - Analysis of Anti Social Behaviour complaints.
-

Following this exercise, the proposed local offers as set out in the report have been developed. Further consultation and development of these will now be undertaken to include: -

- Survey to be included in January edition of Housing Matters - to ascertain tenant priorities of the local offers.
- Further consultation with Sheltered Housing residents specifically around offers affecting them
- Door knocking surveys to be conducted in areas, which have requested estate and neighbourhood offers – i.e. security works.
- Issue of Status Survey to ascertain tenants views of the service
- Development of partnership working with other housing organisations
- Further work with Young Inspectors to prioritise issues for young customers
- Development of the offers with the relevant forums
- Continued consultation with residents via Housing Officers and estate inspections

Local offers are to be formally launched at a Resident Involvement event to be attended by tenants and leaseholders and relevant staff in February 2011.

### 3.2 Service Specific Local Offers

- 3.2.1 A range of service specific and neighbourhood and estate based Local offers were outlined in the Annual Report to Tenants, which was published in October 2010. Since then, these teams have been further developed and enhanced. The proposed offers for launch on 1<sup>st</sup> April 2011 are as follows:-

### 3.3 Holding Housing Officer Surgeries

- 3.3.1 Set up of local housing management surgeries with housing management staff in an agreed location on estates. Residents will be consulted on how frequently they would want the surgeries held and what issues to cover.

### 3.4 Providing greater opportunity for residents to get involved

- 3.4.1 Formal publication of the new resident involvement structure this will provide a variety of options for customers to become involved, so they can provide feedback at a time and in a manner that is convenient to them.

### 3.5 Developing a Medway Homes Standard

- 3.5.1 Develop a Medway Homes Standard to follow on from the Decent Homes Standard. The council successfully met the Decent Homes target by the end of 2010. A “Medway” standard is to be developed with residents to ensure all properties which have capital works undertaken all meet and match an agreed standard of upgrade and are uniform.

### 3.6 Devising with customers local packages of works

3.6.1 Analysing with customers any capital work that might be due in a particular property or estate and assessing if the work planned to be undertaken over the next five years could be conducted in a single period. This would mean a customer would get the next five years work in one go, with only one period of disruption. This would reflect local improvement priorities and allow us to adjust timescales accordingly or complete the works to one whole street in one go. This is in line with the Asset Management Strategy.

### 3.7 Amending the term "Sheltered Housing"

3.7.1 Following feedback a number of Sheltered customers have requested the term "Sheltered Housing" is re-branded to a more descriptive term such as "Independent Living".

### 3.8 Neighbourhood and Estate based offers

3.8.1 The Housing Officers have also played a vital role when consulting with residents in their local neighbourhoods to develop the following Neighbourhood and Estate based local offers;

#### 3.8.2 Benenden Manor

3.8.2.1 Residents have requested that we work with the Police to reduce instances of Anti Social Behaviour in the area and increase lighting on the estate and install security doors.

#### 3.8.3 Arden Street

3.8.3.1 A programme of strategic planting and fencing to reduce instances of ASB in properties such as Tintagel Manor. The Young Inspectors also visited Tintagel Manor in May 2010 and recommended the following service improvements in the area:

- Better lighting in the area.
- Use the Community Payback Team to remove graffiti and conduct weeding.
- Ask residents if they would prefer garages or parking spaces, as garages are under utilised. Installation of solar panels on properties, as each resident could save up to £700 a year.

#### 3.8.4 Cornwallis Avenue

3.8.4.1 Develop with resident's measures to increase security in the neighbourhood and prevent fly tipping of rubbish

#### 4. Advice and analysis

- 4.1 To ensure that local offers are effective it is imperative that a robust system for monitoring and adapting local offers to residents' requirements and expectations is implemented. The Housing Improvement Board and relevant forums will monitor local offers developed by Medway.
- 4.2 The outcomes of local offers will be reported to residents on a regular basis and through a variety of mediums such as Housing Matters, the Council website, focus groups and web-based social mediums (such as Facebook, Twitter, Vimeo), updates displayed at Contact points and neighbourhood notice boards and at established focus groups and the Housing Improvement Board.

#### 5. Risk management

- 5.1 Risks of not fully implementing and monitoring local offers include:

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>
Failing to meet TSA standard	The Council not meeting legislative requirements which could ultimately trigger a short notice inspection	Develop an action plan containing weaknesses identified with tenants in summer 2010, which will be monitored by members of the Housing Improvement Board to ensure issues are addressed.
Local offers not delivered	Offering services to customers which may be reduced due to budgetary constraints	Provide Local offers, which are feasible to deliver. Work with other departments or housing providers to share costs, improve service provision and develop further efficiencies  Identify any external funding available to assist in developing these.

#### 6. Consultation

- 6.1 Details of consultation undertaken in terms of the Resident Involvement Review and local offers are set out in the main body of this report.
- 6.2 Joint working has also commenced with stake holders and other housing providers such as West Kent housing and MHS Homes to develop an area wide local offer, which will provide value for money and improved services through joint working.

## **7. Financial and legal implications**

- 7.1 All costs for development of local offers can be met from the existing HRA budgets

## **8. Recommendations**

- 8.1 To note the outcome of the Resident Involvement review and new structure.
- 8.2 Agree local offers as set out in this report, subject to further customer consultation.

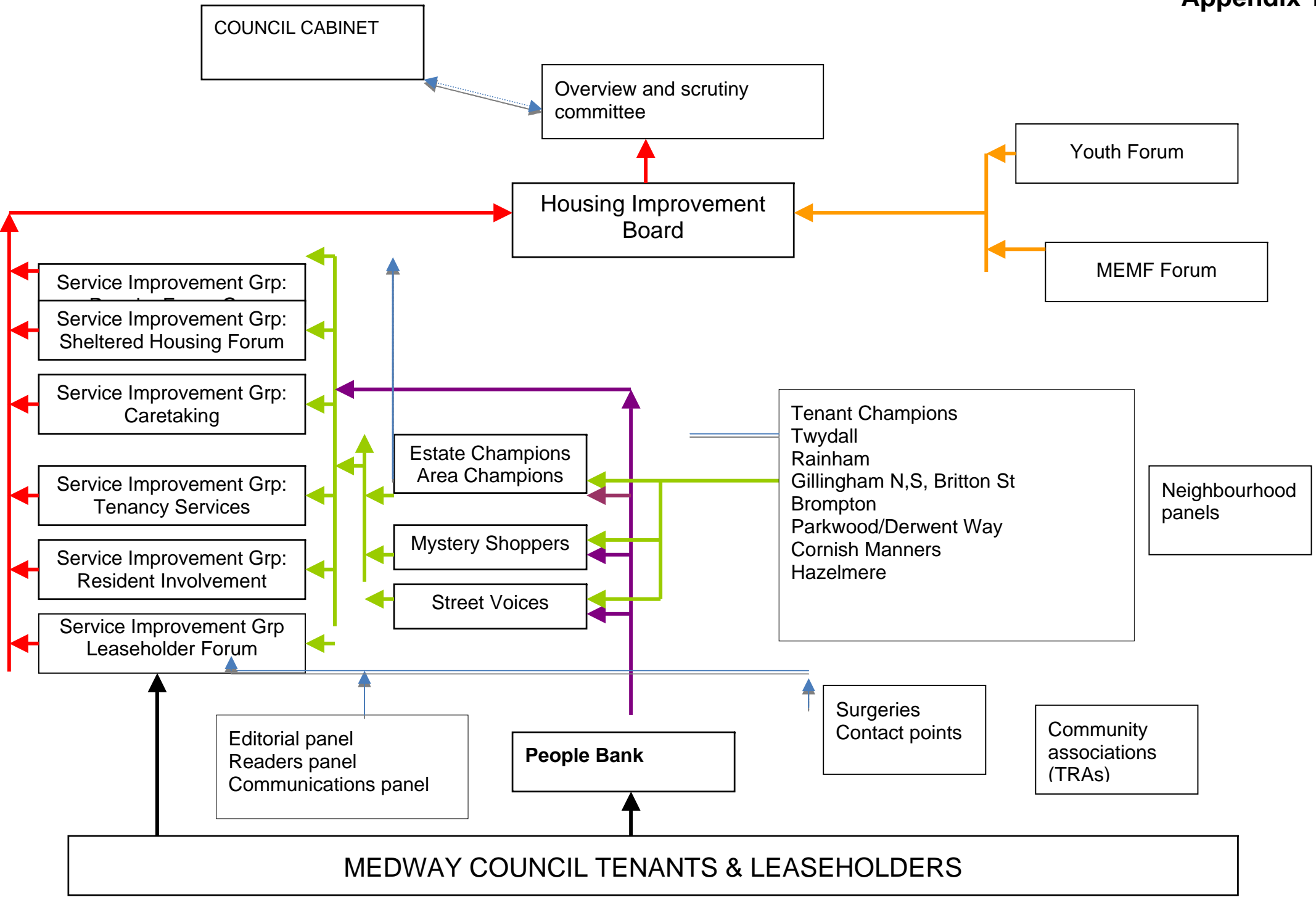
## **Background papers**

Going Local, published by Tenant Services Authority, June 2010  
Excellence in service delivery and accountability, National Housing Federation, July 2009  
Excellence in Governance, National Housing Federation, April 2009  
Medway Council Housing Services TSA Annual Report 2010

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**Resident involvement impact and value for  
money review**

**Medway Council**

**OCTOBER 2010**

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## 1 Background and introduction

In July 2009 HQN carried out a mock inspection for Medway Council looking at the housing landlord services. The findings from the inspection showed that resident involvement was generally a weak area of service with very low impact. It was not providing good value for money and was very centred on the involvement of MeRGe, the Medway residents' group.

Medway had then, in the interim period, made some significant changes and progress has been made against a number of the 'gaps' that were identified in the inspection report. Medway wanted to carry out a further review to aid the Council in developing its approach to resident involvement to deliver fit for purpose, effective engagement and empowerment, which demonstrates value for money.

The timing of the review was well placed as an opportunity to rise to the challenge of the new regulatory framework regime, currently enforced by the Tenant Services Authority (TSA).

The first year of any new regulatory framework is likely to be a very uncertain time for social housing providers. In this case the new coalition government is adding to the uncertainty as it develops new strategies and introduces sweeping changes. After years of prescriptive regulation, providers are being required to innovate more and focus on outcomes. Everyone should now be working on local offers (underpinned by resident involvement) as well as their approaches to scrutiny and co-regulation. Most providers are asking exactly the same questions: What should the structure and degree of resident involvement look like? Where does scrutiny stop and governance begin? What degree of involvement is 'right' for the local offers? How do we compare with others? What should the annual report look like? How does our current structure comply and will it deliver effectively? Are we providing value for money and are we accountable to residents in this regard?

This review was not just about processes and procedures and how the money is accounted for, but about rethinking the fundamental approach to involvement by changing ethos and culture if necessary to achieve greater impact. Essentially, the review was about the extent of change management required to enable the empowerment of residents: all residents, and not just those closely involved with MeRGe. The timing of the review, during July, August and September 2010, was well placed. Earlier in the year the TSA clarified its requirements, with resident involvement at the heart of its agenda. The outcome-based approach to regulation gives providers a new opportunity to shape their services to meet customer priorities.

This report provides the key findings from the review in terms of value for money and in terms of Medway's challenge to meet the regulatory requirements to produce tangible outcomes and impact with resident involvement. The options included in the report have been discussed during the review with officers and MeRGe residents.

Medway must now agree plans to drive forward the refinement and implementation of these options.

## 2 Purpose and scope of the review

Medway was looking to assess the effectiveness of the current resident involvement structure and delivery and to assess the level of value for money this currently offers. The review fell into two key areas:

- Effectiveness and future-proofing
- Value for money.

The intention was to highlight the areas where there is most need for change and to develop options to future-proof tenant involvement and empowerment.

Medway is developing a range of specific service panels, but at the time of this review these are still fledgling and not yet established, so the main focus of the review, assessing the effectiveness of resident involvement, centred on MeRGe.

An essential reference for future-proofing has been taking into account the outcomes and expectations outlined in the tenant involvement and empowerment standard in the TSA's regulatory framework for social housing 2010. Issues such as co-regulation and resident-led self-regulation were considered as a key part of the review.

Under the TSA regulatory regime, a clear explanation of the resources allocated to various activities, and the reasons for these allocations, is required. In order to understand the value for money of resident involvement activity, the starting point was a need to understand Medway's costs. Judgements have been made as to whether, overall, the cost of the activity is reasonable for the outcomes achieved. The review has also looked at individual aspects of the involvement activity, considering the outputs achieved for the financial inputs, and considering:

- Whether specific activities could be carried out in a more cost-effective manner
- Whether specific outcomes appear relatively expensive.

Local offers have also been within scope for this review. Given the timing – just when providers were developing their local offers in line with the requirements of the regulatory standards – it was a perfect opportunity to capture ideas and suggestions arising from the review and feed them into Medway's local offers process.

## 3 Our approach

The previous inspection was undertaken primarily against the key lines of enquiry (KLOEs), which are now under review, so we sought to build upon this and ensure that the assessment took into consideration the TSA standards as well as the bank of positive practice now emerging amongst providers as they seek to deliver the principles of the regulatory framework.

In terms of value for money we sought to get to grips with all the costs associated with resident involvement at Medway and to understand the accountability for these costs. We then applied our knowledge of the costs incurred by other councils, and their outcomes, to assist in making this overall judgment.

The review was undertaken by two HQN consultants. Angela Wheeler, our resident involvement specialist, undertook the assessment of impact and fitness for purpose. Robin Tebbutt, HQN's Executive Director (Finance), undertook the value for money assessment. Angela and Robin both focussed on their areas of expertise but also worked together, sharing their findings, to help develop the options for discussion with Medway and MeRGe. Both Angela and Robin met jointly with Medway officers and MeRGe members where it was appropriate to do so.

To deliver the desired outcomes we undertook a number of activities as outlined below.

### **3.1 Project team and project initiation meeting**

We initially recommended that Medway set up a project team to oversee the review, which would include a cross-section of residents and staff (including senior staff). However, due to the structural changes being implemented within Medway, some of the key posts were vacant at the time of the review and together with staff holidays this conspired to make it difficult to co ordinate a robust project team. Instead we met initially with the Head of Service Improvement who is leading on resident involvement and also with leading members of MeRGe. The purpose of this meeting was to formally introduce the review, explain the scope and establish the key issues currently facing Medway.

Following this meeting we agreed a series of sessions for the on-site review work.

### **3.2 Desktop review**

We undertook a desktop review of key documents. A document request list was given to Medway and the relevant documents were provided efficiently.

The main emphasis of the desktop review was:

- To inform our assessment of the fitness for purpose of the current structures, policies and framework against the TSA expectations and the tenant involvement and empowerment standard
- To inform our assessment of the effectiveness and impact of resident involvement at Medway as it currently stands
- To identify areas for further exploration
- To look at Medway's development of local offers and how this review could be linked

- To scrutinise the costs, expenditure and outputs to assess value for money of resident involvement.

The desktop review also assisted us in identifying key issues to explore at the challenge workshop.

### **3.3 Challenge workshops**

To kickstart the project and initiate the challenge element of the review we held two workshops, one for officers and one for residents. The aims of these workshops were to:

- Highlight the TSA expectations and how to comply with the standards
- Offer best practice examples from other social housing providers
- Work with participants to self-assess Medway's current position against compliance
- Work with participants to assess Medway's fitness for purpose – are we fit now? What works now that needs protecting, and what needs to be done to get fit?
- Explore the impact of involvement overall and the individual activities at Medway
- Assess current performance and accountability – measures for success, indicators of performance, monitoring and reporting these in future
- Look at priorities for change – to inform the Medway strategy
- Feed outcomes into the local offers process.

The officer workshop was attended by:

- The Head of Service Improvement
- A representative from sheltered housing management
- A housing assistant
- A representative from leasehold management
- A member of the service improvement team with a good knowledge of the repairs service.

The residents' workshop was attended by:

- MeRGe committee members
- Residents who attend the new repairs panel



- Residents who attend the new caretaking panel
- Residents who attend the leaseholder forum
- Residents who attend the sheltered housing forum.

The PowerPoint presentations used to help facilitate these workshops are included in appendix one.

### **3.4 On-site days**

Following the challenge workshop we met with key officers and MeRGe to:

- Explore further issues which arose from the challenge event
- Work with MERGE to explore the issues and options
- Meet with staff to continue the challenge and consult on options for moving forward.

We met for further challenge sessions with:

- The Head of Service Improvement
- The Head of Landlord Services
- The Assistant Director Housing and Corporate Services
- The interim Tenant Participation Officer
- The MeRGe committee and involved members
- The cabinet portfolio holder for housing.

### **3.5 Getting behind the numbers**

To carry out the value for money review element of this project, we also scrutinised a range of documents provided by Medway and MeRGe. These included:

- The audited accounts for MeRGe
- The service level agreement (SLA) for MeRGe and Medway
- The monitoring reports for the SLA
- Budget and expenditure records for Medway's resident involvement.

We met during the on-site days with MeRGe committee members and with key officers; further liaison by email sought to clarify any queries that arose from our desktop review.

## 4 Context

A review of the current Medway resident involvement provision would not be complete without reference to the context in which Medway as a social housing provider works. The review focused on fitness for purpose and increasing impact as well as value for money. Both of these areas require reference to the current national context, where the environment is changing. It was, therefore, prudent to take a foray into the positive practice of those who are ahead of the game in responding to this change.

Medway, as a local authority landlord, came under the regulatory wing of the TSA as from April 2010. For the purposes of this report we consider all registered providers to be in the same position when it comes to involving and empowering tenants. The one difference for Medway is the governance structure. Where housing association providers have a board of management, Medway has a cabinet with a housing portfolio holder linked to full Council.

### 4.1 National context: the expectations

The social housing world has embraced resident involvement, particularly over the past decade, with a clear mission to put residents right at the heart of delivering service excellence. In the housing association world, residents on boards of management has been accepted as best practice for many years and within the local authority arena councils have been looking to scrutiny panels and sub-committees to include their tenants. But in recent years the movement has been to spread the decision-making load much wider to bring higher numbers of residents and a broader range of experience into the frame. Comprehensive networks and structures for resident involvement are now expected to be in place to act as channels for routing the learning from the actual service users' experience through to where the decisions are made.

#### *Overarching expectations*

Every social landlord is now expected to offer a diverse range of opportunities for involvement, which provides residents with a menu of options with a varying scale of commitment. The sliding scale should offer options to suit residents within the realms of:

- Information
- Engagement
- Consultation
- Participation
- Active involvement

- Empowerment, including scrutiny
- Co-regulation
- Resident-led management.

The Housing Corporation, as predecessor to the current TSA, held resident involvement in high esteem. The Audit Commission inspection regime sought to embed the benefits of resident involvement regarded so highly by the regulator and dedicated one of the KLOEs to this aim. KLOE 5 applied the principles and expectations for resident involvement as a service area in itself, but all of the other KLOEs had service user influence running through them as a theme.

### *Regulatory framework*

The transfer of regulation across to the TSA has now been completed, and the regulatory framework for social housing in England 2010 has been in force since April 2010. At the time of writing this report the future of the TSA as the regulatory body for social housing is in question. The coalition government has announced its intention to review the position of the TSA and has also recently announced the intention to abolish the Audit Commission. The government ministers have been quite clear, though, that they support the underlying principles and aims of the new regulatory framework and that these are very much here to stay. The question is ‘who will police the compliance against the standards, not abolition of the standards?’

The immediate answer lies in the regulatory framework itself. It is built on the fundamental principles of co-regulation between residents and their landlord providers. The TSA, as current guardian of the regulatory framework, states:

*“We have made it clear that our regulation can best support lasting service delivery improvement if both providers and tenants have a sense of ownership in the regulatory framework. We have based our framework on creating a new expectation that providers will involve their tenants and hold themselves open to scrutiny by them.”*

They expand on this further: *“With greater freedom for providers comes greater responsibility to deliver a better deal for their tenants and be held accountable for achieving this by their own governing bodies and their tenants. Only when this fails to deliver a fair deal for tenants will we, as the regulator, step in.”*

The regulatory framework sets out ten principles that underpin the approach to regulation.

The first principle and the key focus, which is pertinent to resident involvement at Medway, is the principle of co-regulation. Regardless of the future of the TSA community influence is high on the coalition agenda. Localism is the key component of the vision for the ‘Big Society’ and co regulation within social housing fits neatly into this overarching vision of local communities taking responsibility for their own future.

*“Co-regulation’ is the TSA’s approach – we expect robust self-regulation by the boards*

*and councillors who govern the delivery of housing services, incorporating effective tenant involvement, subject to a ‘backbone’ of regulation by the TSA.”*

The regulatory framework is clear on its expectations, whilst at the same time, not prescribing how each provider should achieve them:

- *“The TSA standards place a strong emphasis on providers involving their tenants to shape local delivery to local priorities and scrutinise performance. The primary focus for discussions on service delivery and improvement should be between providers and their tenants rather than between the regulator and the provider”*
- *“Tenants should have the ability to monitor and scrutinise their provider’s performance against all the standards. Providers will also provide support for tenants to build their capacity to make co-regulation effective.”*

In delivering the overarching principle of resident-led scrutiny and co-regulation, providers must meet the six standards that have been developed in collaboration with tenants across England. The TSA is clear that the outcome for tenants is the primary concern and not the detail of the process for achieving them.

The six standards cover the full range of services provided by Medway except for the governance and financial viability standard, which, as a local authority provider does not apply to Medway. The standards are:

- Tenant involvement and empowerment
- The home
- Tenancy
- Neighbourhood and community
- Value for money
- Governance and financial viability.

The underlying principle of enabling resident scrutiny and co-regulation applies across all of the standards.

### *Annual reports and local offers*

The regulatory framework requires Medway, as with all other registered providers, to set out in an annual report how their service offer meets their obligations for the standards outlined above (except for governance and financial viability). The annual report should show how they will deliver on the commitments, be accountable for compliance with the standards, and highlight any improvements that are planned for the next year.

Tenants must be involved in the preparation and scrutiny of the annual report and the report should set out how this has been achieved. The reports must be published in October each year for tenants and the TSA.

'Local offers' is the phrase adopted to embody the principle of tailoring services based on what tenants want. Medway must ask tenants if they want local offers against the five service standards. The annual report is the vehicle for telling tenants how these local offers will be put in place. Local offers must be in place and in force by April 1 2011.

Local offers must be the subject of conversation with tenants for three of the national standards in particular (but others can be brought into the frame if tenants wish):

- Tenant involvement and empowerment
- Home
- Neighbourhood and community.

The development of local offers has been the subject of a pilot initiative with a range of 37 different projects. There is some confusion still around the detail and depth of the expectations for local offers, and positive practice is still emerging as providers move towards the deadlines for reporting progress and commitment in the October annual reports and for enforcing the offers in April next year.

This review has included some challenge of how Medway will comply with the requirement for local offers and annual reporting, and suggestions for local offers against the tenant involvement and empowerment standard. The suggestions are recorded here in section nine of this report.

Producing 'fit for purpose' annual reports and local offers is the subject of debate amongst providers and their advisors. Guidance in the form of toolkits has started to take shape. Essentially, the principle stands that tenants should be determining what they want the purpose and fitness standard to look like. It is primarily the tenants' report and tenants' offers, after all.

The underlying foundation of current regulation is working towards resident-led scrutiny and co-regulation, so it follows that to meet the regulatory requirements Medway must build an evidence base and make self-assessment judgements. Self-assessment against compliance and performance of local offers is at the heart of what co-regulation should be monitoring. Annual reports are the shop window to display your achievements and areas for improvement.

Self-assessment will rely on robust evidence gathered from a range of sources all routed through the hub of scrutiny. Scrutiny mechanisms will assess compliance against the regulatory framework; against tenant satisfaction, needs and aspirations; against service performance; against value for money, and against viability. The evidence base to be assessed will need to provide quantitative as well as qualitative data and information.

### *Tenant involvement and empowerment standard*

In relation to the tenant involvement and empowerment standard, Medway is required to deliver outcomes for:

- Providing tenants with a range of opportunities to influence how providers meet all the TSA's standards and to scrutinise performance against all standards and in the development of the annual report
- Providing support to tenants to build their capacity to be more effectively involved.

The specific expectations required are:

- Arrangements to be in place for involvement and scrutiny
- Enabling tenants the opportunities to scrutinise the effectiveness of their policies in relation to tenant involvement
- Registered providers to consult tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service. They shall ensure that any changes to tenant involvement in governance and scrutiny lead to an enhancement of the overall effectiveness of their approach.

### *Other guidance*

In addition to the regulatory framework, other national housing organisations have laid out their vision for resident involvement and empowerment. The National Housing Federation (NHF) responded to the TSA regulatory framework on the issue of governance. Its message was that residents need to be sure that their views are being listened to and acted upon and that decisions taken by the board are communicated back to them.

Medway as a local authority is not bound to comply with the governance and financial viability standard; however, it is always pertinent to look to best practice to achieve excellence and Medway can learn lessons from this guidance.

The NHF is clear that excellent resident engagement is part of the overall good governance, and good accountability mechanisms of an organisation should decide, in partnership, how best to engage tenants in a meaningful way. The NHF feels that the scope and impact of involving and empowering residents should be the focus of the provider's attention, rather than the question of whether there are residents sitting on the board. The NHF is less focused on co-regulation than it is on ensuring service users are able to truly influence the shaping and performance of the services they receive.

Whilst having mechanisms and frameworks in place for resident-led scrutiny and co-regulation is a primary concern, it is also important that opportunities are maximised to capture the experience and views of actual service users. For the Medway review we have coined the term 'butterfly net' to encompass this requirement. The TSA standards do not

expect those residents who are involved in scrutiny and residents, staff and board members at decision-making level to sail this ship alone. The burden is placed on providers like Medway to ensure that they have a robust 'butterfly net' to catch and capture learning from day-to-day service experience. This insight should be used to inform and enhance the improvement of service delivery and policy setting.

## 4.2 *Learning from positive practice*

The regulatory framework is not prescriptive in how to achieve the outcomes it desires, but it does define the expectations that must be met. With no prescribed detail, all providers can only turn to their own internal vision and interpretation and to positive practice to offer a guiding light.

The launch of the new regulatory framework for social housing in England and the drive towards resident-led scrutiny and co-regulation has been embraced by many other registered providers. The emerging practice is being documented and analysed by professional housing bodies and agencies.

### *Professional bodies*

The Chartered Institute of Housing (CIH) has published two reports providing excellent guidance and direction for developing resident led self-regulation:

- Most recently, in March 2010, *Resident-led self-regulation: Enhancing in-house scrutiny and performance*. This provided an update on the previous publication
- *Leading the way. Achieving resident-driven accountability and excellence, 2007.*

The CIH has carried out research looking at six different housing providers, all approaching resident-led regulation differently. It concluded that resident-led self-regulation is about involving residents in the running of a housing business, and about empowering them to influence decisions made and directions taken. They suggest that three key characteristics are required for genuine resident-led self-regulation:

- **Independence** from other governance and management structures
- **Formality** in operation
- **Power** for residents to challenge and effect change.

The CIH further clarifies that resident-led self-regulation can be used across the whole of a housing business. Key areas of the business where resident-led scrutiny activity can be brought into self-regulation are:

- **Services** – scrutiny and subsequent interventions around frontline services offered, considering matters such as operational performance, contractors used, specifications set, etc

- **Business** – scrutiny and subsequent interventions on strategic decisions such as which activities the company/department will get involved with, which to prioritise, which geographical areas to focus on, etc
- **Governance** – scrutiny and subsequent interventions around the skills and composition of governance structures which oversee the housing business
- **Constitutional** – scrutiny and subsequent interventions on decisions about the legal structure of the housing function, such as decisions on groups and mergers.

An HQN briefing paper by John Wheeldon, *What inspectors say about resident involvement*, July 2010, analyses the outcomes from a number of short notice inspections of resident involvement. The briefing identifies certain areas of resident scrutiny that Audit Commission inspectors have found to be consistently weak. The briefing states:

- The key to meeting the requirements is scrutiny and challenge of performance by residents
- The strengths all related to mystery shopping or similar tenant inspection activity, particularly where it could be shown to have led to positive changes
- The weaknesses were where there was no resident body regularly reviewing and challenging performance, particularly performance indicators
- Weaknesses were also where published performance reports to residents were inadequate. Particular issues were:
  - Not having comparisons with local landlords
  - Not including financial or VfM comparisons
  - Presenting too little or too much information or not in an easily digestible way.

The positive practice that is available and is still emerging has been, and should continue to be, taken into account as Medway develops its plan for improvement.

### *Model practice*

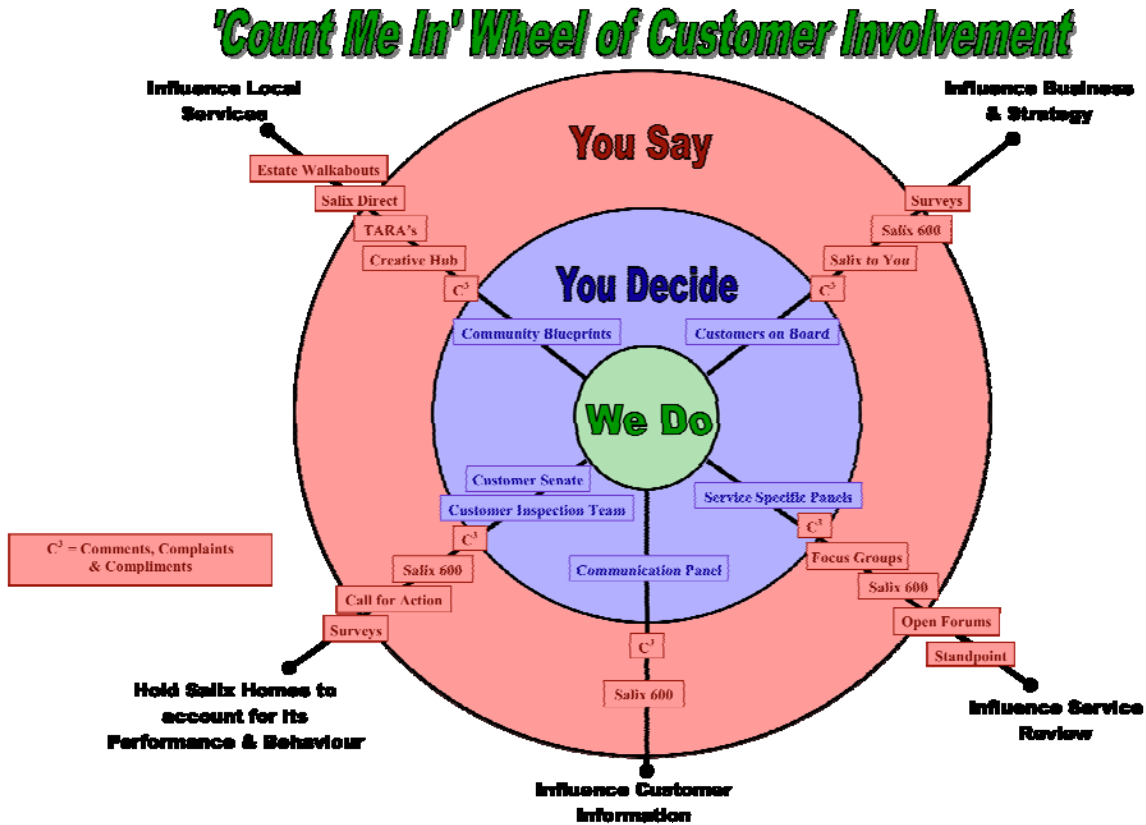
One particular model of positive practice has been identified during this review as being appropriate for Medway to investigate. The Salix Homes 'Count Me In' wheel of customer involvement neatly sums up the Medway vision for the future. An integral part of the Salix wheel is its Customer Senate.

The 'Count Me In' wheel was introduced to the officers and residents at the challenge workshops. They welcomed this model, as shown in figure 4.2.1 below, and agreed that it reflected the most concise way of demonstrating the principles that Medway wishes to adopt. This model enables and channels the influence of residents from the wider butterfly net of learning from day-to-day service experience through to resident-led challenge to achieve true empowerment.



Figure 4.2.1

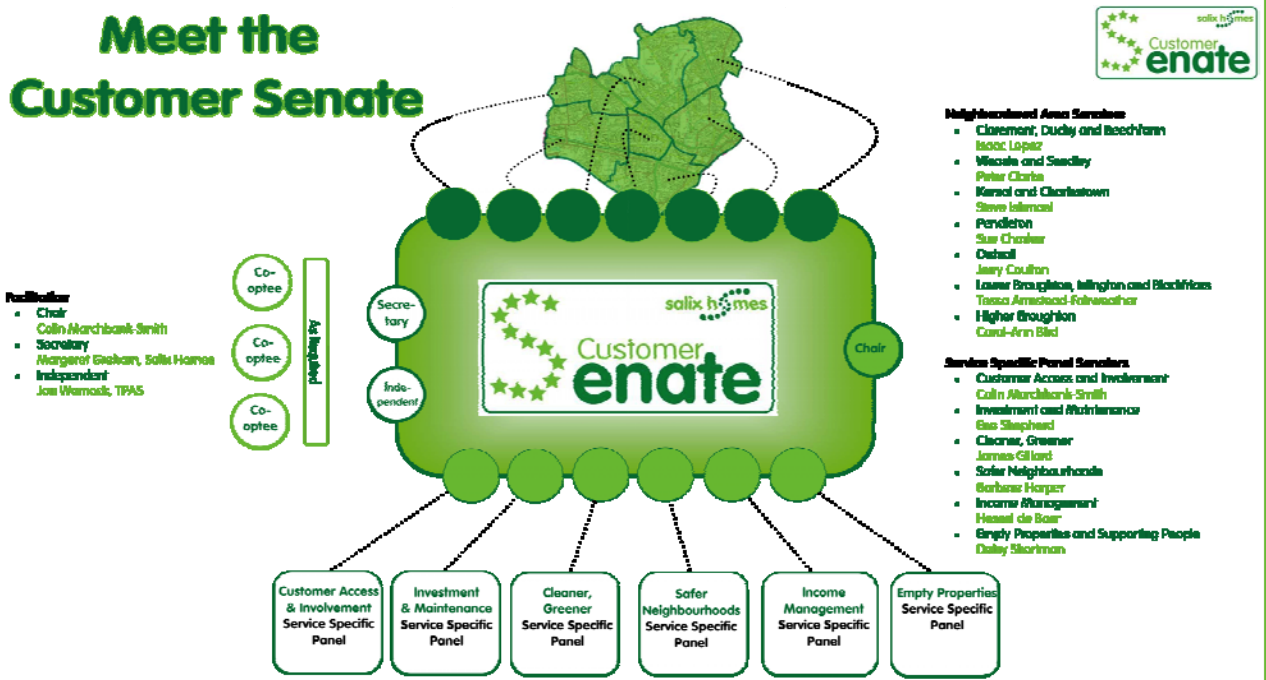
Salix Homes model. Source [www.salixhomes.org](http://www.salixhomes.org)



Similarly, the Salix Customer Senate model, as shown in figure 4.2.2 below, provides food for thought for Medway as it looks to develop the mechanism and capacity for its residents to take on the challenge of scrutiny. Clearly, Salix as an ALMO, has a slightly different governance structure to Medway and the direct links to the Salix board of management would not be appropriate. Those housed by Salix Homes are, by nature of the ALMO, local authority tenants and Medway can therefore look to the principles of the Salix Senate for guidance in the make-up and terms of reference.

Figure 4.2.2

Salix Customer Senate. Source [www.salixhomes.org](http://www.salixhomes.org)



The Senate is made up of 13 customers, selected from Salix Homes' six service-specific panels, which scrutinise its key customer-facing services and the seven neighbourhood areas that make up Central Salford. This ensures that both service concerns and neighbourhood issues are highlighted.

The Senate is in place to scrutinise and recommend improvements to services offered by Salix Homes and is formally recognised within the governance structures of the organisation. The structure ensures that customers are measuring, testing and monitoring the services they receive and customers are influencing the development of the business.

The Senate will undertake a minimum of three scrutiny exercises each year. The topics for scrutiny can be identified as follows:

- From a range of options put forward by the executive management team
- An area of interest to the Senate
- From any referrals for scrutiny by the service-specific panels
- As a result of a community call for action by a group of customers or as a repetitive area of complaint.

The Senate use a scoring matrix to prioritise the topics of scrutiny and will publish a forward plan of scrutiny. However, it must be noted that should the Senate accept a

'community call for action' it is probable that the relevant service area will be scrutinised as soon as any ongoing scrutiny is completed and consequently the forward plan will be updated.

As a result of the scrutiny, an improvement plan is created and monitored for the area scrutinised by the relevant service-specific panel and the Learning and Diversity Committee with regular updates to the Senate.

Should Salix Homes fail to deliver the improvement plan, the Customer Senate has the power to serve a 'notice of intent' on the board, a feature developed by the Senate that allows them to seek the support of the Council to consider their grievance should the process fail.

The key elements required for the Salix model are:

- Regular and routine challenge of performance of all service areas by residents
- Regular, routine, systematic and robust mystery shopping, tenant inspection, resident quality control
- Regular, routine programmed service/strategic reviews leading to action plans and further review
- Service-specific challenge opportunities
- Tenant trigger mechanisms
- Resident quality monitoring/inspection activities
- Governance framework willing to devolve and delegate decision-making powers to resident scrutiny framework
- Agreement to routes for mediation/conciliation if a governance vs scrutiny impasse is reached.

To deliver the above Salix, or Medway if it chooses this route, must offer:

- Capacity-building and training
- Diverse range of residents involved to reflect Medway profile
- Resources to support and develop
- Capacity-developed resident scrutineers
- Roles for non-scrutiny-type resident involvement
- Routes to governance and decision-making

- Decision-making powers devolved and delegated within resident scrutiny framework
- Information presented and provided in easily digestible formats
- Openness and transparency from the landlord on financial information and performance information – provided to scrutiny residents
- Information available for scrutiny residents on local landlord comparison.

The Salix ‘community call for action’ is a key part of triggering scrutiny reviews and challenge. This call for action is formalised (information is on the Salix homes website); it offers a systematic route for complaints and issues to be raised by residents.

The Customer Senate has a range of powers and terms of reference that support its role. These are:

- Unfettered access to performance information, benchmarking data and customer feedback
- The Senate can commission independent evidence-gathering through customer inspection team and other resources
- The ability to hear evidence from officers, partners and customers on request
- A formal duty on the Salix Homes board and executive team to respond appropriately and in a timely manner to Senate requests and recommendations
- A requirement that the Salix Homes board/executive team develop and implement improvement plans that have been agreed with the Senate
- Clear mechanisms for redress for non-action:
  - A formal ‘notice of intent’ served on the board and a prescribed duty to respond
  - Referral of the matter to the Council (Salix Homes is an ALMO)
  - Request for intervention by TSA.

The Customer Senate will be responsible for the annual reports, which will have an appendix that shows the annual impact of the tenant-led approach on service delivery and performance.

There is also in place a mechanism for succession planning and progression to board membership for those who are interested to do so.

## 5 Meeting the standard

To meet the tenant involvement and empowerment standard and deliver the principles of the regulatory framework Medway must seek to be more outcome-focused. Getting more residents involved will not be the cure all for Medway. Success will be achieved through developing a range of essential elements within the overall Medway structure.

### 5.1 Outcome focus

Meeting the regulatory framework and the national standards is essentially about 'doing things differently' rather than adding to costs. But achieving value for money is of prime concern. The key to delivering value for money is not only prudence and good financial management but also delivering outcomes and impact.

Providers and their residents must seek answers to the following questions:

- Are we making an impact?
- What impact are we aiming for?
- What are we getting for our money?
- Is this in line with expectations and our peers?
- How can we spend more wisely?
- Where is the resident scrutiny and what difference is it making?
- Are the customers satisfied that local offers are being delivered?

The move is away from organisational resident engagement strategies and towards tailored support to customers to engage meaningfully at a local level, 'local' being defined by the customers.

The skills required for service managers may have to be reconsidered. Effective resident involvement and empowerment requires with engagement, communication and negotiation skills with the overarching ethos that customers are in the driving seat – they are the boss! The extent to which this requires a major change in management culture will depend on the organisation. For Medway there will be many challenges in driving through the changes in resident involvement. It will require a much more open approach to tenant empowerment and scrutiny, a change of organisational culture for the majority of service teams, and some fundamental changes to MeRGe and the resident involvement structure.

### 5.2 The framework fundamentals

Taking into account the positive practice and looking at what is needed to comply with regulatory framework, the essential ingredients that need to be in place for Medway are

outlined in the table below. The table also shows how Medway currently measures up against these essentials.

Figure 5.2.1

Essential element	Desired outcomes	Medway position
Regular service-specific review	<ul style="list-style-type: none"> <li>• Consultation with service users</li> <li>• Review of performance and policy with service users</li> <li>• Partnership in performance challenge</li> <li>• Service user scrutiny of service area</li> </ul>	<ul style="list-style-type: none"> <li>• New service improvement groups are starting to bring new faces into involvement. The specific service areas are focussing on service users to a certain degree and have potential for developing scrutiny by service users</li> <li>• Review of performance has largely been with MeRGe involved residents in the past rather than wider in scope</li> <li>• Performance challenge has generally come from MeRGe and the sheltered forum. This has not tended to be in partnership historically, although recent challenge by the sheltered forum has had impact on service proposals</li> </ul>
Resident scrutiny mechanisms	<ul style="list-style-type: none"> <li>• Strategic performance challenge</li> <li>• Overview of service specific scrutiny</li> <li>• Formal influence at board and decision-making level</li> <li>• Targeted challenge and scrutiny</li> <li>• Self-assessment of Medway performance</li> </ul>	<ul style="list-style-type: none"> <li>• MeRGe and the developing service-specific panels provide the only strategic challenge. The impact of this has been limited</li> <li>• A proposal is in place to set up a housing improvement board as a resident-led scrutiny panel. The outcomes of this review will impact on this proposal</li> </ul>

Essential element	Desired outcomes	Medway position
		<ul style="list-style-type: none"> <li>• There has historically been links between MeRGe and elected members since elected members do in theory sit on MeRGe. Cabinet influence appears currently to be through MeRGe and portfolio holder liaison, and mutual consent rather than formal protocol</li> <li>• Challenge and scrutiny is not targeted or systematic as yet</li> <li>• Medway have had health check inspections in the past to assess performance; MeRGe and Head of Service Improvement have done some work assessing against the new regulatory framework</li> </ul>
<p>Neighbourhood balance and local tailoring</p>	<ul style="list-style-type: none"> <li>• Local level engagement and influence</li> <li>• Tailoring of services and standards to suit this local level</li> <li>• Local level performance monitoring and challenge</li> <li>• ‘Local’ must be defined by residents working with Medway</li> <li>• ‘Local’ could be defined as geographic (at varying scales)/demographic/need-specific</li> </ul>	<ul style="list-style-type: none"> <li>• Local level engagement is restricted to geographic areas where MeRGe is strong, and specific services which have come under the spotlight. Often the engagement is limited in numbers as Medway and MeRGe have struggled to entice people to engage</li> <li>• Tailoring of services and standards has been limited and has been Medway-wide not locally defined</li> <li>• There has been very little ‘local’ definition as yet</li> <li>• The area would lend itself to area definition for local as well as service-specific</li> </ul>

Essential element	Desired outcomes	Medway position
		and household type, eg, sheltered
Resident inspection	<ul style="list-style-type: none"> <li>• Quality monitoring against standards and offers by trained service users</li> <li>• Influence of results on decision-making and challenge at scrutiny, service-specific review and board levels</li> <li>• Influence of results into improvement planning</li> <li>• Resource for scrutiny evidence base</li> </ul>	<ul style="list-style-type: none"> <li>• Proposals are in place to introduce mystery shopping working with other local providers, but this has not yet been established</li> <li>• The lack of resources for resident inspection has meant that influence on planning and evidence base for scrutiny has not occurred</li> </ul>
Pick 'n' mix 'as needed' work groups	<ul style="list-style-type: none"> <li>• Resident-wide engagement</li> <li>• Targeted engagement using profile data</li> <li>• Focused topic review and insight</li> <li>• Feed into scrutiny, service-specific review</li> <li>• Feed into evidence base and self-assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Focus groups and events have been used in the past by MeRGe and Medway officers to engage with residents</li> <li>• The engagement has not been targeted using profile data</li> <li>• There is little evidence to show that the findings have had any great impact or influence</li> </ul>
Profile database	<ul style="list-style-type: none"> <li>• Comprehensive data base of resident profile</li> <li>• Use for targeting engagement</li> <li>• Strategic and local influence from across all profile characteristics to tailor and shape</li> </ul>	<ul style="list-style-type: none"> <li>• Profiling of residents is still ongoing for Medway, so far 1710 returns have been logged, just under 60% of the council's 3050 retained housing stock</li> <li>• The application and use of the data is limited as yet and not yet used for targeting engagement</li> </ul>



Essential element	Desired outcomes	Medway position
Involvement database	<ul style="list-style-type: none"> <li>• Tracking of involvement</li> <li>• Monitoring for diversity</li> <li>• Monitoring for value for money</li> <li>• Tracking outcomes and impact</li> <li>• Strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>• The database is basic</li> <li>• There is an issue of duplication of those who attend a range of groups</li> <li>• There is confusion over the titles given to some groups and clarity is needed</li> <li>• Impact and outcomes are not tracked systematically</li> <li>• MeRGe has carried out some impact assessment but the outcomes are not considered to be tangible outputs</li> <li>• There is limited diversity monitoring</li> </ul>
Engagement menu for evidence base	<ul style="list-style-type: none"> <li>• Targeted surveys used appropriately</li> <li>• People/customer banks</li> <li>• Innovative engagement tools</li> <li>• Capturing opinion, experience and insight to feed into evidence base</li> </ul>	<ul style="list-style-type: none"> <li>• The menu has been limited but is recently being expanded with service improvement panels</li> <li>• More innovation and resources are needed to widen the engagement</li> <li>• Surveys have been used but to little effect, not feeding into influence</li> <li>• Insight is not currently sought or captured systematically</li> </ul>
Learning from complaints and feedback	<ul style="list-style-type: none"> <li>• Butterfly net to capture current issues – satisfaction and dissatisfaction, ideas and ideals</li> <li>• Learning mechanisms to feed into evidence base and improvement planning</li> <li>• Feed into evidence base</li> </ul>	<ul style="list-style-type: none"> <li>• Medway has a people bank of over 800 names including 100 regular involved residents, but the use of the bank is very limited as yet</li> <li>• There is little evidence of learning and few mechanisms to capture the evidence</li> </ul>

Essential element	Desired outcomes	Medway position
Evidence base and self-assessment	<ul style="list-style-type: none"> <li>• Use of engagement and involvement mechanisms and butterfly net to gather evidence of feedback</li> <li>• Gathering of resident reality checks from inspection and quality monitoring to assess compliance against local and national standards</li> <li>• Performance measures and indicators</li> <li>• Cost measurement and value for money assessment</li> <li>• Benchmarking</li> <li>• Service review and challenge fed into the evidence pot</li> <li>• Peer review</li> <li>• Accreditation</li> <li>• External validation/ inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Resources are limited, few mechanisms are in place</li> <li>• There are no effective performance measures in place for resident involvement to monitor against</li> <li>• Benchmarking has been limited in the past but more recently some activity looking locally and nationally</li> <li>• External assessment has been carried out but no peer review</li> <li>• No accreditation gained</li> <li>• Some peer experience and knowledge sharing with locally based MHS</li> <li>• Value for money and cost measurement has been minimal. Some monitoring of the SLA with MeRGe but this has not been comprehensive or robust</li> </ul>

Having these fundamentals in place will not automatically generate impact. Medway will need to embed its approach if tenants are to be empowered. The cement that will hold the framework together will require from Medway:

- **Commitment:** From the portfolio holder, cabinet, staff and residents
- **Cultural change:** The approach to involvement will require staff and residents to embrace the vision and be open to challenge, be honest about performance and capacity and be prepared to work in partnership
- **Resources:** Delivering involvement and empowerment will not come cheap. Staff time and energy (across all service areas) will be needed to drive through the change and sustain the longer-term vision. Budgets will need to underpin the strategy for change

- **Clear defined roles:** The component parts of the framework will require clear, defined roles and terms of reference to ensure the links are robust
- **Diversity inclusion:** To ensure that involvement and empowerment is all-embracing the framework must take into account the needs across all Medway customers. It must aim to be fully inclusive
- **Capacity and skills:** Staff, residents and board members must all work together to achieve the vision. Developing the role of residents as leaders in scrutiny and as co-regulators will require certain skills from all parties. Experience will need to be supplemented with training and capacity-building to fulfil the aims
- **Drive:** Developing Medway's involvement and empowerment will require drive. The challenges outlined later in this report will need careful planning to implement the changes required to address them. Individuals, service teams and resident groups must be prepared to champion the vision, take responsibility for tasks and come together to review and assess impact
- **Flexibility:** Good practice is never set in stone: it evolves. How Medway progresses to meet the standards will evolve also. The principles now in play revolve around tailoring services and shaping the business to suit 'local' needs, however 'local' may be defined. Delivering local solutions for involvement and empowerment cannot be fixed in stone either. Medway must retain the flexibility to adapt to what works best for Medway people.

## 6 Getting behind the numbers – value for money review

The value for money assessment looked at the costs associated with providing resident involvement at Medway. The following sections look at our scrutiny of the key elements of Medway's involvement expenditure. Much of this centres on MeRGe as, currently, the main channel for involvement.

## 6.1 The resident involvement budget

Medway's resident involvement budget for 2010/11 is as follows.

	£
Staff-related	38,714
Service level agreements	4,838
MeRGe	29,814
Other voluntary organisations	1,115
Other	1,432
	<b>75,913</b>

The staffing cost is the cost of employing one tenant participation officer, plus overheads and associated costs for transport and similar costs. We would expect a landlord of Medway's size to employ a member of staff for this purpose. There are clearly some diseconomies of scale for a smaller landlord such as Medway.

The SLA costs relate to the corporate support services provided by the Council. These include accommodation, postage, customer services and so on.

The funding made available to MeRGe is considered later.

A budget of £1,115 is available for grants to other voluntary organisations, which would appear reasonable.

The major item in the 'other' budget is a subscription to the Tenant Participation Advisory Service (TPAS) website. In discussion with officers, we established that this was of uncertain value for money. We recommend that this be formally reviewed, and discontinued if not considered value for money. The review should include consideration of whether better use could be made of this subscription to gain maximum benefit.

## 6.2 MeRGe

We examined the accounts of MeRGe for the 13-month period ended 31 March 2010, and discussed these with the organisation's office holders (Chair, Treasurer and Secretary).

The Council's budget makes provision for payment of to MeRGe of an amount similar to MeRGe's expenditure in the 13 months to 31 March 2010. However, MeRGe does have substantial reserves, relative to its annual expenditure. At 31 March 2010, notwithstanding the deficit of £7,195 recorded in the previous 13 months, it had net assets of £18,627. Just under £18,000 of this is cash in hand or in MeRGe's bank account.

MeRGe has been advised that it should keep a contingency of £9,000 in view of its responsibilities as the leaseholder of its premises. Whilst the correct amount to hold is a matter of opinion, the principle of holding a contingency is correct.

Turning to MeRGe's expenditure, we have assigned it to three main categories:

	13 months to 31.03.10	Full year
	£	£
Premises	9,717	8,051
Resident involvement	12,419	11,544
Running the organisation	7,315	6,970
	<b>29,451</b>	<b>26,565</b>

As well as showing the cost for the 13 months to 31 March 2010, we have also included our assessment of the 'full year' cost. This flexes those items which will vary with the number of months, and leaves those which will not (for example, auditing) unaltered. We have also adjusted for an abnormal gas bill within the 13-month period. Hence the 'full year' column is the amount which MeRGe would be expected to spend in 2010/11 if their activity was identical to the previous 13 months, and ignoring inflation.

We explain the costs included in each category, and consider the value for money achieved for this expenditure, below.

### *MeRGe premises*

The costs include the rent paid for the premises to the Council, plus related insurance, utilities and other running costs. The total of £9,717 did include an abnormal cost (a gas bill covering three years), which added approximately £1,000 in respect of the prior years, so that the full year cost of £8,051 is a fairer measure.

The premises occupied by MeRGe consists of a single room whose use is sub-divided between an office area with desks and office equipment, a meeting area with a table, and a kitchen area.

The office is staffed by volunteers three mornings a week, and is sometimes used to meet with residents who have requested MeRGe's assistance. However, MeRGe accepts that such residents rarely initiate their contact with them by visiting the office. Normally, residents contact them by telephone, and are invited to the office for discussion. MeRGe estimate that they receive approximately one request for assistance per week.

The office and its equipment is also used by MeRGe to produce newsletters and generally to run the organisation.

The meeting area is used for a regular monthly meeting. Our enquiries about other usage were met with the statement that this usage is 'as and when'.

In our view, at a cost of £8,051, these premises do not represent value for money. The obvious solution would be for wider use of the premises to be made. For example, they could be used by housing officers for surgeries (MeRGe advises they have suggested this), and possibly other Council services.

However, there are two difficulties under current arrangements:

- The terms of the lease to MeRGe require one of the three office holders to be present when the premises are in use
- The existing configuration of the premises would not allow for conversations to be carried out in private.

We understand that the Council believes that it could find a small office for MeRGe within its main office building. We assume this would cost MeRGe less to rent, and would remove the responsibilities of managing the building which currently falls upon MeRGe's officers. Meeting rooms could be made available at the Council premises or hired around the district. MeRGe suggests the cost of hiring rooms might be around £50 per let.

In our discussions with MeRGe, they expressed some scepticism about availability of meeting rooms at the Council offices, and we would expect them to require some reassurance on this point. They also commented on availability of parking, although in our experience, this is equally a problem at their present premises.

Subject to the cost of the accommodation which the Council could make available, we would regard this as better value for money.

#### *Tenant involvement through MeRGe*

The breakdown of the 'full year' costs is as follows:

	£
Training	1,276
Travel and subsistence	3,129
Meeting attendance	6,099
Community activity day	1,040
	<b>11,544</b>

We understand that it has been agreed between the Council and MeRGe that the attendance allowances paid to tenants attending various meetings and associated tenant

participation events have been halved since March 2010, and that it has been agreed that they will be discontinued with effect from January 2011.

We calculate that travel and subsistence costs approximately £10 per person attendance at meetings, which seems a little high. We put this calculation to MeRGe's officers, who did not challenge it. They confirmed that the cost shown here is petrol for those using their own vehicles and taxis. They assured us that they arrange for taxis to be shared wherever possible.

We would comment that this arrangement is unusual; we are not aware of any other landlord who delegates arranging and paying for travel to meetings, and paying other expenses to attendees. This is normally arranged by the landlord's staff. It is possible that it would be more expensive for Council staff to manage this process than using MeRGe's volunteers. However, the Council would have control over expenditure made on its behalf, and could more readily satisfy itself about the value for money of this expenditure. The Council could consider letting a 'call-off' contract for taxis by competition.

Similarly, we would normally expect the Council to directly fund resident training and community fun days. Where supplies and services are bought from VAT-registered businesses, the Council would be able to recover the VAT. MeRGe is unable to make such recovery. Clearly residents should be fully involved in determining what training should be provided, and in the design of community fun days.

### *Running MeRGe*

These costs can be broken down as follows:

	£
Accountancy, audit and bank charges	2,192
Newsletters and advice	3,822
Other	957
	<b>6,971</b>

The costs we have summarised as 'newsletters and advice' cover MeRGe's promotion of itself, its newsletters, and costs associated with its advocacy role such as telephone, printing and stationery. The activities covered by this £3,800 could be regarded as the 'core' activity, which we would commonly see a residents' association undertake.

The telephone cost, which does include broadband access, seems a little high, at £842 on a full-year basis. The information we have been provided by MeRGe on this suggests that a detailed review of this area could deliver savings.

The costs of accountancy, audit and bank charges represent almost one-third of the costs of running the organisation (bank charges are minimal at £25). We would suggest that the

need for a full audit be reviewed if MeRGe discontinues having its own premises, and managing Council funds for training, travel and so on. It may be possible to gain the assurance of probity, which the Council obviously needs, without having a full audit. This will ultimately be a matter for the Council's Chief Financial Officer, however.

The 'other' costs include £447 for the AGM. Almost all of this cost was incurred in advertising the event in two local newspapers (*Medway News* and *Kent Messenger*). We understand that the advertisement had minimal impact on attendance, and would suggest that alternative methods of promotion be explored in future.

Finally, there is also a cost of £181 for 'staff welfare'. MeRGe officers were unable to explain to us what this covered.

### **6.3 How does this stack up?**

Our assessment is that overall, resident involvement is not currently providing as much value as it should be for the money spent. Just under 40% of the overall resident involvement budget is being spent through MeRGe.

There is no question that the MeRGe committee members are fully committed to resident involvement and have gained considerable and valuable skills over the past years. We consider that MeRGe has been accountable for the grant it receives, providing audited accounts and taking reasonable care to manage the grant, the organisation and the premises in Gillingham. MeRGe has provided challenge to the Council and has been the sole guardian of the residents' voice.

However, we consider that the overall impact of involvement in terms of service users having influence over the shaping of services and challenging performance has been very limited, in range and in scope, in that it has not engaged widely with residents across Medway and has not engaged systematically to produce tangible outcomes. This review has highlighted that a degree of modernisation is now needed to make it fit for purpose for the new regulatory framework and we conclude that the value for money cannot be demonstrated for the current provision.

We specifically recommend consideration of the following:

- Overall budget:
  - The TPAS subscription may not represent value for money. A more detailed look at the costs could lead to a decision to withdraw from the subscription; however, given the recommendations contained elsewhere in this report it may be more pertinent to consider how better use can be made of the subscription. Learning from best practice, benchmarking and expert specialist guidance is all required as Medway seek to move forward. The TPAS subscription can provide some support in all of this.



- MeRGE:
  - The premises and facilities in Gillingham cost a lot of money to maintain but are not returning enough in the way of outcomes and impact. The current lease is an obstacle and would need to be revised, but consideration should be given to extending the use of these premises to the housing team and/or relocating MeRGe to a smaller office or venue
  - The audit costs for MeRGe represent 8% of the overall budget, and this would of course increase if our other recommendations were followed. Whilst MeRGe needs to be accountable, less costly alternatives could be considered
  - The MeRGe budget includes items which we would normally expect a Council to be providing. This suggests that MeRGe volunteers are currently undertaking jobs which Council officers arguably should be doing, such as organising taxis, travel and training for residents. MeRGe may be offering lower admin costs as volunteers, but overall it is questionable whether this should be part of the resident volunteers' role.

## 7 Delivering impact

Medway has a range of strengths to offer in terms of resident involvement. However, these have been explored in previous mock inspections and health checks, so this review has focussed on looking forward to the challenges Medway faces to deliver maximum impact and top quality resident involvement and empowerment. This section summarises the key challenges identified in the review.

### 7.1 Key challenges

These key challenges are related to meeting the regulatory framework and national standards and to delivering real influence and empowerment for residents. All of the challenges need to be addressed and Medway will need to formulate action plans to rise to the challenges. Our recommended options in section eight of this report offer some guidance. The challenges are all interlinked; however, the challenge to implement structural change is possibly the most imposing, and is at the same time the top priority.

In summary, we consider the key challenges for Medway to be:

#### *Local offers*

These are a new and evolving dynamic that Medway must get comfortable with, alongside all other registered providers. Specific challenges will be:

- Engaging widely and effectively with service users
- Developing appropriate offers
- Implementing these offers

- Monitoring compliance and performance against local offers.

### *Compliance with co-regulation and scrutiny*

This brings challenges to:

- Build the evidence base and self-assessment elements
- Extend and refurbish the structure to embrace scrutiny
- Develop the skills and capacity within the structure
- Change the attitude and culture to make engagement, scrutiny and learning from the evidence base routine.

### *Structural change*

To develop co-regulation and scrutiny and to embed empowerment which ultimately impacts on service improvement, Medway will need to consider revising its current involvement framework. The proposed scrutiny framework, shown below in figure 7.1.1, incorporates the new service improvement panels and has already moved Medway on a great deal towards positive practice. However, clarity in the roles of MeRGe, as it stands, and the housing improvement board are one of the keys to making this framework effective.

Discussions with MeRGe have been very productive and positive and the residents themselves have recognised that the MeRGe that has been well established for the past 12 years or more now needs to modernise to play an effective part in the new approach to resident-led regulation. Figure 7.1.2 shows a draft revised framework which is the result of a workshop with MeRGe.

The notes of the workshop, shown in appendix two, offer explanation on the thinking behind the revised draft. In summary, the challenge under offer is to modernise MeRGe. Our recommendations would be to achieve this by dissolving it or transforming it to create a new vehicle with a different role such as a 'Tenant Champions' group. The leading resident scrutiny body would be the housing improvement board which would include representation from each of the service improvement panels and one from a new tenant champions group.

For Medway the structure also currently lacks a neighbourhood or area engagement element. This missing factor would help to develop local contact and engagement at area level so that influence from service users is not just through the service improvement groups. The focus at area level would be with the patch officer relationship developing neighbourhood plans and agreement or community blue prints to look at tailoring services and resources for the areas as a whole. Definition of area or neighbourhood would require consultation and the local offer engagement provides perfect opportunity for this.

The details of the linkages, functions and terms of reference for all the component parts need to be explored further in taking forward this option, but we consider this a good foundation for moving forward.

Figure 7.1.1

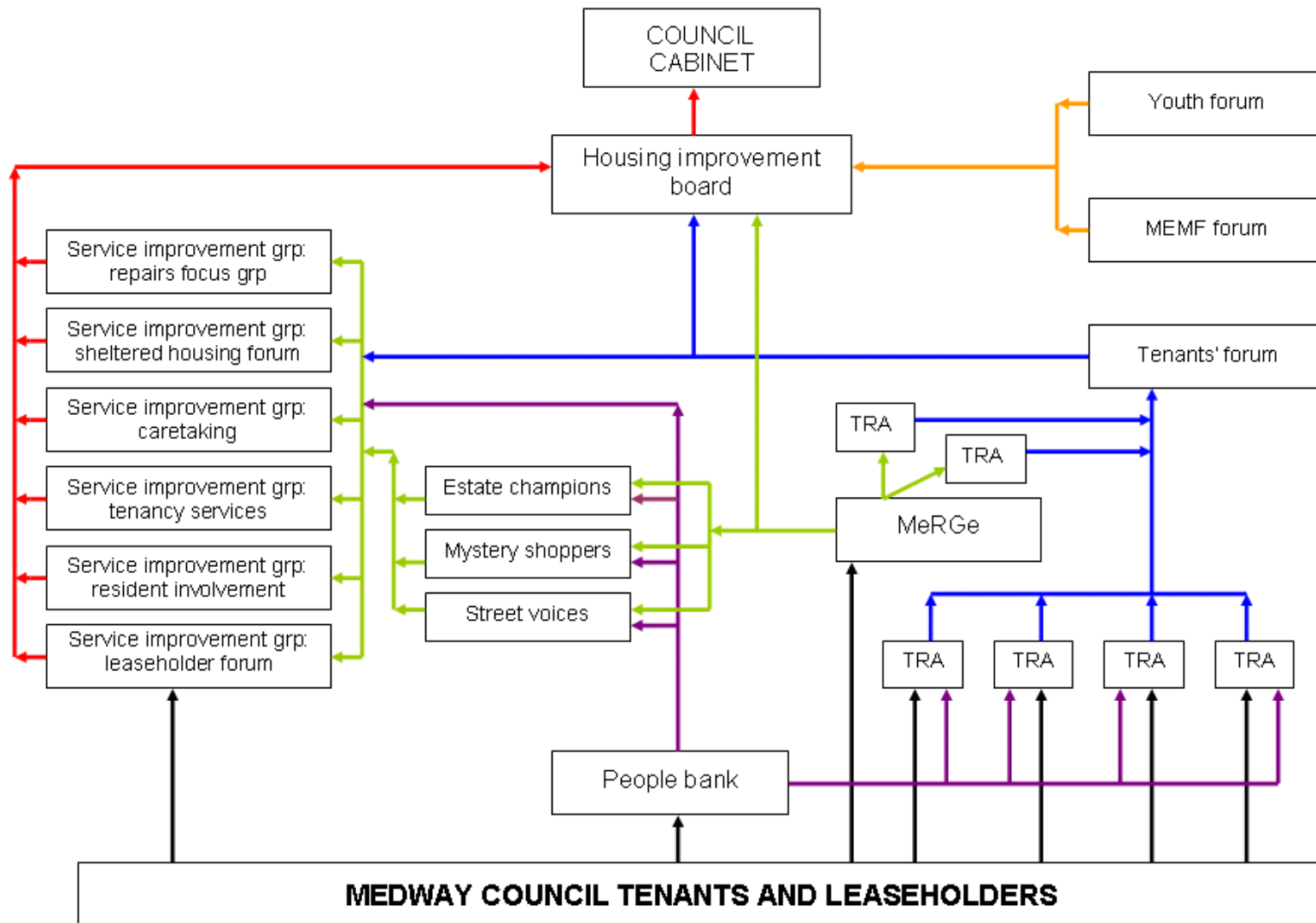
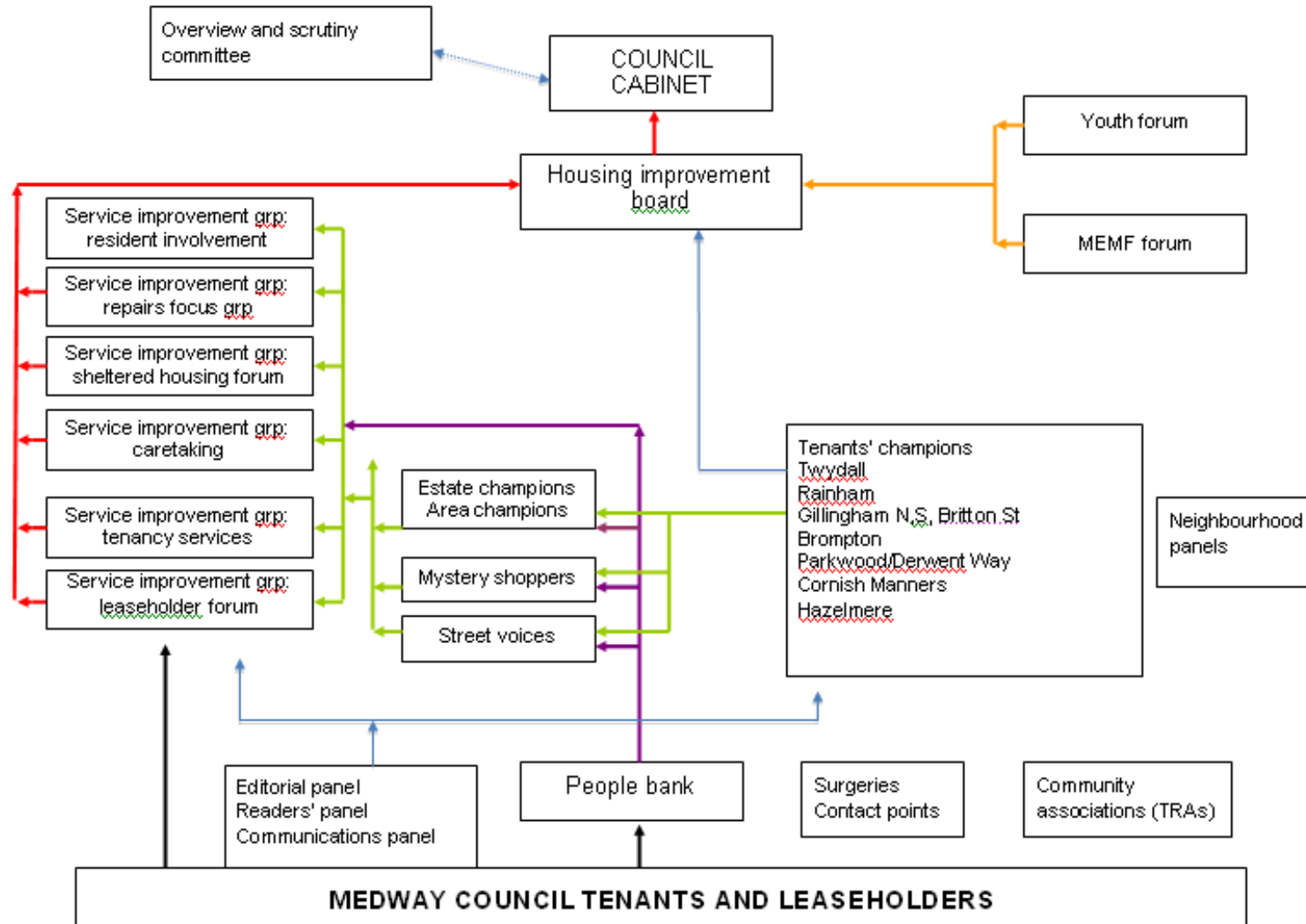


Figure 7.1.2



## *Resources*

For Medway these are limited. Medway does not have a never-ending pot to fund and fuel the change, and as a local authority it is directly in the firing line for the impending government cuts. Specific challenges will include:

- Staff consider that their time is under considerable pressure already. Services must be delivered as a priority and staff do not yet consider that involvement and empowerment are all part of the day job. Resident involvement will be seen initially as an extra burden to the already fraught day job
- Currently the officer team has suffered from upheaval and change and is diminished in number. New team members could bring fresh thinking but will take time to bed in
- The tenant participation officer (TPO) post has recently changed; the new officer will need time to establish her approach
- Databases that are in place are not systematically linked and used to the full potential for targeting and profiling. IT is not well developed at Medway for supporting the needs of involvement and engagement. The resident involvement database needs to be linked to the profile database and formatted to enable tracking and monitoring for diversity and impact.

## *Strategic direction*

This is required to drive through change and deliver impact. For Medway this will require:

- A wider range of champions amongst the staff, residents and elected members to act as ambassadors for resident involvement and empowerment
- Allocation of 'championship' to a dedicated project team or group. The new TPO must play a lead role in this but it is not solely the function of this post to drive through change. Residents and service team leaders must also be responsible for ensuring the change is acceptable, mutually beneficial and relevant to delivering outcomes
- Commitment to the strategy and action plan from all service teams, senior directors, existing involved residents and elected members.

## *Learning*

Learning from feedback and service user experience is not at present a strength for Medway. Specifically, the challenge is:

- To develop a butterfly net of mechanisms to capture informal and formal feedback, complaints and 'hearsay'

- To put in place mechanisms to turn the captured experience within the butterfly net into shared learning and influence on service improvement.

## *Benchmarking*

Benchmarking and learning from others is a valuable way to increase self-awareness and to improve internal skills and capacity to deliver real impact for resident empowerment. Medway has started to look outside and take into account alternatives. Expanding this and applying the learning will now be the challenge for Medway to rise to.

## **8 Medway: responding to the challenge**

This section develops the challenges identified for Medway into four key themes. For each theme the issues are highlighted and a range of options outlined. In some cases there is only one option. Options are not mutually exclusive.

### **8.1 Four key challenge themes**

The future for Medway lies within what can be categorised into four key areas where action is needed to embed and expand resident involvement and empowerment. The four themes have been identified for Medway as:

- Challenge theme one: modernising the framework
- Challenge theme two: tools of the trade
- Challenge theme three: building the evidence base and self-assessment
- Challenge theme four: driving through change.

The following tables outline the specific challenges within each of these themes, the issues attached to that challenge, the options for addressing the issues and rising to the challenge and consideration for developing the action plan.

In many areas of challenge a combination of options will be necessary to address the issues.

### 8.1.1 Challenge theme one: modernising the framework

Challenge	Issues	Options	Considerations
Scrutiny framework	<ul style="list-style-type: none"> <li>Proposed Medway draft scrutiny framework (See figure 7.1.1) is a good foundation; however, discussions with MeRGe in this review have identified that clarity is needed</li> <li>MeRGe modernisation proposals will impact on the current framework and current proposals</li> </ul>	<p><b>1.0</b></p> <p>Continue to adopt current scrutiny draft as fig 7.1.1:</p> <ul style="list-style-type: none"> <li>MeRGe remains as now, but takes account of VfM review findings</li> <li>Housing improvement board established</li> <li>Service improvement groups develop capacity</li> <li>Agree protocols and formal links</li> <li>Implement options in challenge themes two, three and four</li> </ul>	<ul style="list-style-type: none"> <li>Further consultation required with MeRGe and other involved residents to agree option</li> <li>Further consultation required to develop action plan for developing scrutiny framework</li> <li>Links to all challenge themes in determining action planning</li> <li>MeRGe has considered transferring role to become tenant champions</li> <li>If option two taken, careful consideration needs to be given to dissolution of MeRGe or best</li> </ul>



Challenge	Issues	Options	Considerations
		<p><b>2.0 (recommended option)</b></p> <p>Adopt new approach based on scrutiny framework proposed in fig 7.1.2:</p> <ul style="list-style-type: none"> <li>• MeRGe dissolves/transforms into tenants champions</li> <li>• Housing improvement board</li> <li>• Service improvement panels develop capacity</li> <li>• Agree protocols and formal links</li> <li>• Implement options in challenge themes two, three and four</li> </ul>	<p>approach to take account of MeRGe outstanding balance in account, handover of premises, SLA and lease of premises</p> <ul style="list-style-type: none"> <li>• Terms of reference and clarity of role, scope, protocols needed for all elements of the framework</li> <li>• Any framework option will need to be launched, publicised and promoted to raise awareness amongst residents</li> </ul>
MeRGe	<ul style="list-style-type: none"> <li>• Review concludes that grant to MeRGe does not offer value for money. The cost of the premises and running MeRGe is not offering a good enough return of impact gained in contribution to the overall tailoring of services and scrutiny</li> </ul>	<p><b>1.0</b></p> <p>Significant changes to MeRGe's current form, change name, review role and withdraw grant and premises based on VfM review findings</p> <p>Re allocate premises to Medway housing services</p>	<ul style="list-style-type: none"> <li>• Notes of the workshop with MeRGe, included in appendix two of this report, show the considerations with regard to the possible modernisation to transform MeRGe into tenant champions</li> </ul>

Challenge	Issues	Options	Considerations
	<ul style="list-style-type: none"> <li>Review also concludes that MeRGe in its current form will not provide the wider engagement net and scrutiny role that the Regulatory framework requires</li> <li>MeRGe committee considers that MeRGe could benefit from modernisation to fit with new co-regulation scrutiny framework</li> <li>MeRGe residents are keen to remain involved and provide continuity of experience and knowledge</li> <li>MeRGe committee and involved residents currently offer coverage of a range of neighbourhoods and could provide challenge for these areas as tenant champions</li> <li>MeRGe residents agree that a name change is needed as many residents do not currently identify or wish to identify with it</li> </ul>	<p><b>2.0 (recommended option)</b></p> <p>Modernise MeRGe:</p> <ul style="list-style-type: none"> <li>Dissolve/revise MeRGe: <ul style="list-style-type: none"> <li>Agree best approach depending on advice re allocation of grant funds in account</li> </ul> </li> <li>Re-allocate premises to Medway</li> <li>Re-establish current committee as tenant champions</li> </ul>	

Challenge	Issues	Options	Considerations
<p>Housing improvement board</p>	<ul style="list-style-type: none"> <li>• A key component of a scrutiny framework</li> <li>• Resident membership not yet finally agreed</li> <li>• No formal terms of reference yet agreed</li> <li>• Liaison, protocols and relationship to cabinet, service improvement panels, and the rest of the framework not yet in place</li> <li>• There is currently confusion about this proposed board and its name</li> </ul>	<p><b>1.0 (linked to option 1.0 above)</b>  Establish a housing improvement board made up of residents from:</p> <ul style="list-style-type: none"> <li>• Service improvement group chairs</li> <li>• A MeRGe representative</li> </ul> <hr/> <p><b>2.0 (recommended option linked to option 2.0 above)</b>  Establish a housing improvement board made up of residents from:</p> <ul style="list-style-type: none"> <li>• Service improvement group chairs</li> <li>• A representative from the tenant champions</li> </ul>	<ul style="list-style-type: none"> <li>• The protocols for this board will be vital in ensuring impact and accountability</li> <li>• Clarity is needed to ensure this board is viewed as the resident scrutiny panel and not the overview and scrutiny committee</li> <li>• Developing this board needs considerations related to governance and capacity-building as outlined in the challenge themes below</li> <li>• Positive practice considerations to be taken into account, as outlined in appendix three of this report</li> </ul>

Challenge	Issues	Options	Considerations
Resident inspection/quality checks	<ul style="list-style-type: none"> <li>Weak element currently, lacking structure and tools</li> <li>No mystery shopping, void inspectors, repairs inspectors, complaints investigators or auditors</li> <li>No resource for investigation, insight as part of challenge</li> </ul>	<p><b>1.0</b></p> <p>Establish resident inspection and quality monitoring</p>	<ul style="list-style-type: none"> <li>Look to good practice elsewhere</li> <li>Action plan to develop this element: <ul style="list-style-type: none"> <li>Recruitment drive possibly linked to a relaunch of the new framework</li> <li>Define roles and terms of reference, protocols for scrutiny</li> <li>Training, eg, HQN package, other packages available, share with other local providers</li> <li>Agree programme of activity to match scrutiny/local offers</li> </ul> </li> </ul>
Service-specific review	<ul style="list-style-type: none"> <li>Service improvement groups now in place but still getting established, no real impact as yet</li> <li>Formal links to scrutiny not clearly identified and formalised</li> <li>Capacity of residents needs building to provide effective challenge and scrutiny</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>Create a new resident involvement improvement group to add to the suite, to drive through the revised framework, if this option is taken</li> <li>Develop protocol to feed challenge and scrutiny into central scrutiny role</li> </ul>	<ul style="list-style-type: none"> <li>Good practice elsewhere to learn from</li> <li>Regular groups can develop capacity and offer consistency</li> <li>Service teams to support and facilitate the relevant groups and develop officer as well as resident capacity</li> </ul>

Challenge	Issues	Options	Considerations
		<p><b>2.0</b></p> <ul style="list-style-type: none"> <li>• Continue to use ad hoc working groups as well as improvement groups to offer wider evidence and insight, feeding into the relevant improvement group</li> <li>• Develop protocol to feed challenge and scrutiny into central scrutiny role</li> </ul>	<ul style="list-style-type: none"> <li>• Local offer consultation to inform priorities for service area groups to be formed</li> <li>• Local offer consultation to act as potential pool for recruitment</li> <li>• Training in scrutiny and performance management to be offered to all residents involved in improvement groups</li> </ul>

### 8.1.2 Challenge theme two: tools of the trade

Challenge	Issues	Options	Considerations
TPAS subscription	<ul style="list-style-type: none"> <li>VfM review identified that currently TPAS subscription is not providing value for money for officers</li> <li>TPO role has been interim, new permanent officer post now taken up</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>Discontinue subscription</li> </ul> <p><b>2.0</b></p> <ul style="list-style-type: none"> <li>Continue subscription and review benefits – pros and cons, investigate what it offers and what’s available. Look to actions recommended in this review and whether the subscription offers any support in this regard. Identify targets to make subscription better value for money</li> </ul>	<ul style="list-style-type: none"> <li>Currently officers may not be making the most of subscription</li> <li>TPAS can offer guidance and support for residents</li> <li>Would subscription be better registered for housing improvement board than officers?</li> </ul>
Customer insight	<ul style="list-style-type: none"> <li>Profile data is key to effective engagement, scrutiny, improvement and business planning, tailoring for local services</li> <li>No defined strategy for using data and targeting involvement</li> <li>Resource issues – insight/performance/engagement/policy</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>Link profile data to resident involvement database</li> <li>Develop learning from customer insight strategy</li> <li>Develop protocols and systems for capturing insight and how it can be used</li> </ul>	<ul style="list-style-type: none"> <li>Good practice available to demonstrate robust profile data capture and appliance, eg, targeted consultation for customer access, Paradigm Housing</li> <li>Developing Medway database and systems, will also require protocols</li> </ul>

Challenge	Issues	Options	Considerations
	<p>all linked. Who is the champion? Direction and drive in Medway structure currently lies with Head of Service improvement and TPO – this needs to be embedded across all teams?</p> <ul style="list-style-type: none"> <li>• Lack of methods for gaining insight</li> <li>• Lack of direction for learning from insight</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate co-ordination role for tenant insight</li> </ul>	<ul style="list-style-type: none"> <li>• Apply profile data and targeting to local offers consultation to refine and focus the development of local offers</li> </ul>
Butterfly net	<ul style="list-style-type: none"> <li>• Capture of ‘hearsay’, grumbles and praises is lacking</li> <li>• Learning from this insight is not forthcoming</li> <li>• Opportunities not currently exploited</li> <li>• Frontline staff culture change needed to embrace the vision</li> <li>• Support mechanism needed</li> <li>• Commitment and back-up from managers needed</li> <li>• Systems needed to process the learning</li> </ul>	<p><b>1.0</b></p> <p>Extend and expand current butterfly net:</p> <ul style="list-style-type: none"> <li>• People bank</li> <li>• Street voices</li> <li>• Estate champions</li> </ul> <p>Develop more ways to engage at service delivery level, neighbourhood/ area level to capture feedback and insight. Ad hoc methods as well as regular insight gathering</p> <p>Develop strategy and action plan to include:</p>	<ul style="list-style-type: none"> <li>• Good practice is available</li> <li>• Eg, Peabody’s ‘George’/Salix Homes’ community calls to action</li> <li>• Local offers consultation could provide potential for ideas, awareness raising, recruitment to bank</li> <li>• Developing an e-group//focus groups/surgeries</li> <li>• Consider introducing Bromford Group ‘rant line’, by another name or similar tool for gathering hot issues and complaints</li> <li>• Links to scrutiny, performance</li> </ul>

Challenge	Issues	Options	Considerations
		<ul style="list-style-type: none"> <li>• Link to customer insight and include in strategy as in option above</li> <li>• Identify Medway triggers and calls to action and develop brand – link into a learning log and feed into scrutiny framework in all relevant places</li> </ul>	<p>measuring, challenge and self-assessment must be formalised</p>
Governance	<ul style="list-style-type: none"> <li>• Role and relationship of planned resident scrutiny with cabinet is not yet formalised</li> <li>• Need to define roles in any new approach/structure</li> <li>• Cabinet and new scrutiny panel relationship needs embedding and joint vision</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>• Develop and agree roles and protocols for housing improvement board in relation to cabinet and overview and scrutiny committee</li> </ul>	<ul style="list-style-type: none"> <li>• Moving forward must include scope of housing improvement board activity and connection to any new scrutiny framework</li> <li>• Primary relationships need clarifying – is this to be through director and senior team or directly with portfolio holder/cabinet?</li> <li>• Consultation with cabinet/portfolio holder is key as resident scrutiny cannot work without accountability protocols in place</li> </ul>



Challenge	Issues	Options	Considerations
Area/ neighbourhood direction and engagement	<ul style="list-style-type: none"> <li>• Current missing element</li> <li>• Local tailoring fits with local offers</li> <li>• Patch officer relationship needs developing to embed engagement</li> <li>• Not all neighbourhoods currently represented</li> </ul>	<b>1.0</b> <ul style="list-style-type: none"> <li>• Consider developing area panels for at least Gillingham, Rainham and Twydall management areas, potentially wider and more localised</li> <li>• Link these to feed into Housing Improvement Board and to Tenant Champions evidence bases</li> <li>• Recruit area panel members through neighbourhood engagement</li> <li>• Agree application/nomination/ election process for Housing Improvement Board – by advert in first instance as no panels exist yet</li> </ul>	<ul style="list-style-type: none"> <li>• Neighbourhood agreements, neighbourhood plans, community blue prints etc are all excellent ways to develop local engagement and tailor service on an area basis</li> <li>• Bringing in other local providers, agencies such as police offers wider scope for tailoring</li> <li>• Consider pilots in areas where key issues such as ASB</li> </ul>

### 8.1.3 Challenge theme three: building the evidence and self-assessment

The challenge facing Medway is to establish an involvement and empowerment framework that provides residents with the opportunity to engage at varying levels including an active role in scrutinising and challenging performance and acting as co-regulators alongside senior staff and cabinet. The other themes look at the challenges for developing the framework. This theme offers challenges as to how the framework delivers robust self-assessment through gathering evidence. The evidence that is needed will be a mix of qualitative and quantitative information. A good evidence base will require a variety of information sources as shown below:

Figure 8.1.3.1



Challenge	Issues	Options	Considerations
Developing performance measures	<ul style="list-style-type: none"> <li>• Are current PIs relevant to national standards?</li> <li>• How are local offers to be measured</li> <li>• Who is measuring? Residents, cabinet?</li> <li>• Current scrutiny is limited in range and scope</li> <li>• Performance reporting is limited currently; annual report to tenant will require demonstration of performance against measures</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>• Develop suite of PIs for local offers including involvement and empowerment</li> <li>• Use scrutiny framework to measure and monitor the performance against these</li> </ul>	<ul style="list-style-type: none"> <li>• Local offer consultation and working with current involved residents will offer insight into developing meaningful measures and link to annual reporting</li> <li>• Access to performance data must be unfettered for scrutineers in service improvement groups and at housing improvement board</li> <li>• Performance reporting must be meaningful for those undertaking the scrutiny</li> <li>• Moving forward could include commissioning specialist performance measurement expertise to work with residents and officers to help develop PIs</li> </ul>
Structural links for self-assessment	<ul style="list-style-type: none"> <li>• Current Medway framework is not robust in scrutiny and self-assessment</li> <li>• Links need to be formed to hold new framework together</li> <li>• Governance relationship is based on current framework</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>• Develop protocols for systematic reporting and information flow once options for challenge theme one and two have been agreed</li> </ul>	<ul style="list-style-type: none"> <li>• The links must be in place to enable any scrutiny framework model to be live</li> <li>• New protocols will require clear roles and relationship between governance and scrutiny</li> </ul>

Challenge	Issues	Options	Considerations
Capacity-building for scrutiny, challenge and self-assessment	<ul style="list-style-type: none"> <li>• Current residents do not consider that they have all the capacity and skill to deliver robust scrutiny</li> <li>• Residents involved in service improvement groups are learning and developing as they go, but limited in range at present</li> <li>• Resident inspectors' role currently non-existent</li> </ul>	<b>1.0</b> <ul style="list-style-type: none"> <li>• Develop skills assessment for involved residents</li> <li>• Develop annual training and capacity-building programme for residents</li> <li>• Develop training programme for resident inspectors</li> </ul>	<ul style="list-style-type: none"> <li>• Moving forward with involvement should provide this training and capacity-building tailored to suit Medway residents and framework</li> <li>• Packages available for: <ul style="list-style-type: none"> <li>– Effective scrutiny</li> <li>– Resident inspectors</li> </ul> </li> <li>• Accreditation is available for resident scrutiny and governance</li> <li>• Training and capacity-building is available from a number of sources</li> <li>• Good practice available for benchmarking and learning</li> <li>• Consider securing better value for money by sharing training with other local providers</li> </ul>
Benchmarking	<ul style="list-style-type: none"> <li>• Current benchmarking for resident involvement and empowerment is limited</li> <li>• Some HouseMark data reporting</li> <li>• Information not shared with residents formally</li> </ul>	<b>1.0</b> <ul style="list-style-type: none"> <li>• Develop a benchmarking matrix with residents to provide reports on what is meaningful</li> </ul>	<ul style="list-style-type: none"> <li>• South East or more specific Kent-wide network could offer some scope</li> <li>• As part of capacity-building and matrix development, residents could look at/visit examples of good practice elsewhere</li> </ul>

Challenge	Issues	Options	Considerations
	<ul style="list-style-type: none"> <li>Resident challenge limited to MeRGe and just developing in service improvement groups</li> <li>Limited use made of benchmarking clubs and networks</li> </ul>		
Assessing impact and VfM	<ul style="list-style-type: none"> <li>MeRGe undertook a resident involvement impact assessment but this is not following best practice models and was not Medway-wide</li> <li>Assessment of the impact of resident scrutiny and a new Medway approach would be required</li> <li>Value for money has been assessed in this review. Overall, there were issues of accountability and lack of robust monitoring. Any new-look framework will need robust and systematic VfM assessment throughout all parts of the structure</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>Develop a toolkit for assessing and reporting impact and value for money in resident involvement and empowerment</li> <li>Include in skills assessment key training needs for value for money and impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>Outcomes are the key focus of the national standards – outcomes for tenants rather than complex strategies are the way forward</li> <li>Best practice is emerging for scrutiny and co-regulation to investigate</li> <li>Value for money is an element that Medway could look for specialist support in developing a toolkit and training</li> </ul>

Challenge	Issues	Options	Considerations
<p>External validation, inspection</p>	<ul style="list-style-type: none"> <li>• This review has provided external challenge</li> <li>• Previous mock inspection provided recommendations and judgement</li> <li>• Medway Housing/landlord services has not been inspected recently</li> <li>• Peer review not undertaken but close relationship with MHS could be expanded</li> </ul>	<p><b>1.0</b></p> <ul style="list-style-type: none"> <li>• Build in avenues for validation and external assessment as part of the development of the new approach to resident-led scrutiny</li> <li>• Include in evidence-gathering and self-assessment processes</li> <li>• Include as standard element of annual reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Given the current review of the TSA and the announcement about the Audit Commission it is not yet known where the external regulatory validation and inspection will come from</li> <li>• Peer review is a good model for external assessment</li> <li>• Critical friends are being used increasingly to provide external, independent validation and guidance</li> <li>• Provider networks can also offer learning opportunities for best practice in this challenge areas</li> <li>• Accreditation tools and bodies are developing as the new standards take hold</li> </ul>

#### 8.1.4 Challenge theme four: driving through change

Challenge	Issues	Options	Considerations
<p>Drivers for change Taking the lead</p>	<ul style="list-style-type: none"> <li>TPO role is not a strategic or managerial post</li> <li>Senior management need to be involved in change management</li> <li>Service teams are integral part of taking forward the vision</li> <li>Cultural change needed to embed the vision</li> <li>To deliver change will require commitment, energy and co-ordination</li> </ul>	<ul style="list-style-type: none"> <li>Develop and establish the new resident involvement improvement group, include residents (including Chair of current MeRGe) alongside TPO, Head of Service Improvement and relevant service team champions</li> <li>Develop SMART action plan for moving forward</li> <li>Allocate champions to each challenge theme and to major tasks and actions</li> </ul>	<ul style="list-style-type: none"> <li>This group is critical to moving forward an involvement and empowerment initiative</li> <li>Developing a brand identity for a modernised approach would help with promotion and cultural acceptance. A team name that is well known and recognised as the driver for change would be a positive cultural change tool</li> <li>Consider monitoring, review and reporting protocols</li> <li>Exit strategy should be in place for this improvement panel or strategy to transform into a monitoring panel for the longer term</li> </ul>
<p>Resources</p>	<ul style="list-style-type: none"> <li>Traditionally resident involvement at Medway has been seen as the domain of MeRGe as the recipients of a grant, with Council responsibility being left to the TPO. More recently service teams have started to play a role</li> </ul>	<ul style="list-style-type: none"> <li>A project group must include key senior managers and service team representatives</li> <li>Actions and tasks will need to be carefully planned to take account of resource issues</li> </ul>	<ul style="list-style-type: none"> <li>This may be short-term pain for long-term gain</li> <li>Staff will need to be reassured that this is not an added burden</li> <li>The benefits of developing this approach will need to be clearly</li> </ul>

Challenge	Issues	Options	Considerations
	<p>in the new improvement panels but have not been heavily involved in developing resident involvement in the past</p> <ul style="list-style-type: none"> <li>• Staff are concerned that developing resident involvement will increase what is already considered a heavy workload</li> <li>• The TP budget may require increase to deliver the options in the report, but if the option to modernise MeRGe is carried through, funds will be released and will require careful planning to effect maximum VfM</li> <li>• The number and range of residents currently involved is insufficient to sustain the vision</li> </ul>	<ul style="list-style-type: none"> <li>• Staff training and capacity-building to be part of the SMART action plan</li> <li>• Medway budget holders to consider costs and requirements</li> <li>• Action planning will need to include campaigns to promote and recruit new residents</li> </ul>	<p>defined to encourage staff and residents to join in</p> <ul style="list-style-type: none"> <li>• Allocate champions as noted above to spread the load</li> </ul>
Commitment	<ul style="list-style-type: none"> <li>• Staff are very wary of resident involvement at present due to the historic challenge posed by MeRGe</li> <li>• Portfolio holder, senior executives and heads of service appear keen to embrace the vision, but is this shared by all members and</li> </ul>	<ul style="list-style-type: none"> <li>• Local offer signed charter/agreement for resident involvement and empowerment developed as part of local offers. Signature by portfolio holder and leading resident representative(s)</li> <li>• Relaunch campaign to</li> </ul>	<ul style="list-style-type: none"> <li>• To a certain extent a sales and marketing approach is required to change perceptions amongst staff and residents</li> <li>• 'You said, we did or are doing' reporting will help to embed the impact and demonstrate change</li> </ul>



Challenge	Issues	Options	Considerations
	<p>officers?</p> <ul style="list-style-type: none"> <li>Medway must commit to the vision if it is to be achieved</li> </ul>	<p>accompany signing</p>	<p>publicly</p>
<p>Targets Monitoring progress</p>	<ul style="list-style-type: none"> <li>SMART project planning and management are essential to successfully driving through the change</li> <li>Actions need to have target dates and key milestones agreed</li> <li>Local offers must be in place by April 2011</li> <li>The annual report must be published by October 2010 and each year thereafter</li> <li>Accountability for progress and delivery of an action plan is good practice</li> </ul>	<ul style="list-style-type: none"> <li>Project group/resident involvement improvement panel to agree SMART action plan timescales, deadlines, milestones</li> </ul>	<ul style="list-style-type: none"> <li>Relaunching any new framework, charter could fit well with the launch of local offers prior to April 2011</li> <li>Accountability for progress could be through reporting to: <ul style="list-style-type: none"> <li>Senior management/exec team</li> <li>Cabinet</li> <li>Housing improvement board once fully set up</li> <li>All residents through newsletters and updates on the website</li> <li>Staff briefings</li> </ul> </li> </ul>

## 9 Developing local offers

During the challenge workshops a number of ideas were identified for developing local offers within the resident involvement and empowerment standard and for using the conversation opportunity to develop ideas further. Medway can explore these further:

- A new-look resident involvement structure could be the basis of a local offer for resident involvement. This would incorporate the housing improvement board as a scrutiny panel and the transformation and modernisation of MeRGe as tenant champions
- Local offer conversation and engagement could seek to establish what residents want from resident scrutiny and resident-led regulation to help set the priorities and measures for systematic scrutiny and performance challenge
- According to residents who took part in this review, the stock in Medway seems to lend itself to geographic area definition. The tenants identify with certain patches, towns and estates. Local offers could seek to define these areas and seek views on the perceived and real differences between the areas with a view to developing area-specific offers for resident involvement. For example, if anti-social behaviour (ASB) is a particular issue in Brompton or certain parts of Gillingham it may be more appropriate to offer local opportunities for these residents to engage with Medway officers at a local level. ASB panels or wider neighbourhood forums could offer opportunities to engage and work with local residents towards management and solution of the issues. Local agencies such as the police could also be invited to join
- Area-based localism was considered to be the most appropriate definition for Medway
- Sheltered housing appears to have some particular issues at present and it was suggested that this specific service should offer some 'local' offers and standards that may differ from those offered to general needs tenants across the borough. Window cleaning is an example where it could be offered to some and not others, according to local offer consultation.

## 10 Moving forward

This report highlights the challenges that Medway faces and offers options for addressing these. Overall, making improvements and instigating change will require commitment, energy, drive and appropriate action planning. There are a number of considerations that will help Medway to move the project forward effectively. These are outlined below.

## 10.1 Quick wins

A number of quick wins have been identified which will help to kickstart phase two to embed the change of culture:

- Agree option regarding modernisation of MeRGe
- The local offer conversations offer opportunities to engage with residents, sow seeds for new any agreed new approaches, agree priorities and develop ideas further. The local offer conversation action plan, format and scripts can incorporate specific questions to address in relation to options in this report
- Develop a brand name for the new-look Medway involvement and launch this as a local offer publicising the change and what impact this should have
- Establish a resident involvement service improvement panel to drive through the actions and monitor progress
- Establish a dedicated project team – perhaps from the new panel as above, with the TPO and relevant officers
- Agree budget allocation for moving forward
- Consider employing a challenge mentor to bring in external vision and experience. (The review did not have the opportunity to assess the skills of the new TPO appointed very recently. It may be that this new officer can provide much of this). The mentor could be a local individual skilled and experienced in this type of work, or a registered provider who is ahead of Medway in terms of resident involvement, or a consultant with relevant experience. Value for money is a key factor and the alternatives should be costed and assessed. Confidentiality and local sensitivity may also be a factor for residents. The intention would be for the mentor to work with the resident involvement service improvement panel to support and offer guidance with:
  - Agree detailed action plan, issues to consider for dissolution of MeRGe
  - Define an agree role and terms of reference for tenant champions
  - Define and clarify roles of each part of the resident involvement structure
  - Developing the skills of the housing improvement board and involved residents throughout the framework
  - Developing the capacity of residents to act as inspectors and quality auditors.
- Publicise a scrutiny framework, once all of the above has been clarified, for residents to understand how it all fits together and where they can play a part.

## 10.2 *Making it happen*

This report simply summarises the findings from the review and records the recommendations for moving forward. Making the change happen will now require the following action:

- Consulting further with MeRGE and other involved residents on the options for change
- A dedicated project group must work up and refine the options following on from this consultation and bringing in the local offer conversation findings
- Consultation with the cabinet and portfolio holder in terms of developing the terms of reference for the scrutiny role for residents and the relationship to governance
- Develop a SMART plan following agreement to the chosen options
- Identify and name champions and drivers from the project groups and allocate responsibility for tasks from the SMART plan
- Develop indicators and measures for monitoring progress and performance against the change as well as for the long-term self-assessment
- Develop tools and assessment measures for assessing the costs and value for money associated with delivering the options.

## Appendix one – challenge workshop slides

**Medway Council**  
**Resident involvement – impact and VfM review**  
**Challenge workshops 12/8/10**

**Angela Wheeler**  
**HQN Associate**

**hqn**

consultancy@hqnetwork.co.uk 0845 4747 004

**Aims of the session**

- Introduce me and you
- Why are we all here?
- To get to grips with what is changing and what this means:
  - For Medway Council
  - For you
  - For MeRGe
  - For all your residents
  - For all registered providers
- To agree the challenges
- To look at how to get fit for purpose

**hqn**

## Who am I... and so what?

- Associate with HQN for past 11 years
- BA (Hons) in Housing
- Previously frontline in housing management and development
- Specialism in resident involvement, access, customer care
- Experience of over 20 mock inspections
- Critical friend and independent advisor
- Involved with TSA national conversation and development of the standards
- HQN evaluated the pilots for local standards
- Closely watching what emerges from the coalition

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## What am I doing here?

- Mission: review impact and VfM of resident involvement
- Critical friend and coach to get you fit
- Feeding into your own local offers
- Review of resident involvement:
  - Impact – what are you achieving?
  - VfM – is it worth it?
  - Focus on fitness for purpose to comply with regulatory framework
  - Offer independent, external, best practice view
  - Offer guidance and advice for developing tenant empowerment

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## Health warning!

- This may get uncomfortable!
- Change is inevitable



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## What about you?

- Who are you?
- What is your job?
- How long have you been in the job?
- Any experience with other registered providers or 'private sector'?
- What are you doing here?
- Do you want to be here?

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## Changing context



*As these quotes demonstrate:*

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## Changing context ...(cont'd)

*Nick Clegg:*

- "We need radical change that puts power back in the hands of the people. Only by bringing down vested interests and giving people real control over their lives will we build a Britain that is fair"

*David Cameron:*

- "We know that when you give people and communities more power over their lives, more power to come together and work together to make life better – great things happen"

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## Changing context ...(cont'd)

And Grant Shapps:

- "I want to see a system that puts tenants fundamentally in the driving seat for the first time... real tenant empowerment"
- "[With regard to regeneration] Instead... of impenetrable bureaucracy, we will encourage power to be exercised at the lowest levels of local government, by which I mean parish, ward, but also street level... to force faster change directed by the very people it will affect"
- "The [regulatory] framework developed by the TSA... [for]... excellent tenant services will remain... Mr Shapps claims to 'agree with virtually every word' in the... document which he describes as 'great work'" (Inside Housing)

***Localism is here to stay – and the locals will be empowered***

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## How does this change things?

- TSA is now your regulator too
- TSA believes it will be around until 2012 at least
- Subject to major review of who will regulate but framework remains
  - No overarching watchdog for service improvement?
  - Inspection?
- **The council scrutiny mechanism, and how tenants scrutinise, is now the 'backbone' of regulation**
- This reflects the new localism – remember David Cameron's quote

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## It's all about empowerment

- Standard number 1 of 6
- Co-regulation
- Customer service
- Choice
- Complaints
- Responding to diverse needs
- Insight and shaping
- Value for money
- 'Tenant involvement and empowerment'



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So...



***'Empowerment' = 'the opportunity to influence'***

***'Empowerment' = 'effective involvement'***

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## Empowerment = co-regulation

Councillors and officers in partnership with tenants



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## How does the TSA expect tenants to be involved?

- The TSA has developed six national standards under following headings:
  - Tenant involvement and empowerment
  - Home
  - Tenancy
  - Neighbourhood and community
  - Value for money
  - Governance and financial viability
- All registered providers are obliged to comply with these (local authorities exempt from the governance standard)
- Local offers are key to compliance
- Annual reports

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## How does the TSA expect tenants to be involved? ...(cont'd)

'No one size fits all' – let 1,000 flowers bloom



*Meaningful engagement = communicating with customers to deliver effective involvement*

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## Engagement in the new world



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## Engagement in the new world ...(cont'd)

<b>Identifying local offers</b>	<ul style="list-style-type: none"><li>• Identifying services subject to 'local offers'</li><li>• Resourcing and timetabling their development</li></ul>
<b>Developing individual offers</b>	<ul style="list-style-type: none"><li>• Developing the offer and it planning its delivery and management</li><li>• Tenants signing off the offer</li><li>• Launching the offer</li></ul>
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Delivering the offer</li><li>• Monitoring the delivery of the offer and its impact on services and consumers</li><li>• Adjusting the offer and/or its delivery</li></ul>
<b>Review</b>	<ul style="list-style-type: none"><li>• Reviewing the offer</li><li>• Reviewing the programme</li><li>• Preparing the annual report</li></ul>

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## Where? What is 'local'?

- Place
- Demographics
- Organisational



- Dales has some challenges in terms of place!

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## Which services?

No one size fits all

- Must consider:

- Repairs
- Involvement
- Estate services

- Nothing to stop offers for other services

- If tenants say no – OK, but prove it, show the evidence

- Single service or range in locality

- VfM is key. Some say local offer = where can we make cuts



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## Who are the customers?



*For each offer suggested, identify and consult with all the customers*

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## Engagement in the new world: developing and delivering local offers



- The subject of the toolkit – to be published on TSA website

## How different is this to 2009?

- Goodbye KLOEs
- Regulatory framework is now THE driver
- Local offers = key compliance element
- Annual reports are your shop window
- Intervention will now be triggered by:
  - Customer complaints about delivery failure
  - Scrutiny of annual reports
  - Compliance with local offers and framework standards
- Inspection... under review but there will be some mechanism in place
- Self-inspection/co-regulation/resident scrutiny is your key

## In 2010 and beyond, it's about...

- Doing things differently rather than adding to costs:
  - Are you delivering impact? What impact are you aiming for?
  - What are you getting for your money? Is this in line with expectations?
  - How can you spend more wisely?
  - Review governance, accountability and openness of organisation's decision-making structures – where is the resident scrutiny?
  - No more collation of organisational performance or satisfaction statistics – instead, are the customers satisfied local offers are being delivered?
  - No organisational resident engagement strategies – rather tailored support to customers to engage meaningfully at local level
  - Local managers with engagement, communication and negotiation skills will be at a premium – customers are the boss!

*A major change in management culture*

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## Complying with all this

- Annual reports to be published by 1 October each year produced for tenants and for the regulator – on how standards (including local offers) are being met
- Self-assessment – tenant scrutiny, external validation, benchmarking, peer review, etc
- All tenants offered a wide range of opportunities to influence strategic priorities
- Consult and act reasonably in providing tenants with opportunities to agree local offers
- Provide tenants with a range opportunities to influence standards, scrutinise performance and develop the annual report
- Build tenant capacity so they can be effectively involved

AND...

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## There's more

- Consult on the desirability and scope of local offers
- Give opportunities to agree local offers with tenants by no later than April 2011
- Report local standards performance to tenants
- Arrange for tenant monitoring and scrutiny of local standards (where agreed)
- Provide a system of redress if local offers are not being met

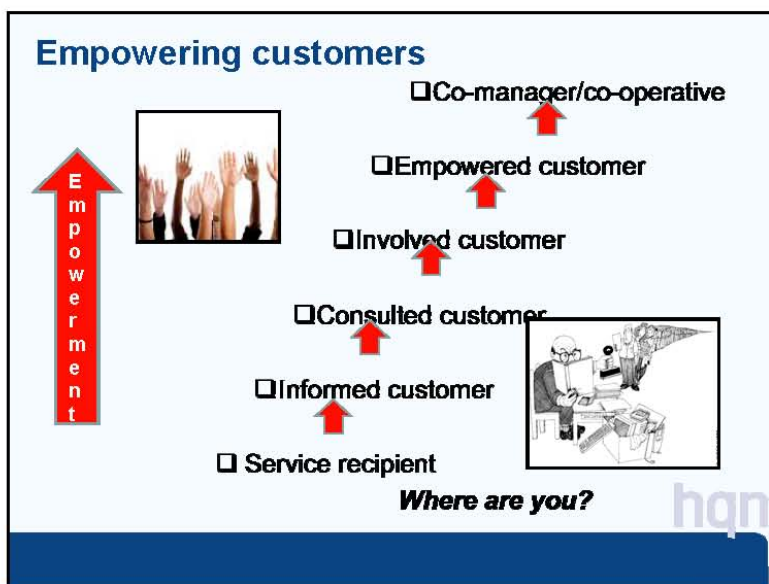
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## Your key to the door

- Local offers:
  - 'Locally' consulted
  - 'Locally' agreed
- Annual reports:
  - Performance against standards
  - Performance against local offers
- Scrutiny:
  - Capacity-built residents
  - Capacity-built staff and board
  - Open mechanisms for challenge
  - Comprehensive quality checking
- No complaints!
- 100% satisfaction guaranteed!

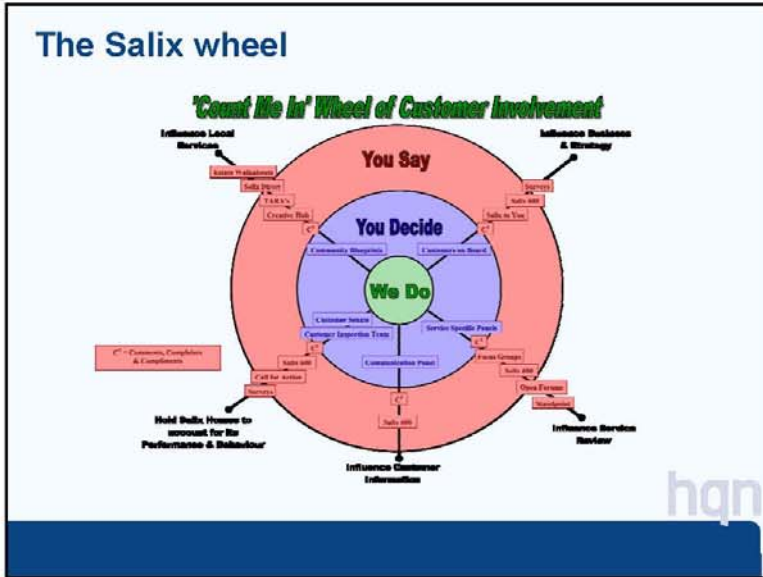


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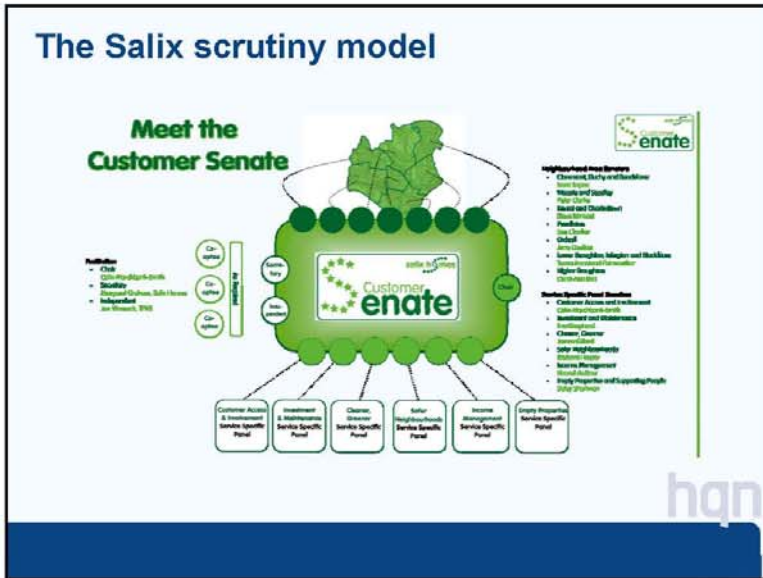


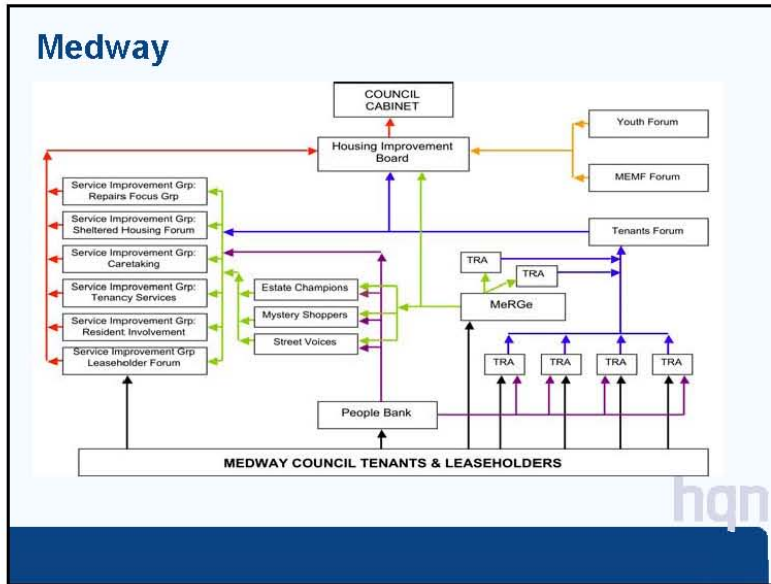
- ## The fundamentals you need
- Formal resident scrutiny body(ies) and mechanisms
  - Regular service-specific groups:
    - Consultation, review, partnership
    - Performance challenge
  - Neighbourhood balance and tailoring
  - Resident inspection, quality monitoring
  - 'As needed' work groups, focus groups
  - Database, people bank
  - Learning from complaints and feedback
- Clear defined roles
  - Diversity inclusion
  - Capacity and skills
  - Resources
  - Commitment
  - Champions
  - Drive
  - Flexibility
- Local offers at the heart of the matter
- hqn**

## The Salix wheel



## The Salix scrutiny model





## Are you fit for this purpose?

- How do you and your services fit in with this?
- Medway Housing's current toolbox for involvement:
  - How do you engage, involve and empower now in your service area?
- Is this going to cut the mustard?
- What are the challenges and barriers?
- What would be on your wish list for change?

## What next?

- Residents' challenge workshop
- 'Getting behind the numbers'
- Time on-site to investigate/challenge further
- Draft report and options
- Debrief session
- Over to you to make it happen
- Meet framework requirements – ongoing...
  - Annual report
  - Local offers
  - Standards

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## Appendix two – notes from MeRGe challenge workshop 25 August 2010

The group looked at the proposed resident involvement structure that had previously been discussed with MeRGe.

The aim of the exercise was to think about:

- The current strengths
- The need to achieve impact
- The need to comply with TSA regulation
- How to make the best of our strengths
- What framework would be best to support true tenant empowerment.

Overall, the conclusion was that the recommendations should be:

- To change the role and name of MeRGe, dissolving MeRGe
- Create new tenants' champions out of the current MeRGe committee and redefine the role
- The housing improvement board to be the main scrutiny panel for residents
- The housing improvement board to be made up of service improvement panel resident chairs and a rep from tenants' champions
- Create a new, possibly temporary, resident involvement service improvement panel.

MeRGe members made the following comments and raised some questions as follows:

- All agreed that the current position for MeRGe does not serve all residents best in looking at a new structure
- All agreed that MeRGe members should still play a valuable role in:
  - Continuity
  - Sharing best practice, knowledge and experience gained over so many years
  - Effective scrutiny and developing the skills of others.
- All except one member felt that for the new approach to be effective, the name and role of MeRGe should be changed
- MeRGe felt that a modernised MeRGe by a different name and different role could become tenants' champions

- Current MeRGe residents who are most committed and involved currently live in the following areas and would seek to be champions for these areas:
  - Twydall – Mary
  - Rainham – Ron and Ray
  - N Gillingham, S Gillingham, Britton St – Mary and Mick
  - Brompton – Shirley
  - Cornish Manners – Eddie.

The group felt that this would leave the following areas with no one to champion and would need to recruit to these vacancies:

- Hazelmere
  - Parkwood/Derwent Way.
- This would mean a re-branding for MeRGe to become tenants' champions
  - The tenants' champions would want to meet together before scrutiny meetings to gather evidence and challenge and to prepare for the meetings
  - Query whether street voices are the same as estate champions – need to define role or could be a package of area/estate/street/tenants' champions
  - All discussed the fact that if MeRGe ceases to exist in its current state it would no longer run the office, no longer be given any grant, so the role of the new tenants' champions and resource requirements would need to be clearly defined
  - Further thought needs to be given to the dissolution of MeRGe to comply with the constitution and SLA and ensure that the best way forward is taken with the outstanding funds in the MeRGe account
  - Resident were keen to retain some access to the office and a telephone line, desk and email to carry out the role of tenants' champions and offer all tenants access to their experience and advocacy role – they felt that a desk in the office, equipped, would suffice
  - Residents felt that the best use of the office would be to locate the new TPO here and have a facility for estate/housing officers to use for surgeries or a base when out and about. It could also be used for residents' meetings or meetings/interviews with residents. The layout may need to be changed to incorporate these changes and functions
  - The group discussed how the housing improvement board will be the main scrutiny panel – meeting with cabinet, portfolio holder and senior staff – the make-up and role, terms of reference need to be clearly defined yet

- The group felt that the housing improvement board could be made up of residents from the service improvement panels, one representative from the tenants' champions
- A new resident involvement service improvement panel was considered a good idea, at least temporarily, to drive through the changes that are needed and to oversee compliance and monitor performance – the role, terms of reference and aims need to be agreed. It was felt that Mary, as Chair of current MeRGe, should chair this new panel. This would also mean that she would get a place on the housing improvement board
- The group also felt that surgeries and/or a contact point would be a good opportunity for officers engaging with residents – to capture evidence and issues as part of the butterfly net; but the links to how they filter evidence and learning into the scrutiny framework needs to be explored further
- Likewise community associations
- The editorial communications panels are also key to empowerment and need to be brought into the structure to ensure that feedback leads to learning
- The group felt that local offers could lead to the development of area or neighbourhood panels – also in line with TSA regulation – so these could be led by officers and link to the tenants' champions, service improvement panels and through these to housing improvement board – the links for reporting and protocol need to be explored further and these could take a lot of resource to set up, but would achieve the aim of localism.



## Appendix three – developing a resident scrutiny framework

### *Guidance notes for Medway Council in developing resident scrutiny*

#### *The housing improvement board*

The housing improvement board should be in place to scrutinise and recommend improvements to services offered by Medway and should be formally recognised within the governance structure of the Council.

The structure should ensure that residents are measuring, testing and monitoring the services they receive and residents are influencing the development of the business.

The housing improvement board is the recommended vehicle by which Medway will provide resident-led scrutiny and co-regulation in line with the Regulatory Framework. As such, this board must be made up of a resident majority. To be truly resident led, the presence of Council officers and elected members must not inhibit or interfere in anyway with the residents' role as scrutineers.

For Medway, given the governance structure, it is recommended that the portfolio holder for housing attends formal housing improvement board meetings to provide the link with Medway Council. It is recommended that the chair of the housing improvement board should be independent of the Council. This should ultimately be a resident who has been given the opportunity to develop the appropriate skills. However, whilst the resident capacity building is on going and in order to establish the board it would be worth considering selecting an interim, independent chair with the right skills and experience. We recommend seeking a chair who can commit to not only leading and developing the board but also to supporting and coaching their fellow housing improvement board resident members.

Membership of the housing improvement board should be majority residents. There are various options for where the resident members are recruited from. Positive practice suggests that if service specific groups exist that the chairs or resident leaders of each of these should be offered a place on the main scrutiny panel. In Medway's case it would be appropriate for the chairs of the service improvement groups to be automatic members of the housing improvement board. It is also considered positive practice to include resident membership from a wider range such as area or neighbourhood representation or from residents who offer diverse experience and characteristics pertinent to Medway's resident profile.

The housing improvement board may wish to agree to offer places for co-optees, from time to time, to allow the board to benefit from fellow residents, local elected members or local independent people with experience and knowledge relevant to the subject or service under particular scrutiny.

It would be prudent to develop and agree some terms of reference for this board and a protocol agreement with the Council and any council committees such as the overview and scrutiny committee. Whilst this housing improvement board cannot replace the role of the

overview and scrutiny committee (OSC) it will play an important role in providing reports and information to the OSC on the housing service perspective. The aim should be for the housing improvement board and the OSC to work in harmony, with the housing improvement board providing evidence and monitoring in the Council housing service arena and occasionally raising challenges, where appropriate, for the OSC to investigate further and vice versa for the OSC to call on the housing improvement board to investigate and report on issues of concern.

Positive practice suggests that the main resident scrutiny group will develop an annual programme of work and undertake a minimum of three scrutiny exercises each year as well as regular monitoring against a standard agenda. The topics for scrutiny can be identified in various ways such as:

- From a range of options put forward by the executive management team
- An area of particular interest to the group
- From any referrals for scrutiny by the service specific groups
- As a result of a 'community call' for action by a group of customers or as a repetitive area of complaint.

The 'community call for action' is a phrase used by one organisation and Medway may choose to develop its own phrase. This is however, a key part of triggering scrutiny reviews and challenge. This call for action should be formalised to offer a systematic route for complaints and issues to be raised by residents.

Best practice has shown that the some groups use a scoring matrix to prioritise the topics of scrutiny and the scrutiny group then publish a forward plan of scrutiny. However, should the housing improvement board in Medway's case, accept a 'Community Call for Action' it is probable that the relevant service area will be scrutinised as soon as any ongoing scrutiny is completed and consequently the forward plan will be updated.

As a result of the scrutiny exercise, an improvement plan is created and then monitored by the relevant service specific group with regular updates to the main scrutiny group.

Should the landlord fail to deliver the improvement plan, positive practice suggests that the housing improvement board, in this case, should have the power to serve a 'Notice of Intent', a feature developed by some organisations that allows the residents to seek the support of the Council to consider their grievance should the process fail.

There is emerging good practice relating to the powers of the resident led scrutiny group, in this case the housing improvement board. It is recommended that it have a range of powers and terms of reference that support its role. These being:

- Unfettered access to performance information, benchmarking data and customer feedback

- The ability to commission independent evidence gathering through customer inspection team and other resources
- The ability to hear evidence from officers, partners and customers on request
- A formal duty on the Council and executive team to respond appropriately and in timely manner to requests and recommendations
- A requirement that the Council/executive team develop and implement improvement plans that have been agreed with the housing improvement board
- Clear mechanisms for redress for non action:
  - A formal 'notice of intent' served on the Council and a prescribed duty to respond
  - Referral of the matter to the a.n.other independent body to be defined as independent and relevant
  - Request for intervention by TSA/regulatory bodies.

Most resident led scrutiny body such as the Medway housing improvement board will be responsible for the annual resident reports, some have an appendix that shows the annual impact of the tenant led approach on service delivery and performance.

There should also be in place a mechanism for succession planning and progression for those who are interested to do so.

### *Service specific scrutiny*

The service specific improvement groups should eventually have the delegated performance monitoring and scrutiny role for the operational service areas. Therefore, the key elements section below equally applies to these groups.

Performance information provided should be relevant to the service group. Agreed terms of reference are recommended for all these groups. Developing an annual work plan with group members for each group is a good way of adding structure and focus. An annual review from each group reporting on the outcomes and achievements would provide robust evidence of the impact.

These groups should have defined and agreed protocols for reporting to the Housing Improvement board as the main resident scrutiny body.

Regular reports in a standard format for all groups would be recommended. The nominated representative from each service improvement group could be tasked with presenting these regular reports and updates to housing improvement board.

The make up of the service improvement groups should be a majority of residents with particular interest and experience of that service area. Ideally, residents should be recruited to offer a diverse profile range to suit Medway and the service under scrutiny.

Officers should attend to support the group and provide information. Elected Council members may be invited to attend as appropriate but not be included as members, unless previously agreed with residents.

*Key elements required for resident led scrutiny:*

- Regular and routine information provided covering; performance targets, actual performance, commentary on performance, trends quarterly, annually, performance as compared to local and peer landlord organisations
- Information to be provided in a format and style that has been agreed with scrutiny members
- Support to familiarise and understand the complex performance information provided
- Regular and routine challenge of performance of all service areas by residents, feeding
- Regular, routine, systematic and robust mystery shopping, tenant inspection, resident quality control
- Regular, routine programmed service/strategic reviews leading to action plans and further review
- Service specific challenge opportunities
- Tenant trigger mechanisms
- Resident quality monitoring/inspection activities
- Governance framework willing to devolve and delegate decision making powers to resident scrutiny framework
- Agreement to routes for mediation/conciliation if a governance versus scrutiny impasse is reached.

*To deliver the above:*

- Capacity building and training
- Diverse range of residents involved to reflect Medway profile
- Medway resources to support and develop
- Capacity developed resident scrutineers
- Roles for non scrutiny type resident involvement

- Routes to governance and decision making
- Decision making powers devolved and delegated within resident scrutiny framework
- Information presented and provided in easily digestible formats
- Openness and transparency from Medway on financial information and performance information – provided to scrutiny residents
- Information available for scrutiny residents on local landlord comparison.

### *Developing a resident scrutiny framework for Medway*

In order to provide a draft framework for Medway resident scrutiny the following issues need to be discussed and agreed:

- What/where are the triggers for calls to action for Medway, how can these be brought into the frame?
- What are the plans for regular, programmed reviews and scrutiny exercises – what is planned already for review for 2010/2011?
- What service specific panels exist now and plans for developing these?
- What performance information is to be provided to the scrutiny body(ies)
- What powers will/should the scrutiny body(ies) have?
- What resources are available for the scrutiny body(ies)?
- Governance and decision making delegation and devolvement – how far can this go with Medway?

HQN is the largest independent housing training and consultancy company in the UK. Over 800 housing organisations subscribe to The Housing Quality Network or one of HQN's specialist networks. Our membership base consists of over 4,200 individual member contacts from around the UK, who benefit from high quality briefings and workshops on a wide range of issues affecting the sector. We also provide bespoke consultancy and research, in-house training, interim management (The Pool), executive recruitment (The Source) and host a comprehensive programme of conferences and seminars.

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