

Collaboration:

The art of the possible

July 2016

A research report summarising the experiences of twelve London BME housing associations.

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Executive Summary

At a time when collaboration has never been more relevant or necessary; the sector as a whole faces immense challenges and uncertainty in delivering services within the current operating environment.

However, for many in the housing sector, collaborative exercises such as sharing services, joint ventures and strategic alliances have proved extremely difficult and in several instances have remained more of a pipedream than a reality.

Nevertheless, in January 2016 twelve BME housing associations chose to embark on a series of collaborative projects to in order to:

- Deliver enhanced value for money for their residents, communities and organisations
- Share best practice
- Provide opportunities for their residents to access to services, such as employment support, that they would not otherwise be able to deliver alone

The group embarked on a six-month exercise supported by Altair to test the business case for collaborative working and to explore some specific initiatives for joint working. The group have demonstrated that collaboration can be the 'art of the possible' but that it takes time, commitment and not least compromise to be achievable.

This report captures their journey to joint working, as well as the lessons they have learnt along the way. The latter may benefit others considering a similar approach. It also outlines their next steps and future ambitions where working together remains a fundamental pillar to ensuring that they can tackle the challenges ahead and continue to deliver high quality and efficient services to their customers

Participating associations:



Innisfree



NORTH LONDON MUSLIM
HOUSING ASSOCIATION



Shian Housing Association Ltd



Strength in numbers

Background and context

There is a long history of partnership working in the housing sector and there is a strong track record of housing associations (HAs) working successfully with a number of different partners including health bodies, charities and local authorities. But collaboration has often been an inconsistent feature of housing practice, with different types of joint-working being promoted through a range of initiatives that have ebbed and flowed over time, from consortia to shared services.

In recent years there have been increasing calls for the need to develop and further embed collaborative approaches in the sector with current arrangements being viewed as too infrequent, sporadic, temporary or short-term in nature.

Now the housing sector continues to face immense challenges. The Housing and Planning Act, 1% rent reduction and Brexit all bring greater issues and uncertainties for organisations and the communities they serve.

With these developments value for money (VfM) has become an increasing imperative and associations are having to do much more with less. The Homes and Communities Agency has also highlighted concerns with the sector's approach to efficiency, with its regression analysis finding that there

remain unexplained variations in operating costs. VfM is also now a formal part of In-depth Assessments. This is likely to mean that approaches to service delivery will no doubt increasingly come under the regulatory microscope.

There has therefore never been a greater need for initiatives such as collaboration in the sector. Joint working can bring many benefits such as increased capacity, better use of resources, and greater efficiency and effectiveness in the delivery of services. However, the pursuit of joint working is still not viewed by all in the sector as a key priority.

Indeed, there can be many barriers to collaborating such as lack of trust, strategic appetite and difficulty in finding suitable partners. For some, collaboration has been viewed, and is still seen, as being too difficult and impractical to implement in reality.

This means that there remains a significant amount of untapped potential when it comes to partnership working, but given the current context it seems that it will become increasingly hard for organisations to disregard strategic options that do not include the exploration of collaborative / partnership working, as a viable possibility.

The BME sector

In 2016 twelve Black and Minority Ethnic (BME) associations made the decision to come together and explore proactively collaborating on a number of different projects in order to tackle the challenges faced in their communities.

Across the country, BME HAs house around 150,000 people in 65,000 homes and have a stock value of approximately £1.8bn.

Many BME organisations, including those involved in the collaborative working project, originated in the 1980s and early 1990s. They were formed from the grass-roots to meet the needs of inner city communities in the wake of urban disturbances and growing specific needs. Other associations were founded as a direct response to specific waves of immigration such as Irish or Jewish groups, or Vietnamese refugees.

Over the years BME associations have declined in numbers; many have found themselves part of larger mainstream associations, where they have lost their previous roots and BME identities. Now, only a few remain as independent associations representing 2-3% of the housing association stock and most of them are comparatively small.

Despite this, research has found that there is a continuing need for BME HAs to ensure housing needs are adequately met through their ability to

create social value in disadvantaged communities.

In 2015 BME National released a report entitled *Deep roots, diverse communities, dedicated service*. This highlighted how “BME housing organisations have a potentially bright future. However, this future requires a more strategic approach as a collective...”

For the London BME HAs involved in the joint working project, there was a recognition that strength in numbers would enable them to achieve more together.

About the HAs involved

The twelve London HAs involved in the projects include the following organisations:

- Apna Ghar
- Arhag
- Bangla
- Ekaya HA
- Odu Dua
- North London Muslim HA
- Industrial Dwelling s Society
- Inquilab
- Innisfreeee
- Shian HA
- Tamil HA
- Westway

They operate in all but four London boroughs and have diverse missions and client groups; with several delivering highly specialist services to some of the most vulnerable in society.

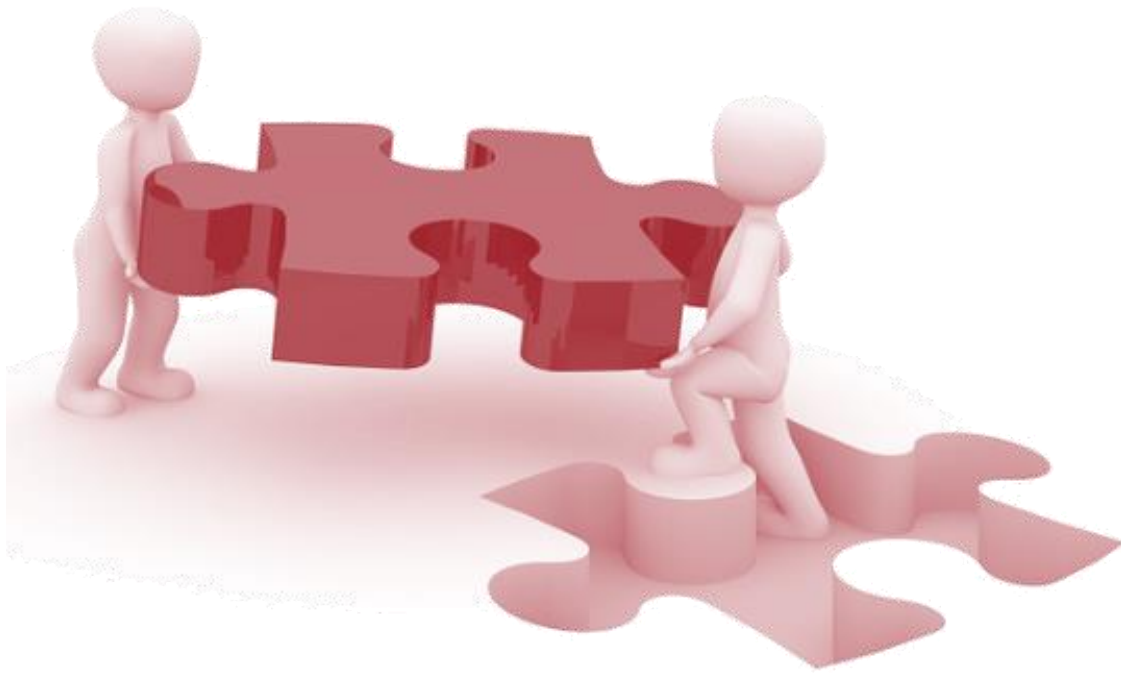
Figure 1: Map of operating areas



The size of the associations involved ranges from 185 units to 1,200 homes, with many also providing specialist management services to other mainstream HAs.

Most are growing organisations – who are increasing their presence through developing houses or acquiring more properties. All are also striving to deliver high quality services but due to their size, the majority face resource constraints and limits on their ability to borrow money.

Embarking on joint working projects was therefore viewed as a potential solution to enabling the associations to increase their ability deliver greater VfM.



The journey *Approach to joint- working*

This section of the report describes how the associations came to decide joint working was the right approach for them, how they found common ground, made decisions as a collective and the key elements of their journey so far.

The how, what and why

Origins of the projects

In 2015 the Chairs of nine London BME HAs held a joint meeting to discuss their potential to work together in the future. In the meeting, the Chairs identified potential projects for further collaboration, such as:

- Socio-economic and regeneration initiatives
- Shared services
- A vehicle to deliver development
- Learning and development programmes

As the discussions continued, it emerged that there was a substantial amount of unlocked potential in the room; those present had a combined asset value of £1billion, the capacity to collectively develop 2,100 new homes and had reserves greater than most medium sized charities.

The meeting also came at a time when some of the associations present had already successfully undertaken collaborative ventures, such as the joint procurement of gas servicing. However, some had also found it difficult to get their plans off the ground in the past and wanted an opportunity to get joint projects started and sustained.

It was therefore agreed that together the group could deliver more than they could do alone,

Following the meeting, the Chief Executives of the associations were therefore charged with establishing projects to take forward for future joint working. This involved a number of stages, including shortlisting, development of business cases and further scoping. The focus was on keeping the approach simple yet robust and engaging. The various stages are described below.

Shortlisting

The areas discussed at the original meeting with the Chairs were particularly broad in scope. It was therefore essential for the group to narrow their options so they could be taken forward.

Altair was engaged to support the associations to map out potential opportunities for further collaboration. As the momentum of the project gathered pace, along the way additional organisations also joined the original group of associations, creating a group of twelve.

To find common ground, the following tools and techniques were used to develop a shortlist of opportunities:

Interviews	To identify what the CEOs thought about joint-working and to gather a long list of collaboration opportunities.
An online survey	Allowed CEOs to rank different opportunities identified in the interviews

Analysis

Led to the establishment of three broad categories for collaboration, including:

- Community Initiatives – e.g. employment training, apprenticeships, resident engagement
- Efficiency Initiatives – e.g. shared services in repair contractors, out of hours support, joint procurement of items
- Lobbying and learning – e.g. learning and mentoring, sharing good practice, lobbying policy makers

Analysis included an assessment of which initiatives could deliver the greatest value for money.

Workshops

Provided an overview of the survey responses and an opportunity to narrow down the collaborative options into a short list as a group.

Key outputs from these activities included the production of an options analysis for each category. This involved establishing a red, amber green (RAG) analysis for each area. We also determined where current joint working was already underway, to maximise learning and to avoid any potential duplication of effort.

Figure 2: Red, amber, green categories

5 – Very interested
4 – Slightly interested
3 – Neither interested or disinterested
2 – Slightly disinterested
1 – Not at all interested
n/a – No answer

An example of the analysis shown below.

Figure 3: Example of options analysis

Organisation	Shared repairs contractor	Joint items procurement such as kitchens	Joint gas services procurement	Shared out of hours services	Joint utility services procurement	Create a development vehicle to build more homes	Shared communications/marketing services	Shared building insurance cover	Other shared services	Other joint procurement	Shared IT services	Shared Legal services	Jointly bid for grant funding to develop	Pool financial reserves to buy land/ unlock land to build more homes	Shared HR services
1	4	5	5	5	5	5	5	1	4	5	3	1	4	5	3
2	5	5	5	5	5	4	5	5	5	5	5	5	4	3	5
3	5	5	5	5	5	5	5	5	n/a	n/a	5	4	5	5	4
4	4	4	5	4	5	4	4	4	n/a	n/a	4	4	4	4	4
5	3	5	5	3	5	5	4	3	n/a	n/a	n/a	3	4	4	2
6	5	5	5	4	5	3	3	5	n/a	n/a	4	4	3	4	5
7	5	5	5	4	4	4	3	4	4	4	5	5	3	3	n/a
8	5	5	5	5	5	4	5	5	3	3	3	4	4	4	3
9	5	4	2	5	2	4	3	5	n/a	3	4	3	1	1	1
10	4	2	2	4	2	4	3	3	n/a	n/a	1	4	5	1	4

Business case

Having agreed the shortlisted options with the Chief Executives, full business cases were then developed for the shortlisted areas, this included:

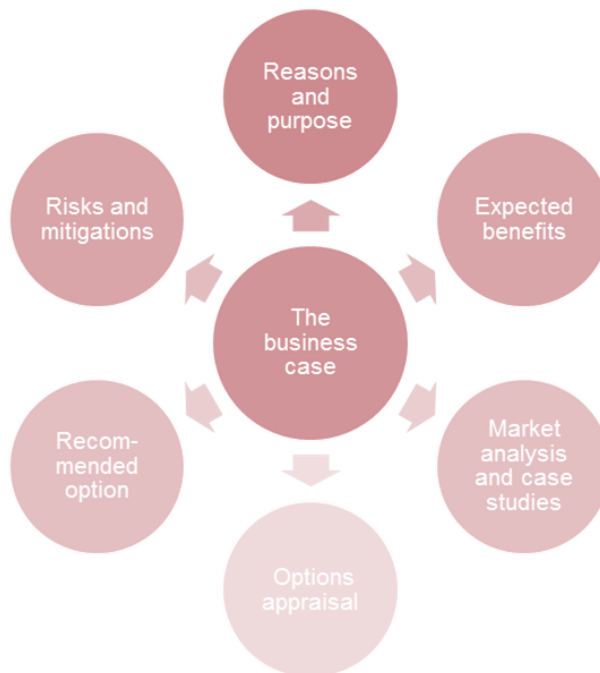
- Employment training for residents
- Joint procurement
- Staff learning and development

The full business cases examined the options and delivery models available for each area, the risks associated with the potential projects as well as the justifications for the proposals on the basis of expected benefits. They enabled the group to decide on balance whether joint-working was worth taking forward.

To support with this process, together with the group, we also outlined and scored the suitability, feasibility and acceptability of different models of implementation as well as creating risk mitigation strategies.

The structure of the business cases is displayed graphically in Figure 4.

Figure 4: Business case structure



Each group was given a specific remit of responsibility and met regularly to further scope out the project within a clear deadline of six months. Further details are displayed in Figure 6.

The governance structure provided the framework to enable the group to build trust and ownership for the projects and overall programme. This is discussed in more detail in the next section of the report.

Developing the projects

Having reviewed the business cases, it was agreed by the organisations to take forward four distinctive projects so that they could be developed for implementation in early 2016.

As the programme involved a number of different streams the group set up three project sub-groups made up of a sample of representatives from each organisation. Each project was assigned with a 'project lead' who would report into a 'programme board' which was made up of the CEOs from all participating associations. An outline of the governance structure is shown below (Figure 5).

Figure 5: Governance / reporting structure



Figure 6: Project groups

Area	Task
Employment	Establish the mechanisms so that the group can deliver an agreed programme by a shared employment team that will deliver a range of services for all associations.
Procurement	Determine initiatives so that members can form a club that operates a flexible approach jointly procuring services or materials.
Learning and development	<ol style="list-style-type: none"> 1. Develop a training programme via a shared forum where staff from different organisations can access a tailored training programme collectively. 2. Create a programme that will support the associations to attract and retain high quality staff within the BME housing sector.

Expected outcomes

Having held a number of project meetings the group have now developed four distinct projects which are currently being implemented. These have a number of different expected outcomes and benefits which are highlighted below.

Project 1: Employment support

The group are in the process of launching a pilot for an employment support initiative which will last six months.

The main purpose of piloting the service will be to:

- Improve the quality and efficiency of the full (larger scale) employment service.
- Reveal deficiencies in the design of the proposed service offering which can then be addressed before substantial time and resources are expended on a large scale.
- Answer the question of whether a full scale service / employment programme is worth pursuing e.g. determining whether the service is effective in getting residents into work.
- Assesses the feasibility of the steps that need to take place as part of the main programme. e.g. determining recruitment rates, retention rates, etc.
- Provide access to employment support, guidance and opportunities that enable residents and members of the community to maximise their potential.
- Offer a holistic and personalised approach that is able to fully meet the varying needs of the group's BME communities and client groups more effectively than other services on the market.
- Support residents and those in the wider community to find work, live a healthy and fulfilling life and achieve financial independence.
- Achieve value for money by improving rental income collection and by supporting participants to gain and maintain employment.
- Deliver a service by pooling resources together, allowing for a bigger programme to be implemented that associations would be unable to deliver alone.

The service will be delivered by a shared employment broker who will provide direct advice and support to residents as well as signposting to existing employment services such as the Love London Working (LLW) programme and other partner agencies who deliver specialist training / skills development courses. Technology, such as video teleconference and mobile working facilities, will be utilised to minimise travel time.

The core objectives of the initiative are to:

The estimated cost of the pilot is £15,000 for the six-month pilot period and the aim is to get a number of

residents into sustained employment over this period.

The employment service is set to launch in autumn 2016.

Project 2: Joint procurement

The main objectives of undertaking joint procurement as a group are to achieve the following outcomes:

- Cost savings through economies of scale and lower transactional costs as a result of bulk buying
- Better quality and service improvements for residents
- Added value – for example, negotiating larger contracts as a group can sometimes provide greater leverage in negotiations to obtain other outcomes such as apprenticeships for tenants.
- Shared expertise – Members can pool resources together to access expert advisers and can tap into all members' knowledge

Two areas are currently being jointly procured by the group; utilities and legal services.

The organisations were keen to select 'low hanging fruit', in order to establish a joint procurement processes early on. This would provide a track-record for success in areas deemed relatively low-risk with quick turnaround times. It is envisaged that these two areas will provide the platform for the group to take on more ambitious projects in the near future.

It is expected that the group will make some financial savings and improve the quality of service delivered from the joint procurement of utilities and legal services. For example, it is anticipated legal services will be achieved on more competitive rates (discounted by up to 30% as opposed to a quote given to a single organisation) and the group will be able to access a wholesale price of energy (which is often up to 20% below the retail price of energy).

Project 3: Staff training programme

The group has also developed a staff training programme consisting of five sessions which will be delivered over a twelve-month period. The sessions were decided by surveying the organisations and taking the most commonly selected preference for a number of training areas to ensure that the programme caters to the majority of organisations' training needs.

Each participating organisation will take it in turns to host the sessions and it is estimated that a total of about £10,000 will be saved on the training sessions as a result of receiving training as a group 'in house', rather than as individual organisations.

The first session will be delivered in the summer of 2016 and it is hoped that the following objectives and outcomes will be achieved from the overall programme:

- High quality training sessions of value to staff members

- Cost savings as a consequence of procuring training sessions as a group
- Increased knowledge in the topic areas as a result of the training.
- Training that enables staff to apply knowledge gained in their day-to-day roles.

Project 4: Mentoring and attracting new talent

A key focus for the group has been around developing initiatives that can support and foster the development of leaders that will be able to drive the BME housing sector forward. To deliver this the group has agreed on two approaches: a mentoring programme and graduate recruitment scheme.

The former will involve chief executives providing mentoring support over twelve months to the managers of other associations from within the group. The aim is to foster collaborative working, retain talent and transfer knowledge, to improve managerial competency and to create a positive workplace culture.

A graduate recruitment drive will also be undertaken by the group by combining resources and aligning the timing of future staffing cycles. This will mean members of the group can advertise and market upcoming positions using a stand at a leading graduate fair in June 2017. The hope is that the organisations involved will be able to attract motivated graduates who want to forge a career in housing

while saving money by joining resources.

Summary of the journey so far

Overall the process of agreeing and developing the projects for implementation has involved a number of stages. The approach taken has ensured all organisations are committed to the programme and that projects have been developed with their full engagement so that the group can expect to see relevant, tangible benefits as a result.

The route taken has also provided the platform for the group to undertake more ambitious projects in the future.

Overall the projects have so far been a success, but there have however been a number of lessons learnt from the process which are outlined in the next section of this report.



Lessons learnt *Overcoming the challenges experienced during the project*

This section of the report describes what barriers the organisations faced to joint working and what lessons can be learnt from how they overcame them.

Lessons learnt

Throughout the project there were a number of challenges experienced and surmounted by the group. Using this experience, we have developed a number of key lessons which may be useful for others considering a similar approach.

Lead from the top

Key to getting the projects off the ground was the commitment and backing given from both the Chief Executives and Chairs of the organisations. Ensuring the projects were led from the top meant there was sufficient momentum to take them forward.

A lot of time was spent to ensure that individuals were involved and engaged at appropriate times in the programme to agree to the areas being selected for development and the particulars for implementation.

The journey involved a number of meetings, workshops and other research techniques/ tools that were used to facilitate discussions and debates that enabled the group to work through conflicting and differing points of view.

The outputs from these exercises meant the organisations could work as a team to join around a coherent vision for what the joint working initiatives could look like.

Remain flexible and realistic

A member of the group said early on that “joint working needs to yield mutual benefits, otherwise the project will die out in time.”

However, finding common ground between twelve associations was challenging and meant that those participating had to keep an open mind and make some compromises. Some associations were keen to progress big ticket items, while others wanted to be more cautious in order to build up trust.

Finding common ground involved a number of discussions and reaching conclusions and collective agreement. However, once decisions were made there was the added challenge of changes in leadership and new entrants which required constant engagement to ensure all members felt part of the journey.

This required participating associations to be both flexible and adaptable. For example, initially there were plans to launch a PATH (Positive Action for Training in Housing) scheme. However, when the group realised that there wasn't sufficient buy in from all involved, a more feasible alternative was proposed and agreed.

The group also recognised that there was merit in taking on simpler projects

on the basis that they would be more likely to be implemented in reality and which could also serve as opportunities for learning to be applied to future more ambitious programmes.

Avoid collaboration fatigue

The group decided to embark on three different project streams simultaneously. This was an ambitious and resource intensive approach and could have led to fatigue amongst the group as a result of taking on too many things at once.

To tackle this the group put in a governance structure early on (Figure 5). This meant that from the beginning there were clear lines of accountability for leading on each project area. As there was a regular programme board where all associations met, Chief Executives did not become involved in the detail of every project but were kept abreast of key decision items as and when required.

Take the time to build up trust

One Chief Executive described how “collaboration requires trust, which takes time to build up. This is essential before organisations can open up and share information “. Investing time and resources in building relationships should not be underestimated.

Keeping the lines of communication open is essential to facilitating this process. Do not underestimate the importance of starting with a simple plan of action around collaboration to

build good will and trust between partners and only then develop this into a more ambitious and integrated programme of work.

Listen and be patient

Many of the associations involved found it difficult at times to garner the resources required to attend meetings and deliver data on time. In particular, the timely return data and information was critical to providing the evidence needed for the business cases and project scoping.

The group did however invest in ensuring that there was adequate project support that was used effectively by the group as a mechanism to chase and engage members to ensure information was made available. Altair’s role throughout the projects was to support to maintain momentum, facilitate collaboration and to keep the programme on track.

Other members of the group also remained flexible and patient with those who were sometimes slow to respond to requests by giving the benefit of the doubt to those who had difficulty providing data on time. Members were willing to listen to the reasons why other associations had struggled to engage, rather than assuming that there was a lack of commitment. This support meant that those involved were eventually able to co-ordinate the resources needed

internally to get the information needed.

Effective delegation to named individuals within the associations also enabled data sharing to become easier over time.

Don't re-invent the wheel

When embarking on joint-working projects it is important to ensure that duplication is minimised. There is no point in 're-inventing the wheel' and the group recognised this by using available resources and sharing information to inform their project discussions. For example, the procurement group spoke to representatives from a group called Community Housing Associations in North West (CHANW) who had recently successfully tendered out legal services to learn from their experience.

Use experts when needed

The projects undertaken sometimes required expertise and knowledge that was not always readily available in the group.

To tackle this issue, the group ensured that the right people were involved in project meetings as and when required. For instance, the Head of HR from one association was involved in the discussions on learning and development.

Similarly, an employment team leader was invited to meetings who delivered

services across a number of associations, also provided useful insights to the employment group when it came to developing the operational detail of the pilot. The project lead also regularly took the initiative to speak to those already delivering similar services at other associations, using existing templates and documentation as base where available.

Create a memorandum of understanding

Early on the group decided that there was a need for a memorandum of understanding (MoU). This was used to set out the terms of the work, without the need for a formal legally binding contract. There are many benefits of developing an MoU such as:

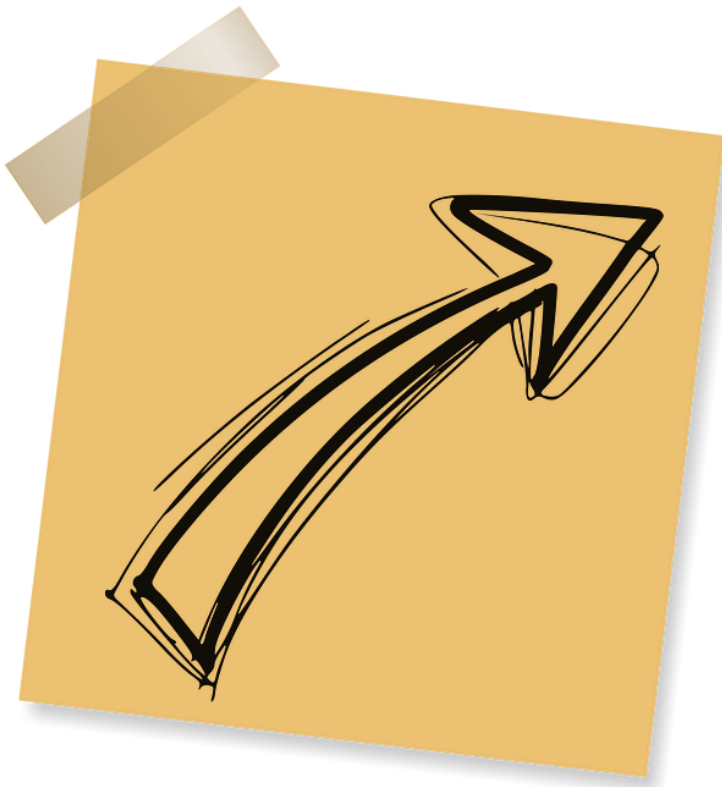
- Providing clarity on the principles, roles, activities and responsibilities of those involved
- Minimising misunderstandings and potential conflicts of interest
- A framework for decision making and information sharing
- Giving the group the means to keep the partnership on track and focused on the original objectives.

Measure what matters

Over the course of the projects the group has also been mindful of the need to establish common metrics so they can effectively monitor the VfM

gained from the projects they are taking forward.

To do this they have applied the simple dictum “what gets measured gets managed” by producing measurements for each project which give members a sufficient handle on performance without being too onerous.



Conclusion and
next steps

*The group's plans for
the future*

Conclusions and next steps

As stated in the introduction to this report, there has therefore never been a greater need for collaboration in the sector. The London BME associations have demonstrated that joint working can bring many benefits. By working together on areas including employment, procurement and learning and development they will be able to take advantage of increased capacity, better use of resources, and greater efficiency and effectiveness in the delivery of services.

Successful collaboration isn't an easy feat. There have been a number of lessons learnt from the process which may be useful for others, such as leading from the top, remaining flexible and taking the time to build up trust.

The group has made significant progress to make collaboration the 'art of the possible' and having spent the time to build solid foundations, the group will continue to work together to implement the projects that are already underway.

Now they have established a long-term and embedded approach to joint working, they will be able to seek out other opportunities to achieve further VfM in the future.

It is hoped that the learning and approach will serve as a case study for others who are interested in embarking on collaborative approaches in the sector.