Together we can change for the better

Together Housing Group is changing

www.togetherhousing.co.uk
We have carried out a major review of the way the Group is structured. Our aim has been to see if we can improve the efficiency of the Group and spend less money on bureaucracy and more on front line services.

Based on this review we are now recommending a new way of working which we believe will serve us better in the future.

This booklet sets out the reasons why we have carried out the review – and details the changes we are proposing. The changes will deliver a number of improvements: for those who work for, and with us...and for our customers.

There is much to be proud of in what we have achieved since the Group was founded in 2011.

Throughout this document we have included examples of some of our achievements across the Group. All the partners which joined forces to form the Group have worked together to share ideas and best practice and to create a successful organisation. But there’s more we can do to ensure we improve further in the future.

It will mean significant changes, and we want to work with all those who have a stake in Together Housing Group to ensure we bring everyone with us.

David Green,
Chair of Group Board
A team of independent housing experts has carried out a review of the way Together Housing Group is run in partnership with our management team.

Our aim has been to carefully design a new structure for the Group.

In the past, these things have tended to evolve rather than be formally designed, therefore a new approach is required, which we believe will serve us well in the future.

We've been clear that the review should be built around our current strategic objectives as a Group.

Any proposed changes should make sure they are designed to meet these objectives. Everyone who works for the Together Housing Group, whether a customer advisor helping a tenant, or the management team planning future investment, is committed to these objectives.

Our objectives:

- Demonstrating excellent customer satisfaction
- Being cost efficient
- Providing more homes
- Serving more customers
- Generating more revenues
- Contributing to better neighbourhoods
- Offering more training and employment opportunities
- Improving health and wellbeing
- Recognised as a great employer

A time to reflect
We face many of the same issues – around regulation, the economic and political environment in which we operate, and growing demands for us to offer better value for money.

For example, the body which regulates housing associations, the Homes and Communities Agency (HCA) has recently ‘downgraded’ its assessment of a number of housing associations and it increasingly demands improved operating structures and more effective management of risk.

Together Housing Group has been told by the HCA that our current company arrangements could be improved and we run the risk of possible action in the future if an issue arose and we had not acted on their advice. So it’s essential we act now.

The need for change has also been driven by our team who can see room for improvement in the way Together Housing Group currently operates.

Our current structure, we believe, is not the most cost effective.

Having five separate housing associations in the Group is expensive and there is often duplication.

We also feel the Group’s company structure and its day-to-day operating structure need to be brought more into line with each other.

The changes announced in July’s emergency budget put pressure on our income, meaning we will have to make significant efficiency savings in the coming years. Reducing bureaucracy would be a good start.

Lots of housing organisations like Together Housing Group are carrying out reviews at the moment into how they are structured. Like us, they want to see how best they can use their skills and resources to meet their objectives.
The independent review looked at board meetings and the way the Executive Leadership Team operates.

It reviewed all relevant documents including:

- Company accounts
- Terms of reference
- Constitutions
- Intra-group agreements

The review took full account of the potential impact of any changes on a range of stakeholders including:

- Our tenants
- The Group’s funders, including any impact on our lending arrangements
- Pension schemes
- Local authorities
- The regulator - the Homes and Communities Agency
Our company structure

The review team said board members acted in the interests of the Group and sought to find the best way forward for the organisation and those with a stake in it, whether customers or employees. But because our Group structure has evolved rather than been designed a number of issues have arisen.

The review identified the following issues:

1. The Group is limited in how it can borrow and spend money by having many companies in the Group.

2. Service standards can vary between different companies in the Group.

3. The Group does not have a strong strategic voice, making it harder to be a regional company and win new businesses.

4. The company structure is higher risk according to the HCA and funders because it overcomplicates issues.

5. Managing several local companies places significant demands on staff resources.
Our response
Together Housing Group welcomes the findings of the review and believes its proposed changes offer opportunities for the Group to improve the way it operates. By changing our company structure we believe we can create a more flexible, efficient and effective organisation which is better able to take on the challenges of the next decade.

The changes we are proposing as a result of the review offer the best way forward for all those with an interest in Together Housing Group – including our customers, employees, funders and regulators.

**It will enable us to:**
- Deliver excellent services
- Build more new homes
- Offer better value for money

Our proposed new operating structure can be summed up as:

Key decisions are made by a parent board, which has overall strategic control of the Group. It is supported by an operations committee which oversees the day-to-day operations of the social housing business. Local panels oversee performance and provide feedback on issues at the local level and Scrutiny Panels review how we operate and what services we provide.

The local companies - Chevin, Green Vale Homes, Housing Pendle, Pennine Housing and Twin Valley Homes will collapse into one company - the Together Housing Association.

Our staff will still deliver services locally, and although the local companies will not exist, we are considering the value of keeping local brand names Chevin, Green Vale Homes, Housing Pendle etc. - for the time being.
The proposal is that the company structure would change to one parent company with strategic control. One housing association would oversee the social housing business. This reflects our management and governance structures.

At a local level there would be panels made up of local people who would oversee performance and other local issues. Importantly, the panel membership would reflect local issues and needs.

How would the recommended solution work?

The current company structure

Proposed structure

Together Housing Association
The Together Housing Group faces significant challenges due to the measures announced by the new government, such as changes to welfare benefits, the enhanced Right to Buy, and cuts in our rental income. The Group needs to do everything it can to reduce bureaucracy and be efficient, so that it can continue to deliver local services to tenants.

The Together Housing Group believes it will more effectively achieve its objectives by making best use of its size and national influence, and keeping its regulator and funders firmly onside.

It will do this by changing its company arrangements to provide a clear strategic direction. With mutual support between the Group and our tenants, we will be in a position to deliver better outcomes for local communities.

Finally, please be assured that the proposed changes in governance will not affect your tenancy or your rights in any way.

The existing company members will make their final decisions on this at the Special General Meetings in January.

Summary

Revitalising our communities

Shaping futures - our Apprentices

Involve to improve

The existing company members will make their final decisions on this at the Special General Meetings in January.
Q1: Why are these changes being made?

The Together Housing Group (including the five housing associations within the Group - Chevin, Green Vale, Housing Pendle, Pennine and Twin Valley) has a costly, complicated and time-consuming board company structure. These changes will streamline the decision-making process and reduce bureaucracy, saving time and money.

Q2: Why are the changes being made now?

The difficulties caused by the economic situation over recent years have increased financial pressure on our customers through welfare reform and reduced the money available for building new homes.

There is also more pressure on housing associations to show that they are able to manage all the challenges they face, whilst ensuring that money is not being wasted and is being used to improve existing homes or build new ones.

The recent budget announcements (for example rents for social housing being reduced by 1% a year for 4 years) reinforce the need to make the most of our resources to benefit the communities we work for.

Q3: How is this going to affect me directly?

These changes will not affect your tenancy agreement or the services you receive. Your rights and responsibilities will still be exactly the same as they are now.

Q4: Who has decided these changes should be made?

The board members across the Group decided that we should have a review of the company structure to see how it could be improved. The review was undertaken by an independent expert, with views obtained from tenant and scrutiny groups, as well as our existing boards.

The Group Board are keen to hear the views of tenants who have not already contributed to the review.

Q5: What are the changes exactly?

The five local housing associations would be replaced with one group wide company, supported by a group wide Operations Committee.

The parent company role will be to deal with the business side of things, such as strategy, risks and business planning. The one Housing Association company will manage performance, budgets and set targets.

Q6: What about tenant involvement in these new arrangements?

We do not want to lose the invaluable input of local tenants (as well as other partners such as local councils). In fact, we are making changes to improve it.

The local boards are being replaced by local panels that will be outside the formal governance structure and therefore would not be restricted by company rules.
nor would they need the same level of supporting bureaucracy.

These panels will enhance the local involvement of tenants in things like the investment programme, performance and new development opportunities.

We also want to improve the scrutiny of our services, so are recruiting tenants to new local scrutiny groups who will review our services and make recommendations for improvements to the local panels and Operations Committee.

Q7: What about investment in my local area? How will that be affected?
We remain committed to your town and neighbourhood through investment in homes and communities. These changes should make us more efficient and allow us to deliver better outcomes for local communities.

Q8: What happens next?
The existing company members will make their final decision on this at a special meeting in January. Before then, we are keen to hear your views and thoughts on our review - the deadline for this is 15 January 2016.

Q9: How do I get in touch to comment or ask a question?
There are several ways you can do this:

**Online:**
Complete the general feedback form in the News section of our website at www.togetherhousing.co.uk

**Email:** enquiries@togetherhousing.co.uk

**Call your local contact centre:**
- Chevin 0300 555 5561
- Green Vale 0300 555 5556
- Pennine (Calderdale) 0300 555 5557
- Pennine (Sheffield) 0300 555 5558
- Housing Pendle 0300 555 5559
- Twin Valley Homes 0300 555 5560

Q10: What if I want to get involved with a local panel or scrutiny group?
Great! Please contact us and we will arrange for someone to provide you with more information about the opportunities available to get involved.