

IH50

Sector Scorecard – learning and sharing **Comment Piece by Eamon McGoldrick, NFA Managing Director**

I have recently been reflecting on the divisions that appear to have grown between the HA and Council sectors over the last 18 months. Perceived differences have been fuelled by a number of events that have left some Councils feeling battered and bruised. The Housing and Planning Act in particular, includes a number of measures that are mandatory for Councils and voluntary for HA's, aimed primarily at freeing HA's from the current ONS public sector classification. In addition, the proposed sale of Council High Value Assets, although delayed, remains the likely source of funding for the sale of properties under the Voluntary RTB.

I have been encouraged by the efforts of Terrie Alafat and David Orr to maintain bridges and ensure the whole sector remains focussed on the massive challenges facing all of us who work in housing. I have personally been trying to help the NHF and VRTB pilots with lessons learned from the statutory RTB scheme that Councils have operated over the last 35 years. ALMO's are managing hundreds of HA properties, helping them to streamline and meet their efficiency targets. There are other areas where experience can be shared including, insourcing repairs and maintenance contracts, the VFM agenda, and developing new homes across a range of tenures.

Another area of shared interest is the Sector Scorecard that is currently being developed. First of all, congratulations to Mark Henderson, Chief Executive of Home Group, and everyone working on implementation of this new initiative. ALMO's have been operating in this space for many years and we have a lot of learning (good and not so good!) to share with HA's.

The benefits are obvious:

First, the HA sector doing everything it can to regulate itself, will go down well with Government and the Regulator. This was supported in the recent White Paper and the HCA may use some of the indicators when doing VFM assessments.

Secondly, best in class will emerge, and others will learn from them, which will improve overall performance of the sector. HA's will put aside some of the perceived competition between them and do more sharing and co-operating. Some organisations are just better in some areas, why not learn from them? I would expect to see the emergence of peer groups who will use the metrics to improve performance. These groups could operate on a regional or functional basis. Whilst some of the expected measures will be HA centric, I would hope that HA's would take the opportunity to include ALMO's and Councils in some of the peer groups.

Thirdly, it will open up discussion in HA Board rooms about what is really important to individual HA's and whether or not they need to change direction or re-focus resources to deal with areas of weakness.

However, there are some potential downsides:

First, you can spend an awful lot of time and effort agreeing definitions of individual performance measures. There is a danger that more time is spent discussing definitions than learning from what the measures are telling you!

Secondly, the aspiration to identify 15 key performance measures is commendable, but all involved in this exercise will need to stay focussed on finalising a small number of metrics, particularly those to be considered by the Regulator. There is a risk that performance measuring and comparison turns into an industry. I once worked with a Council that developed 11 performance indicators just to measure performance on void management!

Thirdly, some organisations will always feel that their scores do not reflect fairly the local context or challenges that they face. This may be valid, but some organisations will also hide behind these excuses to coast and justify mediocre performance. The HA sector itself will have to find a way to manage this, because Government and the Regulator will not want to get involved.

Whilst the National Federation of ALMO's is not directly involved in the pilots for the Sector Scorecard, we are very happy to share what we have learned. Why re-invent the wheel?