A summary series of recent research from Communities Scotland
No 39
The risks and rewards of developing common housing registers: lessons from the modernising government fund (MGF) demonstration projects

Common Housing Registers (CHRs) are an innovation in housing services design and delivery. Though an established feature of housing services in England, in Scotland their introduction is relatively recent. In 2000 they were given fresh impetus when the Scottish Executive's Modernising Government Fund (MGF) committed challenge funds to a CHR development initiative that would deliver customer-focused services on an inclusive basis, and reduce the costs of service delivery while improving quality. The six demonstration projects supported in the first wave of CHR development were in Aberdeen, Edinburgh, Fife, Renfrewshire, Scottish Borders and Stirling. Communities Scotland commissioned research based on action research principles and involving the co-operation with the local CHR partnerships to track the emerging pattern of costs and benefits.

The key findings from the research are as follows:

- The local housing policy context and operational challenges are important influences on the CHR development process, on the organisational approach adopted, and the strategic purposes the CHR serves. In short, different approaches to CHRs are appropriate and applicable to different settings, and these incur different patterns of costs and benefits.

- Despite a raft of claims made more widely about the benefits of CHRs, the research suggests that in the short to medium term the key benefits are in terms of the development of partnership 'know-how', the sharing of local service information, and streamlining of local services.

- In broad terms, the local CHR development process follows a mobilisation phase, an action phase, and a realisation phase. The mobilisation phase, mainly concerned with building local support, incurs low financial costs, while incurring high costs in terms of staff effort, much of which is absorbed by the partners. The action phase brings rising financial costs and real staff costs. The realisation phase is high-cost, and it is here where the main capital expenditure is incurred.

- CHRs develop at different rates. Mobilisation of the partners can be problematic for some, while others feel catapulted into delivering their CHR. The experiences of the pathfinders suggest that MGF assistance can act as an incentive to move between phases. A menu of benchmarks derived from the research tracks the pattern of progress through the phases by the demonstration projects.

- Strategic level support for CHR development has been through a national CHR coordinator. At operational level however, local teams need partnership management skills, project management skills, and management and information systems understanding. Much learning, particularly around negotiation, mediation and brokering of interests is haphazardly done 'on the job'.

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The policy context

The Modernising Government Fund (MDF) Common Housing Register (CHR) initiative started in 2000. At this point, CHR arrangements were already being tested in Aberdeen and in Perth and Kinross. The MGF initiative set out to build on this experience. At the same time, a number of broader policy concerns were leading to increased interest in CHRs as a tool for improving the management of access to social housing:

• The need to address the management of areas of low demand or housing estates which were deemed to be 'excluded', on the social, economic, or geographical fronts;
• The need for new approaches to offering choice as part of the process of accessing social housing, through for example one-stop shops, ICT enabled customer-focussed operations, or 'choice-based lettings' initiatives; and
• The need for mechanisms for forging and maintaining partnerships in the context of large-scale voluntary transfer of social housing stock between landlords.

All of these policy concerns were to figure in the provisions of the 2001 Housing (Scotland) Act, and in elements of the changing management culture associated with the government's 'Modernisation' initiative.

There are two specific policy measures associated with the Housing Act that are of importance where the impetus for developing CHRs is concerned. First, though the CHR initiative was introduced before this, the Act gives Ministers the power to require local authorities to work with housing associations operating in their localities to introduce CHRs. These arrangements are also fundamental to the success of the homelessness provisions. Second, one of the by-products of the Single Regulatory Framework for social housing has been to focus attention on initiatives such as CHRs, because they are a mechanism for bridging the two regimes (housing association and local authority), while delivering more transparent and effective access to social housing.

The lessons from the research therefore are not only of interest in terms of the development of CHRs per se, but also show how CHRs as an initiative are able to contribute to the broader goal of improved sectoral co-ordination.

Lessons from the MGF pilots

The research team examined the strengths and weaknesses of the CHR development process as it was being 'lived' by the six demonstration projects. The focus was on early evidence of the costs and benefits of setting up a CHR and of CHR working. It was acknowledged from the outset that the longer-term strategic benefits of CHRs were unlikely to become visible within the period of the research. Evidence of short and medium-term costs and benefits however provides a good basis for setting out the rewards to local partners, while avoiding the risks or pitfalls.

• The local authority area: the dynamics of the local housing market and the nature of the pre-existing relationships between the partners play an important part in shaping the CHR development process and motivating the partners. In particular, where there is already engagement in joint work, such as compiling information on local housing supply, or reviewing data duplication across waiting lists and nominations arrangements for example, commitment to a CHR can be relatively easy to mobilise. Shared local housing policy priorities also play a reinforcing role here. On the other hand, where there is historic mistrust between partners, this is reflected in a relative absence of such exercises. Policy priorities are less likely to be shared by partners. It is more difficult to secure commitment to establishing a CHR in such local authority areas.

• The CHR partnership: CHRs are delivered by local organisational partnerships comprising housing associations and the local authority. The demonstration projects show that a range of partnership styles can develop. These include arms length management organisations and agencies, such as Homechoice in Aberdeen and EdIndex in Edinburgh, the local authority enabling or 'community leadership' model, as for example with the local authority's steering of the CHR in Stirling and in Fife, and the collaborative forum, as in Renfrewshire. Each partnership, because of the way in which it is
organised, manages itself differently. That said, the key challenge for all of the partnerships has centred upon the struggle for collaboration: the constant work of ensuring that all participating organisations remain on board, while ensuring that individual organisations' own board members, sponsors, and senior staff remain committed to the CHR, including financially.

• **The characteristics of the CHR:** As one might expect, since styles of partnership differ, so also do the characteristics of the CHRs that emerge. The demonstration projects have largely followed the 'pyramid of progress' that was the basis of early Scottish Executive guidance to partners on how to go about setting up a CHR. However, though this guidance works well as a 'can-opener', the key characteristics of CHRs derive principally from their desire to stabilise the partnership, which is seen as essential to their operation as a robust service delivery vehicle. Accordingly for example, the contractual underpinning of the partnership arrangements, the specification of the project and plans for its delivery, as well as arrangements for decision making, the division of roles and responsibilities, and the setting of service standards are important characteristic features of CHRs. Thus CHRs can be seen as essentially contractual devices for securing organisational co-operation in relation to local allocations data sharing and data processing operations.

• **The development process:** The task of establishing a CHR is seen at one end of the scale as a simple data-sharing exercise, the aim of which is to improve the quality of allocations data by eliminating double counts from multiple applications. At the other end of the scale, some organisations see CHRs as having the potential to serve wider local policy development needs, such as supporting more fine-grained management of the local housing market, creating a framework onto which stock transfer or supporting people requirements can be bolted, or reframing the way in which housing information and access is made available to consumers. The scope of the local CHR 'project' tends to shape the level of complexity inherent in the development process. At the same time, for some CHR partnerships, the formation of the partnership becomes hard to separate from the development process - the job that the partnership has to do. Effectively driven and results-oriented partnerships depend on clearly defined project management approaches, with strong leadership.

• **Perceptions of the principal costs and benefits:** Local authorities and housing associations participating in CHRs express a strong view that CHRs are costly. This is measured mainly in terms of the effort put in by staff, particularly by senior staff, in the mobilisation and action phases. Much of the early effort is seen as repetitive and onerous, because the benefits are not particularly visible, and senior managers tend as a result to measure this effort in terms of work foregone, and the 'other things they could have been doing'. Once CHR partnerships tip into the action phase, while the discourse about costs continues, appreciation of the benefits, or the prospect of benefits begins to be evident. There is also some retrospective understanding of how the 'small wins' in the early phases were indicators of progress, despite their tending not to be noticed as such at the time. The key medium term benefits of CHRs are in terms of the streamlining of services and the improvement in the quality of information available to the consumer.

**The costs and the benefits**

In the long term, it is to be anticipated that the perceived initial heavy costs to partner organisations of developing CHRs will be outweighed by the benefits of improved local management information where social housing is concerned, better economies of scale in terms of the organisation and administration of local access to housing, and improved and easy-to-access allocations from the consumer point of view.

The vast majority of the costs and benefits encountered during and as a result of the development process can be understood in terms of the local context, the nature of the partnership, the CHR and the development process. The research considered the costs and benefits of CHRs for each of the following phases, creating a menu of benchmarks against which progress can be gauged and intervention planned. The benchmarks are set out in full in the research report, and are summarised below.
• **Mobilisation:** The principal costs during this phase are in terms of staff time, particularly where an individual member of staff has a remit to co-ordinate the development process. Costs also attach to consultancy commissions. The overall effort of staff at this time is seen as costly to the partner organisations. There are also abortive costs, where staff time and effort, and in one case a purchase of ICT systems equipment has had to be written off. There are widespread operational benefits during this phase that are often not acknowledged by the participating organisations. The sharing of strategic housing information relating to needs, establishing a basis for compiling locality-wide allocations data, relationship building between participating organisations, joint 'visioning' of common goals, and sharing of tasks that will form the basis of the CHR, or reviewing the standard forms that will be used by applicants. Concern about the costs of the ICT implications of the CHR predominates during this phase, to the extent that these concerns in themselves act as brakes on the development process. Benefits once again tend to be underplayed. The key benefits continue to be in the areas of information sharing, the building of closer relationships between partner organisations, and the responsibility for steering and meeting arrangements.

• **Action:** In the action phase, concern about rising costs is particularly present, as organisations begin to confront the reality of their project. Staff time and effort continues to be seen as a major cost, along with the costs of external (and internal) consultancy and evaluation work. This typically focuses on gradual development of common working practices, and assessing options, for example in relation to ICT harmonisation needs. However a significant benefit that also emerges in this phase is in terms of learning among the partners. This learning through involvement in the partnership is reflected, for example in minor changes to the working patterns of one organisation in order to fit in with another, joint training exercises, and increased understanding across the participant organisations about how much it costs them to deliver their services.

• **Realisation:** Within the period of the research, only two CHRs can be said to have reached this stage - Aberdeen and Edinburgh. This phase is the most costly phase in terms of tangible spend, and it is also the phase when the predicted costs become a reality for the partners. The principal costs in the cases of Aberdeen and Edinburgh have been around commissioning and adapting the ICT solution opted for, organising data transfer from the previous self-standing systems, supporting the delivery agency, and a range of associated investment around staff preparedness, the launch of the scheme locally, and the preparation of new applications paperwork. MGF funding has been applied by the demonstration projects to offset some of the key 'set-up' costs. Costs distribution models created by the partners provide the basis for allocating the routine running costs among the partners. Initial tentative evidence suggests that the running costs compares favourably with the cost to individual organisations of their allocations function. On the benefits side, there is confidence that the emerging data on the numbers of local housing applications is becoming more robust and accurate. The streamlining process has reduced the time involved in handling application forms and the problem of duplication. Common procedures and terminology locally means a clear system that is easy to understand from the consumer's point of view.

**Benchmarks**

The research with the six pathfinders has focussed on the CHRs development process and the risks and rewards that accompany that journey. From the data collected from the pathfinders, it has been possible to construct a detailed description of the various patterns of development that they have followed. This descriptive material has been organised into a framework of 'benchmarks'. The benchmarks are however essentially descriptive rather than prescriptive at this stage.

For each of the mobilisation-action-realisation phases, a series of descriptive categories has been identified on the basis of the experiences of the pathfinders. In this way, the benchmark framework represents a 'bottom-up' menu of factors that the experience of the pathfinders suggests must be addressed or in place for significant progress with CHR development to follow.

The framework therefore describes the experience of the pathfinders in terms of the...
risks and rewards that they encountered and the costs and benefits attached to these. In this sense the benchmarks are lessons from this first wave of initiatives.

The table below summarises the key factors that the pathfinders experienced as significant in terms of the CHR development process. The factors are grouped further into different facets of the mobilisation-action-realisation framework. For each phase therefore, there are different factors to be addressed under the four different headings introduced above. These comprise:

- The local authority context;
- The nature and scope of the CHR partnership;
- The nature and scope of the CHR itself;
- The nature and scope of the CHR development process.

In the full report of the research, a more detailed account of each factor appears, along with illustrative material from the six CHRs.

### Lessons from the pathfinders: challenges to effectiveness

A number of key observations can be made on the basis of the research carried out alongside the six pathfinder CHRs.

- **Effective change managers** Though the research did identify some examples of good change management in action, overall there is a dearth of effective change management skills and change managers at local level. This is a cost to the effectiveness of the initiative as a whole. Once again, this is not to say that there are no individuals demonstrating these skills in the first wave pilots. What seems to

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<thead>
<tr>
<th>Mobilisation</th>
<th>Action</th>
<th>Realisation</th>
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<tbody>
<tr>
<td><strong>The local authority context</strong></td>
<td></td>
<td></td>
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<tr>
<td>• Map housing market information</td>
<td>• Top level sponsorship in place</td>
<td>• Enduring open partnership culture</td>
</tr>
<tr>
<td>• Networks and forums in place</td>
<td>• Sustaining groundwork</td>
<td>• Bear the brunt of IT/confidence-building</td>
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<tr>
<td>• Member agreement and organisational form</td>
<td>• Results-oriented cross-boundary working</td>
<td>• Visible 'one stop' shop/point of access</td>
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<tr>
<td>• Access local provider information</td>
<td>• Deciding to streamline processes</td>
<td>• New information management culture</td>
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<tr>
<td>• Review waiting lists</td>
<td>• Presence of an effective change agent</td>
<td>• The nature and a broader view of users/consumer patterns/remit to all</td>
</tr>
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| **The nature and scope of the CHR partnership** | | |
| • Frameworks for governance, leadership and management | • Formalising the partnership | • Sustain leadership, accountability and co-ordination systems |
| • Embedding partnership building in staff remit | • Evidence of partnership commitment | • Access to partnership resources |
| • Joint assessment of resource and support needs | • Confirm and demonstrate partnership working methods | • Manage partner relationships/partnership working |
| • Formalise commitment | • Sharing management information | • Maintain and review partnership structures |
| • Visioning work with common goals | • Methods to build trust and overcome resistance to change | • Celebrate/reward success |

| **The nature and scope of the CHR** | | |
| • Shared recognition of CHR value | • Deliverable/PRAM development programme | • Resource-based budget to support CHR functions |
| • Evidence of results-oriented project planning approach | • Agree service standards and monitor feedback mechanisms | • Partnership Agreement |
| • Establish policy and operational parameters of the CHR at partnership level | • Streamline housing management instruments | • Organisational Form: Management and Operations Structures |
| • Partnership level acumen | • Test new instruments | • Dissemination Strategy: Get information out to the public |
| • Information systems modelling competence at partnership level | • Applicable/appropriate communication of progress to appropriate stakeholders | • Operationalise the CHR |

| **The nature and scope of the development process** | | |
| • Problem-solving/issue-based mechanisms | • Reaching agreement and building consensus | • Forward planning of CHR |
| • Building development-oriented relationships | • Staff with appropriate skills | • Promoting monitor and review cycles |
| • Anticipating concerns about shared information | • Rewarding motivation and commitment | • Taking succession issues on board |
| • Nurturing a problem-solving style of partnership | • Access to use of management information expertise | • Evidence of internal/external lessons identified and acted on |
| • Confidence and experience to innovate and experiment | • Recognition and review of inseparability of process activity and progress outcomes | • Generate management information to inform wider housing strategy |
be underplayed is the necessity to have in place within the local partnerships individuals who are committed to partnership solutions, and who have the ability and acumen to work across boundaries, broker solutions, and seek workable compromises in the interests of getting the collaborative process to work.

Instead, one sees many examples of local players resorting to traditional hierarchical managerial styles in their CHR partnership, which is simply damaging in terms of the ongoing struggle for collaboration.

Whilst partnership may be a reality in terms of the articulation of national policy, when it comes to the groundwork of delivering partnership, there is still a marked skills and competence gap among middle managers. Whilst it may be possible for a partnership to mobilise without this enabling capacity and competence present within its membership, in the action and realisation phases, the need for effective change management in a partnership context is crucial. Among the six CHR pilots, the presence or absence of this 'know-how' has played a major role in shaping the pace of progress across the board.

- **A command of management information and information systems concepts** Where a CHR does not have access to, or does not possess among its membership a good operational grasp of operational management information, or of information management systems concepts, this is also a cost to the effectiveness of the initiative. This terminology refers to the extent to which local staff are able to access, draw upon, and understand the relevance of appropriate financial and managerial management information, in terms for example how much it costs their organisation to process one application. Without access to this information, on one level, the net result is the absence of any basic benchmarks against which to measure changes in performance or assess effectiveness over time. On another level, the research suggested that this apparent vagueness about basic management costs was often accompanied by a lack of appreciation of what information management systems consisted of and what their basic value was. This is also a cost to the effectiveness of the initiative.

Here, the cause and effect links do not appear to be being made between the way in which an organisation manages its information through its systems (e.g. its application processing system) and the resulting effectiveness of organisational processes (e.g. how efficiently applications are handled). Rather one finds that organisations compartmentalise whole areas of organisation as 'IT'. In so doing, they effectively externalise decision making, expecting different IT software packages to 'solve the problem for them'. This culminates typically in the purchase of off-the-shelf solutions on the basis of less than robust specifications.

Lack of information systems management competence appears to account in part for some costly false starts in IT commissioning, lack of clarity in specification, dissatisfaction with contractual arrangements, and a degree of repetitious reinvention of wheels across CHRs. The cost to the effectiveness of the initiative in time may be the preservation of a locally fragmented status quo, as CHRs become contractually bound to a range of different ICT companies and their products.

Given the original MGF objectives of securing private sector partnership in the development of the CHR initiative, the scope this might offer to develop partnering relationships with a handful of key ICT providers still needs to be explored strategically. Such partnering arrangements would benefit the initiative as a whole. As an area where there is an absence of local 'know-how' within housing organisations, the present arrangements can expose CHR partnerships to considerable risks which flow from the fact that they are purchasing ICT solutions largely on the basis of proxy knowledge and trust.

While the ICT organisational consultancy support offered by Communities Scotland to the CHR initiative in this regard has an undoubted role to play here in reducing risk, the pathfinders have drawn relatively little on this expertise. It may be that where this knowledge is assessed to be lacking locally, in the form of a risk assessment, intervention becomes desirable to reduce risk and indemnify the local initiative and the partners.

- **Accommodating issues of size and 'fit'** There are a number of issues that relate to the
scale of organisation of CHRs that could potentially assist or slow CHR development. These are widely discussed at the local level but as yet many of the issues about joining up partners where these differences are present have not been practically addressed. The issues are first, the case of regional and nationally based housing associations and how they can best achieve a 'fit' with local CHRs. While supportive of the concept of CHRs in general and in specific areas, questions about the best way of engaging with multiple local CHRs are still under discussion. A national level CHR for sheltered housing has been mooted. A web-based, potentially national, information site about social housing lettings exists but is as yet under-developed and is supported by only a small number of participating organisations. The dilemma about how to involve housing associations whose area of operation extends beyond the local area has tended in the pathfinders to be put on one side, and instead the focus has been on establishing the initial momentum for the CHR through the local operators. However, this issue is now receiving more focused attention, assisted by the publication of specific guidance to regional and national RSLs issued by the Scottish Executive in December 2002.

The second issue concerns the potential for growth among existing CHRs. Homechoice in Aberdeen has for example considered extending the service it offers into neighbouring areas. In the much longer term, this raises the question as to whether the technical 'externalisation' of data processing which has occurred in Edinburgh and Aberdeen might mean that data processing can eventually be offered effectively from processing centres outside the direct umbrella of the local authority or the CHR. This separation of housing advice and housing options information from application processing preserves the 'face-to-face' contact which many CHR partners are anxious not to lose. At the same time, it offers real options in relation to establishing new approaches for obtaining potential economies of scale around data processing, from shared local arrangements at one end of the scale, to call centre arrangements at the other.

- Moving forward: some points for reflection The research findings show repeatedly that patterns of progress across the six pathfinder CHRs has been uneven, that this is linked to local contextual factors, as well as to the organisational vehicle that is created to drive the CHR. It also needs to be borne in mind that the six pilot CHRs were originally allocated MGF funding to help them achieve different tasks depending on the stage of development that they had reached. Each CHR nonetheless was faced with a development 'challenge'. Because of this approach to allocating funding for rather different sorts of purposes across the 6 pilots, a by-product has been an apparent dislocation of funding support from progress. This has led to erosion of the principle of offering financial rewards in return for progress gains. In sum, the funding support has not been incentivised.

A cost to the pathfinder initiative of this is that slower developing CHRs have at times appeared to become trapped at the 'mobilisation' stage, where an incentivised funding structure might have encouraged more sustained progress. Conversely, the rapidly progressing or 'performing' CHR which has benefited from substantial financial support already can also become trapped in a mindset which sees the CHR exercise in terms of the cost of the (sometimes considerable) subsidy which it has received.

Among the pilot CHRs, these factors have combined and created a certain amount of fear and anxiety about the unpredictable and punitive nature of the development costs associated with launching a CHR. The lack of effective change management skills and understanding of management information systems in some cases allows these perceptions to take root. The fear of being unable to keep tabs on costs generates risk-averse behaviour among the CHR partners, and puts a brake on the development process. It may also increase the reliance on subsidy and erode any emerging innovation culture.

Conclusion

The research highlights process issues that affect the development of CHRs and CHR partnerships. CHRs have the capacity to make an important contribution to local housing services development and delivery, to local policy development and partnership, and in terms of improving service users'
access to social housing. The MFG demonstration projects show that CHRs can work within different local contexts, and be tackled using different approaches. The research has identified three features of the development process that are common to all: mobilisation, action, and realisation. The pathfinder projects have shown where CHRs are likely to experience barriers to progress within this framework. The benchmarking framework describes the barriers encountered by the pathfinders and presents these as a collection of underpinning issues that need to be addressed in order for progress to be made. These barriers, if not managed, are costly on every front to the CHR.

At the heart of the successful introduction of a sustainable local CHR initiative are three prerequisites for the effectiveness of the project. These are:

- Project management skills in a partnership context,
- Management information and systems planning competence, and
- An incentivised development framework.

These factors will and are already coming to the fore as the CHR initiative is widened across the country.

**Developing the CHR initiative**

The Scottish Executive and Communities Scotland are committed to extending CHR arrangements across all areas of the Scotland. There are also discussions in progress across a wide range of connected issues. How can national housing associations best engage with local CHRs? Is there scope for organising CHRs over different geographical areas by collaborating across local authorities? What advantages are there to the different ICT systems that are supporting the development overall?

All local authority areas either now have, or are in the process of developing, a CHR. In some of the local authority areas where CHR arrangements are already developed, partners are now revisiting the systems they have put in place. There are certainly prospects for extending the CHR idea, by bringing more partners, including private sector partners, on board, while further consolidating and streamlining the initial approach.

A number of operational challenges have not however been explored through the first wave of CHRs demonstration projects, and will inevitably be grappled with by the second and subsequent waves of initiatives. For example, nationally or regionally organised housing associations will need to explore different ways of engaging with locally-based CHRs, testing out the range of options set out in the Executive's guidance. There are also questions to explore about the likely benefits of joint local authority or regional level working with regard to the possible introduction of regional or sub-regional CHRs? Another important question is about the most appropriate mechanisms for involving users in the CHR development process, and who should be included in the working definition of ‘users’ in the first place? Finally, what is the scope for linking CHRs and the broader housing advice function of local authorities, taking account not only of social housing but also of private sector options?

**About the study**

The research was conducted by the Housing and Regeneration Research Group (HARRG) at London South Bank University, and included research team members from the university's Business School. The project started with a baseline review of all 6 CHRs within the MGF pilot initiative, which was then followed up with two further review cycles. Reviews considered relevant documentation from the pilot areas and their participating members, including internal policy, planning and project management materials. Data was also collected using pro-forma methods, and through focus groups, and group and individual interviews. The research was conducted on action research principles.

**Further information**

The full research report is available on the Communities Scotland website, www.communitiesscotland.gov.uk For further information about the study, please contact Neil Ferguson, by email, on Ferguson@communitiesscotland.gov.uk or by telephone on 0131 479 5361.

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