

# Briefing

## Transparency

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### Introduction

The housing association sector has led the way in greater transparency in the conduct of business, through initiatives such as the publication of Chief Executives' salaries many years before this became common practice in other sectors. The sector continues, as described in this briefing, to extend and develop its work in this area. This briefing gives a short overview of the context to these issues and highlights some ways in which housing associations, as well as organisations from outside the sector, are upholding their commitments to transparency.

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#### 1.0 Overview

Housing associations' commitment to transparency and openness is central to their work. As this briefing shows, it is a commitment that has been expressed in a range of initiatives, some going back many years while others have been developed more recently as good practice continues to develop and evolve. In particular, associations have been responding to the rapid growth of electronic communication and the internet, which has allowed information to be widely disseminated more economically, more fully and faster than ever before.

Transparency is, therefore, very far from being a new issue for the sector. However, in recent years it has become much more prominent as a matter of public concern. This is partly for political reasons, including the controversy over MPs' expenses and the coming to power in 2010 of a Coalition government with a strong and clearly stated commitment to transparency and openness. There is an increasing interest on public sector salaries and terms and conditions of employment, extending also to bodies that do not necessarily fall within the traditional state sector but nevertheless have a prominent public role, such as charities, media organisations, and banks.

For the sector, this raised level of public and political interest increases the importance not so much of transparency in itself (which has always been important to associations) but of demonstrating how their commitment to transparency is delivered in practice.

Associations have approached the issue in a variety of different ways, sometimes by the adoption of policies along similar lines to those applied by Government to its own activities, but in many other cases, associations have chosen very different approaches. The briefing sets out some of the ways in which the sector has approached the issue, including links to sources of further information.

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#### 2.0 Federation view

The Federation believes that housing associations should be, and are, open and accountable organisations. The sector has led the way on some of these issues, for example, our members have routinely published information on chief executives' remuneration for the last 15 years.

The Federation publishes three “Codes of Excellence” for members, with any non-compliance reported and explained. *Excellence in standards of conduct* requires remuneration decisions for board directors and executive staff to be ‘transparent, fair and proportionate.’ It also requires the annual disclosure of the remuneration of board directors and the chief executive. *Excellence in governance* includes an entire section on ‘openness, transparency and accountability’ with details of good practice to support the main principle and provisions. *Excellence in service delivery and accountability* has a section which is explicit in requiring members to be fully accountable to residents and other stakeholders.

The Federation welcomes the Government’s commitment to transparency and agrees that it is important for housing associations to be open and transparent. This allows them to be accountable to their residents besides reflecting their character as organisations operating for community benefit.

But the approach that best meets the requirements of the association and its tenants and stakeholders will vary from one organisation to the next, reflecting the diversity of the operations and the client groups that they serve. Each association should therefore remain free to evolve its own transparency policy in conjunction with its stakeholders.

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### 3.0 Publishing Information

This section sets out a range of examples of the ways in which housing associations deliver their commitment to openness and transparency. It illustrates not only the different approaches that associations may adopt, but also how they vary according to the profile of the organisation and its policies and priorities.

Wakefield and District Housing publishes its overall spending broken down by both function and locality, showing the percentage spent in different areas and on different services.

[www.wdh.co.uk/quicklinks/aboutus/howarewedoing/Pages/VFMinCommunities.aspx](http://www.wdh.co.uk/quicklinks/aboutus/howarewedoing/Pages/VFMinCommunities.aspx)

The g15 have signed up to a transparency commitment, which includes a commitment to list all expenditure on major suppliers by value.

- Affinity Sutton - [www.affinitysutton.com/about\\_us/efficiency\\_and\\_transparency/top\\_suppliers.aspx](http://www.affinitysutton.com/about_us/efficiency_and_transparency/top_suppliers.aspx)
- Hyde - [www.hyde-housing.co.uk/document\\_1.aspx?id=12:35387&id=12:35379&id=11:35288](http://www.hyde-housing.co.uk/document_1.aspx?id=12:35387&id=12:35379&id=11:35288)

Some associations have chosen to publish all their spending above £500.

- Home Group publishes its spending in monthly tables - [www.homegroup.org.uk/insidehomegroup/Pages/ourperformance.aspx](http://www.homegroup.org.uk/insidehomegroup/Pages/ourperformance.aspx)

- Broxbourne HA publishes quarterly updates, highlighting whether the money is being spent on private, public or not-for-profit services - [www.broxbourneha.org.uk/about-us.html](http://www.broxbourneha.org.uk/about-us.html)

Other organisations may find it more fitting to publish policies on, for example, expenses or procurement, rather than publishing all individual expense claims and invoices.

Transparency is not restricted to financial information and many associations will also publish information on a wide range of their policies, ranging from equality and diversity to complaints procedures. For ease of reference, it may be helpful to have such policies easily accessible on one website page.

- Peabody's policy page –

[www.peabody.org.uk/about-us/corporate-information/policies-and-strategies.aspx](http://www.peabody.org.uk/about-us/corporate-information/policies-and-strategies.aspx)

It is important to make information easy to find on a website, for example, on an 'about us', 'performance' or 'transparency' page. It is also important to make sure that information published is kept up to date, in order to maintain its relevance and usefulness to tenants and other stakeholders.

It is useful to contextualise any information that has been released. For example, Synergy Housing published a financial summary to provide greater analysis of the operating expenditure published in its financial accounts. Apart from providing an overview and breakdown of spending across areas such as repairs and maintenance and tenant services, the report also explains the processes used to set budgets and manage the money that is spent. [www.synergyhousing.co.uk/mediaFiles/downloads/481962/Financial%20Summary.pdf](http://www.synergyhousing.co.uk/mediaFiles/downloads/481962/Financial%20Summary.pdf)

When communicating with tenants and the wider public, it can also be helpful to relate 'big' numbers to the costs of services and what a particular sum could pay for; for example, highlighting that a saving of X would be enough to pay for 10 new bathrooms.

Many associations publish regular performance reports, displaying information in formats that are easy to read and digest.

- Progress publishes quarterly 'balanced scorecard' updates, which are colour coded to show how they are performing against their targets across a range of areas, including repairs, voids and diversity of residents and staff. [www.progressgroup.org.uk/downloads/scorecard](http://www.progressgroup.org.uk/downloads/scorecard)
- Gentoo publishes quarterly performance reports, which provide statistics on, for example, repairs, complaints and antisocial behaviour. [www.gentooogroup.com/gentoo-group/61/226/242/](http://www.gentooogroup.com/gentoo-group/61/226/242/)
- Livin publishes an annual overview of how it has performed against its targets. [www.livin.co.uk/Content/Files/Rebranded\\_docs/2010-11\\_End\\_of\\_Year\\_Performance.pdf](http://www.livin.co.uk/Content/Files/Rebranded_docs/2010-11_End_of_Year_Performance.pdf)

- Moat publishes monthly, one-page updates on performance. [www.moat.co.uk/uploadedFiles/About\\_Moat/Governance\\_and\\_transparency/Key\\_Performance\\_Indicators\\_\(KPIs\)/KPIs%20as%20at%20Feb%2012.pdf](http://www.moat.co.uk/uploadedFiles/About_Moat/Governance_and_transparency/Key_Performance_Indicators_(KPIs)/KPIs%20as%20at%20Feb%2012.pdf)
- Incommunities publishes monthly updates on its performance in the areas that tenants have reported are the most important to them. [www.incommunities.co.uk/our-performance/monthly-performance-all-service-areas/](http://www.incommunities.co.uk/our-performance/monthly-performance-all-service-areas/)

Others have embedded a benchmarking dashboard into their websites. Launched by HouseMark in December 2011, the benchmarking dashboard allows landlords to present performance data online in a simple and accessible way. The dashboard ranks performance across eight areas - responsive repairs and void works, rent arrears and collection, anti-social behaviour, major works and cyclical maintenance, lettings, tenancy management, resident involvement and estate services. It allows users to compare the performance of the landlord with others in the local area or across the UK. It rates performance in each area and highlights whether services are delivered at a high or a low cost.

A list of housing associations who have adopted the dashboard is published on the HouseMark website - [www.housemark.co.uk/hm.nsf/0/www.housemark.co.uk/hm.nsf/0/1266390FCF22EF1D8025799E003F00FC?OpenDocument](http://www.housemark.co.uk/hm.nsf/0/www.housemark.co.uk/hm.nsf/0/1266390FCF22EF1D8025799E003F00FC?OpenDocument)

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### 4.0 Communicating with tenants and stakeholders

The commitment to transparency goes beyond the publication of the various sources of information outlined above and also includes active communication with tenants, the public and wider stakeholders such as MPs, councillors and the media.

Most housing associations produce regular newsletters for tenants, with some including 'You Said, We Did' sections, highlighting how tenants' views and suggestions shape their work. An increasing number of associations are also embracing social media, including facebook and twitter, enabling them to provide instant updates to residents. Use of social media can be most effective when tenants are able to comment and respond to posts or tweets from the association, thus allowing for genuine conversation.

Engagement with wider stakeholders, such as MPs, councillors and the local media, is also important. Many associations find it helpful to hold regular meetings with these groups as well as respond to *ad hoc* requests, such as media queries or questions relating to an MP's casework. Some associations have found it useful to set up dedicated email addresses for correspondence from MPs or councillors, allowing them to easily record, monitor and respond to their enquiries.

## 5.0 Tenant scrutiny

Effective tenant scrutiny plays a central role in ensuring that housing associations are open and accountable organisations. Its importance is reflected both in regulatory requirements and in the policy and practice of individual organisations.

Landlords are required to produce an annual performance report for tenants. This should set out what a tenant can expect from the landlord besides providing transparent information on performance to allow tenants to hold their landlord to account. HouseMark's annual report toolkit says the report should be a "warts and all" account of cost and performance.<sup>1</sup> The report should be developed with tenants so that it reflects their priorities, therefore the content and structure of reports will vary from organisation to organisation. A few examples are below:

- Yorkshire Housing  
[www.yorkshirehousing.co.uk/pages/about\\_yorkshire\\_housing/annual\\_reports/default.aspx](http://www.yorkshirehousing.co.uk/pages/about_yorkshire_housing/annual_reports/default.aspx)
- Radian  
[http://radian.co.uk/images/stories/PDFs/annual\\_reports/radian\\_residents\\_annual\\_report\\_2011.pdf](http://radian.co.uk/images/stories/PDFs/annual_reports/radian_residents_annual_report_2011.pdf)
- Midland Heart made a film to present its annual report  
[www.youtube.com/watch?v=iVKAzCPD-KI&feature=youtu.be](http://www.youtube.com/watch?v=iVKAzCPD-KI&feature=youtu.be)

In addition to the annual report, many housing associations ensure that there is effective tenant scrutiny through a range of measures, such as tenant surveys, tenant panels and mystery shopping. For example, City West published a guide to the 15 ways residents can get involved, which includes taking part in surveys, becoming a customer inspector and becoming a board member.

[www.citywesthousingtrust.org.uk/sites/default/files/resource/101992%20CW%2015%20Ways\(FIN\)WEB.PDF](http://www.citywesthousingtrust.org.uk/sites/default/files/resource/101992%20CW%2015%20Ways(FIN)WEB.PDF)

Ensuring that board meetings are open and transparent is another important part of effective tenant scrutiny. In addition to publishing the minutes of meetings, several associations have tenant board members (such as City West, above) and some allow tenants and other interested parties to attend and observe board meetings on request.

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<sup>1</sup> HouseMark - The annual report to tenants: a toolkit (2010)  
[www.housemark.co.uk/hmresour.nsf/lookup/AnnualReportToolkit.pdf/\\$File/AnnualReportToolkit.pdf](http://www.housemark.co.uk/hmresour.nsf/lookup/AnnualReportToolkit.pdf/$File/AnnualReportToolkit.pdf)

## 6.0 Government policy

Reference has already been made to the Coalition government's commitment to transparency and openness. Less than a month after taking office as Prime Minister, David Cameron wrote to all government departments setting out new standards for transparency.<sup>2</sup> This included the online publication of information such as new central government ICT contracts, items of central government spending over £25,000, items of local government spending over £500, pay grades of civil servants and organisational diagrams for central government departments. In July 2011, Mr Cameron published a second letter,<sup>3</sup> which widened the transparency agenda from its focus on spending to also include information on the performance of public services, setting new standards for the NHS, schools, criminal justice system and transport.

The Government has stated that information released needs to be 'accurate, consistent and easily navigable.' In line with this there is an expectation that government departments will provide plain English descriptions alongside their spending data explaining the scope and purpose of the transactions.<sup>4</sup>

In line with the requirements placed upon local government, the Department for Communities and Local Government has imposed a £500 limit above which all expenditure is published. The Housing Minister, Grant Shapps, has argued that similar arrangements should apply to the housing association sector, and they have been incorporated as a standard condition of funding in the new investment framework. This requirement, however, applies only to activities funded through the framework. There is no proposal to make this a regulatory requirement for the sector as a whole; although the minister has made it clear that he believes there should be a voluntary code requiring it for housing associations but not for 'private' companies in receipt of public funding.

DCLG publishes its spending data here -

[www.communities.gov.uk/corporate/transparencyingovernment/spenddata/](http://www.communities.gov.uk/corporate/transparencyingovernment/spenddata/)

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## 7.0 Examples from outside the housing sector

There are numerous examples of how organisations from outside the housing sector show that they are open and accountable. Some, such as local government have specific duties in relation to transparency, whilst others have adopted it on a voluntary basis.

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<sup>2</sup> Transparency Letter May 2010 - [www.number10.gov.uk/news/letter-to-government-departments-on-opening-up-data/](http://www.number10.gov.uk/news/letter-to-government-departments-on-opening-up-data/)

<sup>3</sup> Transparency Letter July 2011 - [www.number10.gov.uk/news/letter-to-cabinet-ministers-on-transparency-and-open-data/](http://www.number10.gov.uk/news/letter-to-cabinet-ministers-on-transparency-and-open-data/)

<sup>4</sup> Transparency Letter July 2011 - [www.number10.gov.uk/news/letter-to-cabinet-ministers-on-transparency-and-open-data/](http://www.number10.gov.uk/news/letter-to-cabinet-ministers-on-transparency-and-open-data/)

### 7.1 Local Government

The drive towards transparency has been felt particularly keenly within local government. As part of their normal business activities, councils are required to publish a wide range of information, including policies and strategies, organisational and financial information, and spending over £500.

The following examples show a few ways in which councils have made this information easily accessible through one page on their website. In all of the examples the page listed can be accessed by one click from the council homepage.

- East Sussex County Council 'Your Council'  
[www.eastsussex.gov.uk/yourcouncil/default.htm](http://www.eastsussex.gov.uk/yourcouncil/default.htm)
- Manchester City Council 'The Council and Democracy'  
[www.manchester.gov.uk/info/100004/the\\_council\\_and\\_democracy](http://www.manchester.gov.uk/info/100004/the_council_and_democracy)
- Cornwall Council 'Council and Democracy'  
[www.cornwall.gov.uk/Default.aspx?page=1747](http://www.cornwall.gov.uk/Default.aspx?page=1747)

### 7.2 Charities

Transparency is also important in the charitable sector as it can help the public understand how a charity achieves its goals. The ImpACT Coalition, consisting of over 400 charities and trade bodies, aims to preserve public trust in the charitable sector by improving transparency and accountability. All members of the ImpACT Coalition have signed up to the Transparency Manifesto, which sets out ImpACT's view of what an accountable and transparent organisation looks like. The manifesto states:

1. Our organisation demonstrates the change it is trying to bring about, how it works to bring about that change, and the progress it has made so far.
2. Our communications are transparent, accurate and written so that they can be understood by their intended audiences.
3. Our leadership champions a commitment to accountability and transparency.
4. Our organisational structure, including trustees, is easily accessible to the public, and we list key responsibilities for senior staff members.
5. Our trustee report and annual accounts are prepared to statutory requirements and submitted on time.
6. Relevant information (e.g. annual report, accounts, impact report) is easily accessible ideally no more than 3 keystrokes from our website's homepage.
7. Our organisation monitors and evaluates what it does, and shares its learning.
8. Our organisation provides mechanisms for stakeholders to help shape what it delivers.



9. Our organisation publishes an easily accessible suggestions and complaints procedure for beneficiaries and supporters.<sup>5</sup>

Further details: [www.acevo.org.uk/page.aspx?pid=2010](http://www.acevo.org.uk/page.aspx?pid=2010)

The approach that individual organisations will take to upholding the commitments in the manifesto will vary. Some examples include: Macmillan Cancer Support has a page on its website on 'How we raise and spend our money'; single parent charity, Gingerbread, has a page on 'How single parents shape our work'; and the Terrance Higgins Trust has a page on its strategy and how far it has succeeded in achieving it.

- Macmillan – How we raise and spend our money  
[www.macmillan.org.uk/Aboutus/HowWeRaiseAndSpendOurMoney/RaiseAndSpend.aspx](http://www.macmillan.org.uk/Aboutus/HowWeRaiseAndSpendOurMoney/RaiseAndSpend.aspx)
- Terrance Higgins Trust – How we are delivering our strategy  
[www.tht.org.uk/aboutus/ourstrategy/](http://www.tht.org.uk/aboutus/ourstrategy/)
- Gingerbread – How single parents shape our work  
[www.gingerbread.org.uk/content/489/How-single-parents-shape-our-work](http://www.gingerbread.org.uk/content/489/How-single-parents-shape-our-work)

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## 8.0 Conclusion

Transparency, openness and accountability are important principles across our sector, the public sector and beyond. Being open with residents, service users or supporters helps to build trust, allows for scrutiny and challenge and can lead to improvements in services.

Given the diverse nature of housing associations and the people they house, it is for individual organisations to judge how best to uphold their commitment to transparency. Housing associations are already demonstrating this commitment through the publication of a wide range of information, by active communication with residents and other stakeholders, and through their accountability to their tenants.

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<sup>5</sup> ImpACT Transparency Manifesto [www.acevo.org.uk/document.doc?id=968](http://www.acevo.org.uk/document.doc?id=968)