Guidance on DAHA accreditation and mergers

Purpose of this guidance

A total of 14 mergers between housing associations in the UK took place between June 2020 and June 2021 as the sector continues its movement of partnership working and consolidation.

The UK still has more than 1,600 social housing providers, suggesting possibility for more mergers in the months and years to come. Two key drivers for mergers appear to be the costs of complying with the 2019-20 Building Safety Bill and the costs of making property portfolios carbon neutral by 2050.

We are increasingly being asked what happens if a housing provider has achieved DAHA accreditation status but then has merged with another housing provider. This guidance seeks to both answer the questions in the common situations we are seeing, and to support decision making and planning. Where possible we have sought to identify solutions to the challenges a merger presents in terms of the organisational response to domestic abuse.

Each situation will be unique and so we ask that you defer to your Regional Lead for advice.

Mergers & accreditations

When mergers are completed and become public knowledge, we know that this is just the beginning of the journey for the housing providers involved. Full integration of staff, policies, systems and practices can take, sometimes, years.

A merger, essentially, creates a new organisation. This will of course threaten the integrity of DAHA accreditation where perhaps one of the merging providers has achieved the accreditation status and the other has not. DAHA want to be transparent on how a merger will impact your accredited status and membership.

We have considered likely situations and how they would impact on DAHA accreditation below.

Situation 1: A merger takes place whilst one provider is working towards accreditation

A merger during the DAHA accreditation project will cause inevitable delays. If this happens, your Regional Lead will support the DAHA project lead and steering group to take stock, review the new position and plan how the project will need to continue to integrate the whole of the new organisation.

In the case of a merger taking place whilst one provider is working towards accreditation, DAHA fees would have to be reviewed. The new, larger organisation may fall into a new membership fee category and so there may be an additional fee payable.

The assessment fee calculated and quoted when providers join DAHA and sign the statement of intent (SOI) will also have to be reviewed. Assessment fees are calculated on the basis of stock size, staff numbers and geographic cover (amongst other things) which determines how many days it is likely to take to complete the assessment. A merger will likely increase all these determining factors and so it is likely that assessment will take longer and we will need to request an additional fee.

Practice example

Pre-merger

Jones Housing have been working towards accreditation for 9 months and have booked their assessment date for 3 months' time. They have 30,000 homes over 11 local authority areas. In the 10th month of working towards accreditation, their merger with Davey Housing is announced as complete. The merged provider retains the name Jones Housing.

Davey Housing have 20,000 properties over an additional 7 LA areas.

Before the merger Jones Housing paid £2,500 per year for membership and their assessment was calculated to take 4.5 days, at a cost of £3,600.

Post-merger

With the merger now complete, Jones Housing have absorbed all of Davey Housing's 20,000 stock. Now they have 50,000 properties meaning the membership fee will rise to £4,000 per year.

The assessment is likely to take more than the planned 4.5 days and is recalculated to 6 days, costing £4,800.

So the membership fee has risen from £2,500 to £4,000, creating a difference of £1,500; and the assessment fee has risen from £3,600 to £4,800, creating a difference of £1,200. Jones Housing will be asked to sign a new membership agreement and SOI, and will be invoiced for the total difference of £2,700.

The planned assessment will be cancelled and guidance will be given by the Regional Lead on how to proceed in order to ensure the standards of good practice in are embedded across the whole of the new organisation.

Situation 2: A merger takes place after one provider has achieved DAHA accreditation but the other has not

A merger completed after accreditation status is awarded does challenge the integrity of that status.

DAHA accreditation is only awarded to housing providers who have demonstrated that they have met the standards in each of the priority areas.

The integrity and the challenge of DAHA accreditation is that we require the good practice to be embedded across the entire organisation and for it to be consistent in all areas that the housing provider operates.

Practice example 1

Jones Housing and Davey Housing merged in February 2021 to form Sunshine Housing Group. Davey Housing and Jones Housing no longer exist as housing providers.

Pre-merger

Jones Housing achieved DAHA accreditation in December 2020.

Davey Housing have not been working towards accreditation and do not have domestic abuse policies in place. They have a different work system to the contingent from Jones Housing which they continue to use post-merger while the restructure is completed. Their staff have not had domestic abuse training.

Post-merger

The decision would be that Sunshine Housing Group are not DAHA accredited.

This is because DAHA standards are not embedded throughout the whole organisation and the response to survivors will not be consistent.

Sunshine Housing Group would sign up as Accreditation members and start working towards DAHA accreditation as a new organisation. The cost for membership and assessment would be calculated based on the determining factors of the new organisation (staff numbers, stock size, geographical reach etc). Regional Lead support would be provided to Sunshine Housing Group's DAHA lead to help them guide the new organisation to achieve accreditation.

The time it takes to get to assessment may be shorter due to the good practice already in place, but this will be different from organisation to organisation.

Practice example 2

Pre-merger

Jones Housing achieved DAHA accreditation in July 2020.

Post-merger

Jones Housing and Davey Housing merged in September 2020 and retained the name Jones Housing. Following the merger, there is still work to do in finalising the restructure and the two organisations will be fully integrated by September 2021. During this 12-month period Davey Housing will be a subsidiary of Jones Housing.

Davey Housing have been working towards DAHA accreditation and aim to have achieved accreditation status by the time the two organisations are fully integrated (September 2021).

Jones Housing maintains accreditation status on the assumption that by the time the full integration is complete in September 2021, accreditation will have been achieved by their subsidiary Davey Housing. A post accreditation check-in will take place in April 2022, 6 months after the full integration is completed.

The integrity of DAHA accreditation is not challenged whilst Jones Housing is clearly distinguishable from its subsidiary provider (Davey Housing) during the process of integration. Davey Housing has started to adopt and embed the standards of good practice and aim to achieve accreditation by the time they become fully integrated in September 2021.

By this time, if Davey Housing do achieve DAHA accreditation, then standards of good practice around domestic abuse will be embedded throughout the whole of Jones Housing and there will be a consistent response.

Practice example 3

Pre-merger

Jones Housing achieved DAHA accreditation in May 2020.

Davey Housing do not have DAHA accreditation and do not have domestic abuse policies in place, and their staff have not had domestic abuse training.

Post-merger

Jones Housing and Davey Housing merged in December 2020 and retained the name Jones Housing. At this point Davey Housing ceased to exist and Jones Housing became a larger organisation.

Jones Housing will have their accreditation status suspended until the whole, newly merged, organisation has adopted and embedded DAHA's standards and the domestic abuse response is consistent across all areas and all teams.

Jones Housing would sign up as Accreditation members and start working towards DAHA accreditation as a whole organisation. The cost for membership and assessment would be calculated based on the determining factors of the new organisation (staff numbers, stock size, geographical reach etc). Regional Lead support would be provided to Jones Housing's DAHA lead to help them guide the new organisation to achieve accreditation.

The integrity of the DAHA accreditation status is challenged by the increase in homes and wider geographic reach post-merger. Because Davey Housing had not adopted and embedded the standards of good practice around domestic abuse before the merger, the response for survivors would not be consistent across the newly merged organisation. However, Jones Housing's accreditation would only be suspended until re-accreditation takes place.

Summary

A merger of two or more housing providers is a significant change that will challenge the integrity of the DAHA accreditation process.

It is important for organisational DAHA leads to inform their Regional Lead of an upcoming merger (or other significant change to size or structure) as soon as possible so that advice and guidance can be given, and a plan can be put in place to manage the process going forward.

DAHA will work with members to achieve the best solution possible whilst remaining focussed on the purpose of accreditation - to identify domestic abuse early, and to ensure that survivors get the right response every time.

For further information, please contact your Regional Lead directly, or the DAHA team: daha_team@standingtogether.org.uk