

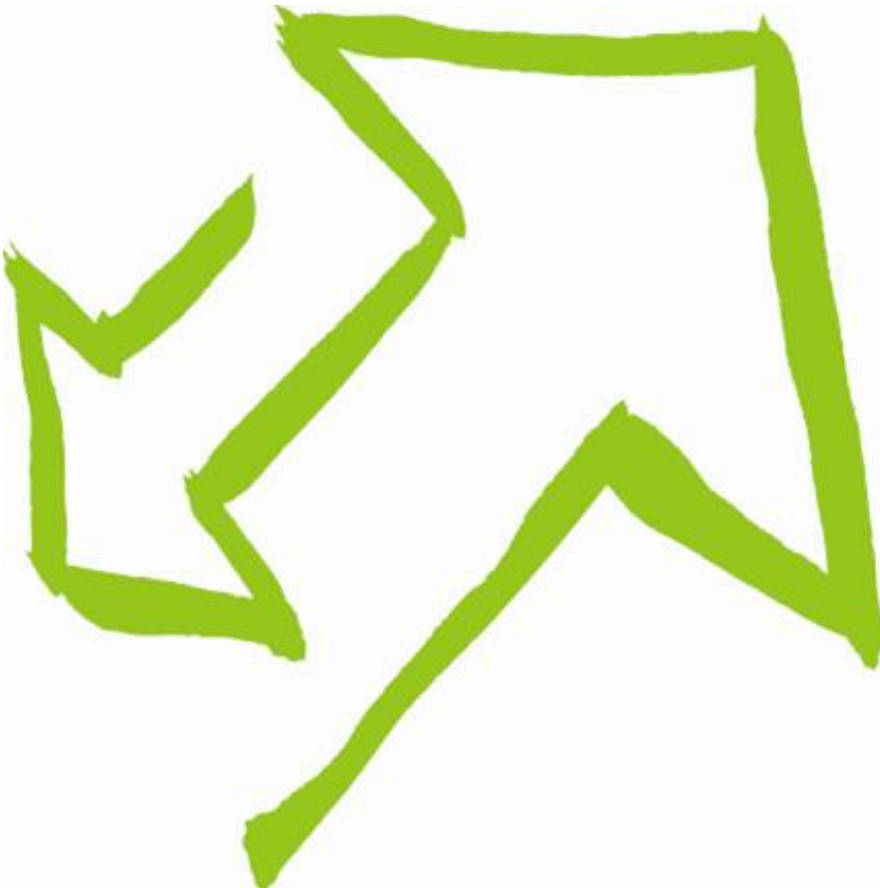
Short Notice

Inspection

Short notice inspection of services, responsive repairs, including gas servicing and empty (void) property management

Eden Housing Association

December 2009



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Housing Association inspections

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively and delivers high quality local services for the public.

The Audit Commission inspects and monitors the performance of a number of bodies and services. These include local authority housing departments, local authorities administering Supporting People programmes, arms length management organisations and housing associations. Our key lines of enquiry (KLOEs) set out the main issues which we consider when forming our judgements on the quality of services. The KLOEs can be found on the Audit Commission's website at www.audit-commission.gov.uk/housing.

For housing associations our current inspection role and remit is set out in sections 41A and 41B of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003). Provisions contained in the Housing and Regeneration Act 2008 will amend our role and remit in due course, but are not yet in force. Our role is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact.

Short notice inspections (SNIs) have been developed to encourage improvements in the performance of housing associations (HAs) at delivering services to their customers. They focus on the outcomes for residents and work on the basis that associations will concentrate on improving services rather than preparing for an inspection, which could happen at any time.

The scope of each inspection of a housing association, undertaken by the Audit Commission has been agreed in consultation with the Tenant Services Authority. The Tenant Services Authority is the statutory body which regulates housing associations to ensure that they are well governed, well managed and financially viable as set out in its Regulatory Code.

The Association

- 1 Eden Housing Association (EHA) was set up in 1997 to provide affordable homes for rent in Cumbria, following a large voluntary stock transfer from the local authority. Since then it has grown to provide accommodation in the Allerdale, Carlisle and Eden districts. It currently manages 1,580 homes for rent and has developed over 350 units for sale or rent.
- 2 EHA is based in Penrith, a market town at the centre of the Eden district which is spread across North East Lakeland, the Eden Valley and North Pennines. The district covers an area of 2,156 square kilometres making it the fourth largest council district whilst it has the lowest population density of any English district. The Black and Minority Ethnic population is 0.6 per cent.
- 3 EHA employs 63 staff and the board comprises of sixteen members, including five tenants.

The scope of the inspection

- 4 The scope of this inspection focused on the following areas, which have been identified in consultation with the Tenants Services Authority.
 - responsive repairs including gas servicing; and
 - empty property (void) management.
- 5 The inspection also included an assessment of how EHA is addressing three cross-cutting themes: access and customer care, diversity and value for money within the services included in the inspection's scope.
- 6 We would like to thank the staff of EHA who made us welcome and met our requests efficiently and courteously.

Dates of inspection: 3 to 5 November 2009

Summary of our findings

- 7 We have assessed the strengths and weaknesses of the service areas included in the scope of the inspection. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 **Assessment**

How good is the service?	Assessment
• Access and customer care ¹	Strengths outweigh weaknesses
• Diversity	Strengths outweigh weaknesses
• Value for money	Balance of strengths and weaknesses
• Responsive repairs	Strengths outweigh weaknesses
• Gas servicing	Strengths outweigh weaknesses
• Empty property (void) management	Balance of strengths and weaknesses

- 8 We have asked EHA to consult with its tenants on the findings of this report and on the preparation of an action plan to implement our recommendations. We will publish EHA's response together with our assessment of EHA's prospects for improvement in March 2010.

¹ Access and customer care, diversity and value for money are assessed in relation to the service areas inspected only.

How good is the service?

Access and customer care in the service areas inspected

9 We found the strengths outweigh weaknesses in this area.

10 There are a number of strengths.

- EHA is ranked in the top five per cent of housing associations nationally for levels of tenant satisfaction with the overall service and the responsive repairs service.¹
- Staff are trained and well informed about the customer care code which promotes best practice in dealing with customers effectively and courteously.
- Service standards agreed with tenants are widely publicised and regularly reviewed to ensure they remain relevant.
- Tenants preferring to access services over the phone have prompt access to advice. Most calls are answered within five rings and few calls are abandoned.
- It is easy for customers to contact EHA. There is a range of convenient ways to access services and options are widely publicised. Each tenant has a designated staff contact, including their direct dial phone number. Queries are dealt with promptly and staff are knowledgeable about service delivery arrangements.
- The tenants' handbook contains relevant information including how to report a repair and timescale for completion, and how to stay safe in the home, such as annual gas servicing, electrical testing and fire safety.
- Tenants are informed of how their views have influenced services. This promotes that feedback is valued and encourage future involvement.

11 There are a number of weaknesses.

- There are initiatives to ensure access for some hard to reach groups, such as Black and Minority Ethnic (BME) communities, but it is unclear how EHA will ensure access for all.
- Tenant satisfaction surveys² do not assess whether tenant satisfaction levels are consistent taking into account diverse communities³ and where they are living across the district.
- Performance against service standards are not robustly monitored and reported to ensure accountable for service commitments made to customers.

¹ STATUS 2007: 91.4 per cent for overall service and 90 per cent for repairs service

² With the exception of STATUS

³ Taking into account the six strands of diversity: age, disability, gender, race, religion or belief and sexual orientation

How good is the service?

Diversity in the service areas inspected

12 We found strengths outweigh weaknesses in this area.

13 There are a number of strengths.

- EHA has a good understanding of its customer profile with information held on gender, religion, disability, age and ethnicity for 76 per cent of tenants.
- Customer profiling is being used to deliver services around tenant needs. Access and communication preferences are included on repairs orders and priority can be increased for vulnerable tenants. Newsletters and rent statements are issued in preferred formats, including in audio and large print, and a gardening service has been developed to support vulnerable people to meet tenancy conditions, while improving the appearance of estates.
- There is leadership in the area of diversity. A clear strategy and related policies are in place and designated board and senior management members act as diversity champions to ensure clear accountability. The board and staff have training to raise awareness of diversity issues and EHA's statutory requirements.
- EHA is working with the Cumbria Diversity Network, involving Black and Minority Ethnic (BME), disability and gay and lesbian groups to share equality impact assessments for repairs procedures to identify best practice and learning.
- The office reception and communal areas in the housing stock are accessible for people with a disability.
- There are effective arrangements to ensure protection of children and vulnerable adults. Staff and contractors are trained to identify vulnerability and as a result a significant child protection issue identified through a home visit has been passed onto relevant authorities for action. Appropriate policies are in place and these have been agreed with relevant partners.
- EHA is working with a range of partners to ensure equality and diversity procedures are in place. This includes facilitating workshops to assist partners to develop and adopt policies where these are lacking.
- Verbal and written translation is available for customers who do not speak English as a first language, and most information is available in other formats such as large print, audio tape/CD and Braille.

14 There are a number of weaknesses.

- EHA has not assessed how plans impact on the local community to ensure social inclusion. Equality impact assessments are outstanding for most services.
- EHA does not have an understanding of the sexual orientation of its tenants. This is not included in the profile survey.
- The profiling questionnaire is not offered in alternative formats and languages to ensure people most likely to need specific access requirements are able to record their preferences.

- Significant efforts have been made to encourage engagement from all sectors of the community, but diversity targets for Board membership are lacking to ensure focus is sustained. EHA is also not robustly reporting performance against staff diversity targets to ensure they are representative of the community.

Value for money in the service areas inspected¹

15 We found a balance of strengths and weaknesses in this area.

16 There are a number of strengths.

- EHA complies with procurement regulations. Maintenance contracts have been competitively tendered to test value for money and attract efficiencies. Tenants are involved in the selection panels for procurement to ensure their needs are considered.
- EHA benefits from competitive rates for materials and vans by combining purchasing needs with other associations to attract discounts.
- EHA is reducing repair costs² by delivering works more efficiently in a planned way.
- Benchmarking assesses whether costs are high compared to other organisations in the context of performance indicators, such as delivery against targets and levels of tenant satisfaction.
- There are some penalties in maintenance contracts to ensure contract conditions are met. EHA has the option to terminate the repairs contract if performance issues persist for three months. This acts as an incentive to meet standards agreed.
- Tenants are aware of value for money and receive information on performance and costs.
- EHA assesses whether initiatives it is introducing are delivering value for money in consultation with tenants.

17 There are a number of weaknesses.

- EHA does not have a robust understanding of service costs for responsive repairs and empty property management. Costs are some of the highest nationally compared to similar organisations, but there has been little work to understand why this is the case and where efficiencies need to be made.
- There is no annual efficiency target to set clear requirements to reduce costs and release resources for investment in other priorities.
- Tenants are not involved in discussions regarding the future of the responsive repairs service to ensure decisions reflect their preferences or monitoring to ensure existing contract conditions are met.

¹ In assessing value for money we are looking at two questions: 'How do costs compare?' and 'How is value for money managed?'

² £127 in 2007/08 to £105 in 2008/09

How good is the service?

- EHA is yet to finalise the value for money strategy. Although the draft strategy demonstrates an understating of best practice and has set relevant priorities to give leadership, overall EHA is behind in this area when compared to most other housing associations. EHA does not have a culture of delivering value for money within its activities.

Responsive repairs

18 We found strengths outweigh weaknesses in this area.

19 There are a number of strengths.

- Performance for responsive repairs is strong with most repairs completed on time.¹ EHA appoints 80 per cent of non-emergency repairs and most, 98 per cent, are kept. High levels of repairs, 95 per cent, are completed conveniently for tenants in one visit. External operatives are multi-skilled to reduce the need for other operatives with different trade skills to attend appointments.
- Arrangements for accessing out of hours repairs are clearly publicised in the tenants' handbook and EHA's website, including guidance on only using the service for emergency repairs. Tenants access the repairs service at the right times to enable orders to be placed efficiently.
- EHA has agreed a code of conduct with the contractor involving tenants. This is widely publicised on repair confirmations sent to tenants and compliance is assessed through tenant satisfaction surveys. Results inform contract compliance meetings to assess performance and ensure repairs are being delivered appropriately.
- Contractors have flexibility to vary repair orders for additional works identified at repairs appointments. This enables repairs to be completed promptly without tenants having to allow future access for additional works.
- Tenants have a repairs handbook to assist them to diagnose repairs and EHA staff have access to diagnostic software to order repairs accurately.

20 There are a number of weaknesses.

- Appointments are not arranged at the time tenants report repairs². The contractor contacts the tenant to make arrangements once the work ticket has been issued. Although this is within 24 hours this puts an extra stage in the process for tenants and takes up additional resources.
- Appointments for responsive repairs are limited, being restricted to morning or afternoon time slots within office hours. Tenants need to allow access longer than the time required to complete repairs and have little flexibility to arrange repairs around other commitments.
- There has been no formal training of repairs operatives on the code of conduct to ensure it is fully understood and embedded.

¹ 2009/10 October: emergencies on target at 98 per cent; urgent on target at 96 per cent; and routine 93 per cent against a target of 95 per cent.

² Being completed by the external contractor

- There is currently no arrangement to remind tenants of appointments within 24 hours of them being due to improve the likelihood of access and prevent resources being wasted through aborted visits.
- EHA is not meeting good practice in quality assurance by post inspecting 10 per cent of completed repairs.

Gas servicing

21 We found strengths outweigh weaknesses in this area.

22 There are a number of strengths.

- EHA complies with gas servicing regulations. Tenants are contacted two months before the annual servicing is due to take place to arrange an appointment. This gives several weeks to address any access issues. An effective no access escalation process is in place.
- Gas servicing performance is strong with 99.7 per cent of properties having a current gas safety certificate¹. Boilers have stickers to indicate the date a service is due as a reminder the tenants.
- The importance of gas servicing is widely publicised to raise awareness of servicing and the need to allow access.
- Quality assurance checks for gas servicing are satisfactory. The contractor checks ten per cent of services each month and external validation is used effectively with desktop audits.
- Gas servicing and solid fuel certificates are appropriately filed and are easy to locate. A database effectively monitors the programme including managing access requirements.

23 There are a number of weaknesses.

- Customers with solid fuel or oil fired heating do not have smoke detectors tested on a regular basis. These tenants receive a differential service to tenants with gas appliances where checks are made as part of the gas servicing contract.
- There is no formal requirement for the gas servicing contractor to identify and report tenants or members of their household who may be at risk due to vulnerability and/or support needs.
- The contractor does not get information on tenant access needs to enable servicing to be planned around their preferences.
- EHA has only recently started to monitor tenant satisfaction with the service and the response rate is too low for satisfaction rates to be regarded as statistically valid.

¹ At the time of inspection three properties currently had out of date certificates with one being a capped off empty property, one being less than a month out of date and one having a new kitchen installed.

How good is the service?

Empty property (void) management

24 We found a balance of strengths and weaknesses in this area.

25 There are a number of strengths.

- A challenging relet standard has been agreed with tenants and this is being met. The standard is publicised at accompanied viewings so that prospective tenants can assess whether commitments are being met.
- Tenants receive useful advice at the tenancy sign up to assist them to move into their new home and meet tenancy conditions.
- A flexible decoration standard provides materials to enable general needs tenants to improve their home, while EHA decorates supported housing when properties are vacant to minimise disruption to more vulnerable tenants.
- Ready to let properties are allocated promptly, with an average of 1.2 offers per property.
- Initiatives support the letting of properties promptly. Pre termination visits are undertaken with possible recharge areas identified. Key safes are fitted to properties to allow prompt access to a range of contractors and eliminate key collection issues, particularly important in rural areas where there may be long journey times involved. Works are ordered quickly from the property through an internet notepad.
- EHA assesses whether empty properties meet the housing needs of local people¹. Where empty property repairs exceed £2,500 an options appraisal takes place to ensure assets are managed effectively.

26 There are a number of weaknesses.

- Performance for completing void repairs on time is mixed. The average time taken to relet properties excluding major repairs was 40 days against a target of 28 days. The contractor is completing seven day voids within target, but is taking longer to complete 21 day voids achieving 89 per cent completion against a target of 92 per cent.²
- It is a missed opportunity that tenant inspectors are not used to check the delivery of the standard, given their active involvement.
- There are no 'back to back' lettings taking place to quickly relet properties which only need minimum repair and safety checks.
- The number of empty properties is increasing, but although EHA undertakes exit surveys it has only recently started to use information on why tenants terminate their tenancy to inform its approach.

¹ For example the accommodation is the right type and size and is located in places where people want to live. It is also financially viable to bring the property up to the decent homes standards.

² June 2009

Recommendations

27 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs¹ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with tenants and board members; and takes action to address all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

Recommendation

R1 Ensure services are accessible and inclusive by:

- analysing customer satisfaction by tenant profiling and geographical areas;
- robustly monitoring and reporting performance against the service standards;
- updating the tenants handbook;
- offering repairs appointments which limit the amount of time tenants have to allow access;
- evaluating the viability of offering some repairs appointments outside of office hours;
- training repairs operatives on the code of conduct;
- arranging repairs appointments at the time the tenants report defects;
- informing the gas servicing contractor of tenant access requirements;
- using gas servicing visits as an opportunity to identify any households at risk, so that any support needs can be identified;
- profiling the sexual orientation of its tenants;
- making all communications to tenants and the public available in different formats and languages upon request;
- agreeing and implementing a timetable to equality impact assess plans;
- having board and staff targets in place which are representative of the locality and monitoring and reporting performance against them; and
- ensuring all staff, board, contractors and tenant representatives have access to diversity training.

¹ Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

Recommendations

The expected benefits of this recommendation are:

- EHA is accountable for publicised service standards;
- tenant satisfaction is better understood for a wide range of customers;
- services and information are developed and delivered around the needs of customers; and
- employment is accessible to local people.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by June 2010.

Recommendation

R2 Improve performance by:

- assessing whether it is productive to offer incentives to encourage tenants terminating tenancies to leave the property in good condition;
- assessing the viability of introducing back to back lettings;
- involving tenant inspectors in assessing the standard of empty properties for let;
- actively using exit survey information to understand tenancy termination reasons; and
- post inspecting 10 per cent of repairs to ensure standards have been met.

The expected benefits of this recommendation are:

- properties are let more quickly; and
- repairs are delivered to required standards.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by June 2010.

Recommendation

R3 Improve value for money by:

- better understanding costs;
- setting efficiency targets;
- finalising the value for money strategy;
- reviewing the procurement strategy; and
- involving tenants in discussions about the future of the responsive repairs service and contract monitoring following procurement decisions.

The expected benefits of this recommendation are:

- EHA understands why costs are high and can target efficiencies;
- there are clear plans to deliver value for money and procure services based on best practice; and
- whether services are meeting tenant expectations is assessed.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by June 2010.

Appendix 1 – Positive practice

‘The Commission will identify and promote good practice. Every inspection will look for examples of good practice and innovation, and for creative ways to overcome barriers and resistance to change or make better use of resources’. (Seeing is Believing)

Resident involvement

- 1** EHA operates a 'bring a friend' incentive for resident involvement. This rewards tenants bringing a friend or neighbour with them to consultation events with a shopping voucher. Attendance of involvement events is increased and EHA gets valuable tenant feedback on proposals.

Protection of children and vulnerable adults

- 2** Policies set out effective arrangements to help ensure protection of children and vulnerable adults and these are agreed with relevant partners to ensure they reflect shared priorities and best practice. Staff and contractors are trained to identify vulnerability and this has recently resulted in an operative highlighting a significant child protection issue which was passed to relevant authorities for action.

The Audit Commission

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