

# **Eastbourne Homes - ALMO Inspection**

**Eastbourne Borough Council**

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## Arms Length Management Organisation (ALMO) 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 and national services for the public.

Within the Audit Commission, the Housing Inspectorate 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 (ALMO) 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](http://www.audit-commission.gov.uk/housing).

This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and 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. To meet these principles this inspection:

- is proportionate to risk and the performance of the Council/ALMO;
- judges the quality of the service for service users and the value for money of the service;
- promotes further improvements in the service; and
- has cost no more than is necessary to safeguard the public interest.

This service was inspected as part of the Government's Arms Length Housing Management (ALMO) initiative, which encourages councils to set up ALMOs to manage, maintain and improve their housing stock. The Government decided that councils pursuing this option can secure additional capital funding if the new arms length body has received at least a 'good' rating from the Audit Commission's Housing Inspectorate.

An ALMO is a company set up by a local authority to manage and improve all or part of its housing stock. The local authority remains the landlord and tenants remain secure tenants of the authority. An ALMO does not trade for profit, and is managed by a board of directors comprising Council nominees, elected tenants/leaseholders and independents.

The Housing Inspectorate has published additional guidance for ALMO inspections:

- 'ALMO Inspections and the delivery of excellent housing management services' (March 2003); and
- 'Learning from the first housing ALMOs' (May 2003).

## Summary

- 1 Eastbourne is a largely urban area of 44 square kilometres on the south east coast of England. There are 44,000 dwellings of which 8.7 per cent are council housing, 5.3 per cent are housing association properties and 86 per cent are privately owned.
- 2 According to the mid-2003 population estimates there are 91,600 people residing in Eastbourne, predicted to increase to 96,000 by 2011. There is a high elderly population, with the tenth highest ratio of people who are over retirement age at 27 per cent and the population includes 3.4 per cent from black and minority ethnic communities and 7.1 per cent who are white and non-British.
- 3 Employment is largely within the service and tourism sectors. Much of the employment in the town is seasonal, contributing to average household incomes that are below both national and regional averages.
- 4 Eastbourne Borough Council is a district council that is controlled by the Conservatives, who were elected to 14 of the 27 seats. The Liberal Democrats hold the remaining seats. The overall client role for housing is undertaken within the housing and community services directorate, alongside the retained strategic, housing needs and private sector housing functions.
- 5 The council owns and manages 3,876 properties. Thirty eight per cent are flats and 8 per cent are of non-traditional construction. It also manages 620 garages. The cost of the landlord service now exceeds the amount spent by the Council on all other responsibilities. In 2004/05, the housing revenue account (HRA) budget was £15.6 million.
- 6 Eastbourne Homes Limited (EHL) was created in April 2005 as the Arms Length Management Organisation. The ALMO board consists of five Councillors, five Independents and five tenants. The functions delegated to the ALMO and which form the basis of this inspection are:
  - stock investment decisions and repairs ordering;
  - rent collection, dealing with arrears, debt counselling;
  - consulting and informing tenants on matters which are the ALMO's responsibility;
  - promoting tenant participation, including involving tenants in monitoring and reviewing service standards;
  - enforcement of tenancy conditions;
  - similar functions for leaseholders;
  - managing lettings, voids and under-occupation; and
  - estate management, caretaking and housing related support services under the Supporting People programme.

- 7 The ALMO employs 80 staff. The majority of support services such as finance are provided by the Council, while other work, such as repairs and maintenance services are sub-contracted to a range of private sector companies.

## Scoring the service

- 8 We have assessed Eastbourne Homes as providing a 'fair', one-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

**Table 1 Scoring chart<sup>1</sup>**

	<b>Prospects for improvement?</b>				
Excellent					'a fair service that has promising prospects for improvement'  <b>A good service?</b>
Promising		☀			
Uncertain					
Poor					
	Poor	Fair ★	Good ★★	Excellent ★★★	

Source: Audit Commission

- 9 Our judgement is that the ALMO is providing a 'fair' one-star service. There are a number of important strengths.
- The quality of access and customer care is good.
  - Staff continue to display a high commitment to customer care.
  - There are comprehensive service standards developed in consultation with tenants and a well publicised complaints system.
  - The ALMO is trying to engage more with harder to reach groups and there are a number of examples of ways in which services have been designed to reflect the diversity of the local population.
  - Tenants are satisfied with the quality of capital and planned improvements.
  - Levels of satisfaction with repairs work are high.
  - The condition in which homes are let is of a high standard.

<sup>1</sup> The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- Adaptations are well resourced and completed speedily.
- The level of rent collection is high and at the same time the number of evictions for rent arrears is very low.
- Tenants receive accurate and timely information on their rent accounts and have easy access to high quality benefits advice and debt counselling.
- There is a relatively high level of recovery of former tenants' arrears.
- Tenants have been able to influence important decisions affecting the service.
- The approach to anti-social behaviour continues to be sound, with a sensitive and balanced approach being taken, mixing enforcement with support for vulnerable tenants.
- The general appearance of estates is of a reasonable standard.
- The ALMO provides a low cost service and that tenants consider that the rent provides value for money.
- The costs of providing individual services have been reduced without any impact on the quality of these services.

However, there are a number of significant weaknesses that the ALMO needs to address.

- There are some teething problems with the new reception and the monitoring of complaints is not yet systematic.
- The ALMO lacks a full understanding of the age range, ethnic origins, income and other characteristics of tenants.
- Families, young people and BME groups remain under-represented among those tenants who have greatest influence.
- The ALMO is no longer able to make its investment decisions on the basis of accurate information.
- An asset management strategy has yet to be adopted and, firm decisions have not been made on the future of obsolete retirement housing schemes.
- The information provided to tenants, contractors and staff on the presence of asbestos within homes is inadequate; the management of gas safety is a significant weakness and that the ALMO is not ensuring that old electrical wiring systems are safe.
- The performance data that the ALMO currently relies upon does not provide the information that is needed to monitor and manage critical areas of the service.
- It is failing to recharge tenants for repairs arising from vandalism or neglect.
- The time taken to re-let homes continues to be above average, mainly as a result of the difficulty of letting retirement homes.
- The estate inspection regime is not enabling tenants to get more involved in monitoring the grounds maintenance contracts.

10 We consider the prospects for improvement to be promising.

- The service as a whole has moved forward since our inspection just over a year ago.
- The majority of indicators show improvement.
- There have been qualitative improvements in most service areas, while any deterioration has been relatively minor.
- The ALMO board benefits from the expertise that it has attracted through the recruitment of independent members and it has gelled well into a team.
- While the delivery plan is in need of updating, many of the actions to address weaknesses may be found in other plans.
- The morale and capacity of front line staff is high.
- There are strong partnerships between all of the key stakeholders.
- There is a sound framework for monitoring and managing contractor performance.

However the following barriers to improvement remain.

- The general quality of plans is mixed.
- There continues to be a lack of critical and self awareness in some service areas.
- Progress against both the improvement plan and the recommendations of our previous inspection has been mixed, with a number of deadlines having slipped.
- Some key performance information for repairs and maintenance have not been monitored and analysed well and as a result it is difficult to track and manage progress in this critical area.
- Imprecise targets undermine the performance management of staff.
- Gaps remain in the strategic capacity of the service.

## Recommendations

- 11 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 costs<sup>1</sup> 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 the ALMO Board, the local authority and customers; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

### **Recommendation**

*R1 Take action to ensure the health and safety of tenants.*

- *Ensure that all homes with wiring systems that are over ten years old have been checked for safety by September 2006.*
- *Ensure that all gas supplies and fixtures are checked for safety within a year of the previous checks.*
- *Identify where asbestos is most likely to be located within each house type and advise the tenants of each home of this and the precautions they should take, by December 2006.*

The expected benefits of this recommendation are:

- reduced risks of harm and injury to tenants; and
- reduced risk of litigation for breach of legislation and the duty of care.

The implementation of this recommendation will have high impact with low costs.

### **Recommendation**

*R2 Improve the value for money of the service.*

- *Reduce the proportion of the budget spent on responsive repairs and emergency repairs in particular.*
- *Increase the amount charged and collected - wherever possible beforehand - for repairs arising from neglect or vandalism by tenants.*
- *Address the weaknesses highlighted in the reviews of sheltered housing.*

The expected benefits of this recommendation are to release further funding that can be used for improvements in other parts of the service.

The implementation of this recommendation will have high impact and generate additional resources. This should be implemented by April 2008.

<sup>1</sup> 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 costs is over 5 per cent.

**Recommendation**

*R3 Increase the empowerment of residents.*

- *Enable more residents to have a direct say in how budgets are spent by, for example, devolving budgets for environmental improvements.*
- *Increase the level of choice and way such choices are presented over the capital and planned improvements programme and components used for responsive repairs.*
- *Increase the capacity of tenant representatives by training and buddying arrangements which could involve experienced tenant leaders from other organisations.*

The expected benefits of this recommendation are:

- increased satisfaction with opportunities to participate;
- more tenants being encouraged to participate;
- investment decisions that reflect the true demand for the service.

The implementation of this recommendation will have high impact with low costs. This should be implemented by April 2007.

**Recommendation**

*R4 Improve the contract and staff management techniques used by managers of the service.*

- *Put in place the expertise and controls to ensure that performance data is accurate.*
- *Adopt robust best value principles in all procurement decisions.*
- *Ensure that the targets for individual staff are specific, measurable, attainable, realistic and time related.*

The expected benefits of this recommendation are:

- reduced slippage against the targets that the ALMO has set itself; and
- a sound basis for partnering contracts.

The implementation of this recommendation will have high impact with low costs. This should be implemented by June 2006.

12 We would like to thank the staff of Eastbourne Homes who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 28 November - 9 December 2005

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# Report

## Context

### The locality

- 13 Eastbourne is a largely urban area of 44 square kilometres on the south east coast of England. The town itself lies below the South Downs Area of Outstanding Natural Beauty and is a major holiday resort.
- 14 There are 44,000 dwellings of which 8.7 per cent are council housing, 5.3 per cent are housing association properties and 86 per cent are privately owned. One in five of the latter are owned and managed by private landlords.
- 15 According to the mid-2003 population estimates there are 91,600 people residing in Eastbourne, predicted to increase to 96,000 by 2011. This increase, twice the national average, is expected to be almost entirely as a result of inward migration, since the resident population is generally declining. The population is 46.6 per cent male and 53.4 per cent female, which gives it the highest ratio of women to men in England. This reflects a high elderly population, with the tenth highest ratio of people who are over retirement age at 27 per cent. The district also contains a high proportion of people with a limiting long term illness - 21.6 per cent compared to the national average of 18.2 per cent. The proportion of economically active people with disabilities is 14.9 per cent. Due to the inward migration there is an increasing population of younger people.
- 16 The population includes 3.4 per cent from black and minority ethnic communities and 7.1 per cent who are white, non-British including Irish and East Europeans. The main community languages are Portuguese, Cantonese, Spanish, Farsi and Bengali. Black and minority ethnic (BME) communities are over-represented in private rented housing and under-represented in other tenures.
- 17 Employment is largely within the service and tourism sectors. Much of the employment in the town is seasonal, contributing to average household incomes that are below both national and regional averages. There is a heavy reliance on welfare benefits to support the population. Eastbourne is the 117th most deprived borough in England and Wales out of 354. Unemployment stands at 2.4 per cent compared to 1.4 per cent nationally. For child poverty, five of the nine wards are in the 20 per cent most deprived in the country.
- 18 The affordability and supply of local housing is a major challenge faced by the council. The average house price is increasing faster than the national rate and house prices have risen by 81.5 per cent for flats and 99.6 per cent for houses in the last three years. The council estimates that there is an overall shortfall of 351 affordable homes per year.

## The Council

- 19** Eastbourne Borough Council is a district council that is controlled by the Conservatives, who were elected to 14 of the 27 seats. The Liberal Democrats hold the remaining seats. The business of the council is governed by the leader and cabinet system. The cabinet is supported by the chief executive, three directors and nine assistant directors. The overall client role for housing is undertaken within the housing and community services directorate, alongside the retained housing functions.
- 20** The housing functions retained by the Council comprise:
- policy formulation including the overall housing strategy, housing needs surveys, allocations policies, rent policies, district wide anti-social behaviour policies and bids for capital and revenue grants;
  - housing needs services - all homelessness duties; the management of a common housing register; the provision of general housing advice;
  - Right to Buy valuations;
  - housing benefit administration;
  - private sector housing functions including house conditions surveys, energy efficiency, disabled facilities grants and enforcement activity; and
  - monitoring and managing the ALMO contract.
- 21** The council has been assessed as 'good' in the Audit Commission's comprehensive performance assessment in 2003. The Government Office for the South East has assessed the asset management plan and capital strategy as 'good'. It was the first council in the region to have its housing strategy and housing revenue account business plan both assessed by the government office as 'fit for purpose'.

## The service

- 22** The council owns and manages 3,876 homes. Thirty-eight per cent are flats and 8 per cent are of non-traditional construction. It also manages 620 garages.
- 23** The cost of the landlord service now exceeds the amount spent by the Council on all other responsibilities. In 2004/05, the housing revenue account (HRA) budget was £15.6 million. The figure included £4.9 million for the repair and improvement of the stock. In 2005/06 the budget has increased to £18.2 million, which is well in excess of the general fund budget of £15.9 million. The cost of the landlord service is met from rental income, government grants and a significant amount from interest and investment income.
- 24** The Council separated the strategic and operational aspects of the housing service in 2001 and, following a positive test of opinion in 2003, established an Arms Length Management Organisation (ALMO) called Eastbourne Homes Limited (EHL) with effect from the 1 April 2005.

The ALMO is now contracted to undertake all housing management and maintenance services, receiving a management fee of £6.6 million for this service. This includes:

- £1.2 million for responsive repairs;
- £0.9 million for planned maintenance;
- £0.8 million for retirement housing; and
- £0.7 million for tenancy management.

**25** The ALMO board consists of five Councillors, five tenants and five independent members. The functions delegated to the ALMO and which form the basis of this inspection are:

- stock investment decisions and repairs ordering;
- rent collection, dealing with arrears, debt counselling;
- consulting and informing tenants on matters which are the ALMO's responsibility;
- promoting tenant participation, including involving tenants in monitoring and reviewing service standards;
- enforcement of tenancy conditions;
- leasehold management and the processing of Right to Buy applications;
- managing lettings, voids and under-occupation; and
- estate management, caretaking and housing related support services under the Supporting People programme.

**26** The ALMO employs 80 staff. The organisation is headed by a Chief Executive with a support team and three directorates of corporate services, tenancy services and property services. The majority of support services such as finance are provided by the Council, while other work, such as repairs and maintenance services are sub-contracted to a range of private sector companies.

**27** In September 2004, the Audit Commission inspected the service and judged it to provide a fair, one-star service, with promising prospects for improvement. The service needs to achieve a good, two-star rating in order to access the first tranche of £11.7 million in funding to help it to meet the decent homes standard. Continuous improvement will result in it being able to attract a total of £45.2 million.

## How good is the service?

### What has the service aimed to achieve?

- 28** The community strategy for Eastbourne is called 'Shaping a Future Together'. Explicit within the strategy is the need to address pockets of deprivation within the Hampden Park and Langney Wards, where much of the council housing stock is located.
- 29** The Council's improvement priorities for 2005/06 are:
- efficient and effective services;
  - regeneration;
  - reducing waste in the environment; and
  - crime prevention and enforcement.
- 30** Eastbourne Homes plays a central role in some of the underlying activities to help the Council to address the priorities. The most important of these are:
- examining other ways to deliver services;
  - e-procurement;
  - setting and meeting new efficiency targets;
  - meeting the decent homes standard; and
  - supporting joined up enforcement.
- 31** Eastbourne Homes has adopted four key objectives. These are:
- for all homes to meet, as a minimum, the Government's Decent Homes Standard by 2010;
  - to encourage learning and innovation and to involve all residents in designing services and setting standards for these services;
  - to deliver a range of services that compare favourably with the best in terms of cost and quality; and
  - to contribute to the Community Strategy by working in partnership to create and maintain sustainable neighbourhoods.

## Is the service meeting the needs of the local community and users?

### Access and customer care

- 32** In our previous inspection, we found that there was high overall satisfaction with the landlord service and staff to be pleasant and helpful. The council offered a wide variety of ways to access the service and used the quarterly tenant newsletter well to promote the service. The achievements of the service were undermined by significant weaknesses in the management of service standards and complaint handling.
- 33** In this inspection, we found that strengths outweigh weaknesses in this service area. The quality of access and customer care has improved significantly since our last inspection. The service is now accessible from a new location and the quality of written information is now of a high standard. Staff continue to display a high commitment to customer care. This is backed up by comprehensive service standards developed in consultation with tenants and an improved complaints system. There are some teething problems with the new reception and the monitoring and reporting of satisfaction and complaints is not yet systematic.
- 34** Tenants had high levels of satisfaction when this was last measured in 2003. Eighty-four per cent were satisfied with the service. The ALMO does not conduct annual surveys and so it is not possible to say whether this has changed in the meantime. It does, however, carry out a range of continuous and one-off surveys in the majority of service areas. These show high levels of satisfaction but are not always validated. For example surveys of repairs and maintenance work have a 20 per cent response rate and while these show high levels of satisfaction we found that the poorer performing operatives were not handing out the satisfaction forms. Thus while the intentions of the ALMO are laudable, the way in which it validates the information that it receives is inadequate.
- 35** Face to face contact with customers has improved since the move to a new customer contact centre. The centre, located conveniently in the town centre, opened in June 2005. It is wheelchair accessible and includes toilet facilities, both of which are improvements on the situation a year ago. The co-location of both EHL staff and a wider range of council services have improved both internal and external communications. Interview rooms are spacious and confidential. Other face to face contact is positive. The ALMO does not manage widely dispersed estates, but still offers home visits on request and holds well attended road shows on the larger estates. There is also a regular welfare benefits surgery on the Shaftesbury Drive estate. This makes the service more accessible to less mobile tenants and those without cars.

**36** There is an appointments system for repairs but it is not working effectively. Saturday morning appointments are now offered for repairs and this service is publicised in the newsletter. In other respects the appointments system is not working well. Appointments for routine and urgent repairs are not made at the time that repairs are reported; they have to be made by the contractor and as a result create unnecessary delays, especially for tenants who are not contactable by telephone. The ALMO relies upon tenants sending back questionnaires left by operatives to assess whether appointments are being made and kept. Of the eight recent recipients of repairs work we contacted at random:

- three said that operatives did not always give out feedback forms;
- two said that they did not make appointments; and
- three said that appointments made were not kept.

The ALMO relies too heavily upon those feedback forms that are returned as a measure of the effectiveness of the appointments system. Without backing up its good intentions with robust quality control checks it will not be able to detect and act upon service failures.

**37** The new reception area is suffering from a number of teething problems. The service is provided by the Council and the ALMO pays a contribution of £20,000 towards its running costs. The teething problems include a 'meet and greet' facility that lacks privacy and the absence of prominent external signage for Eastbourne Homes. Opening hours are limited to weekday working hours and information leaflets are not prominently displayed. Both the ALMO and the Council are monitoring the performance of the service and working together to address these issues. Some improvements have already been made; more seating has been provided and internal signage has improved. Induction and training programmes and a 'buddying' arrangement between receptionists and ALMO staff is helping to improve the quality of advice provided at the reception.

**38** It is easy to contact the service by telephone. A new telephone system was introduced as part of the new contact centre. Initial technical problems and inadequate staffing levels have been resolved, as a result of which the number of abandoned calls has fallen to an average level. The ALMO employs its own call centre team to take repairs requests due in part to a lack of experience among the Council's own team. Out-of-hours emergency calls are fielded by the alarms monitoring service and our own test call was handled speedily. There is a freephone number for repairs requests, although it is not possible to order a routine repair outside of normal working hours other than via the internet.

**39** The standard of written communication is high. Eighty-five per cent of tenants believe the ALMO to be good or very good at communication and it is meeting its target to respond to all letters within ten days. There are well designed and up to date tenants', leaseholders' and repairs handbooks that have been distributed to tenants and leaseholders. The tenants' newsletter Open House is now a six weekly, full colour and easy to read publication.

- 40 While the numbers accessing the housing pages of the Council website are relatively low, the pages are easy to navigate and contain useful information. There are many links on the website to enable complaints and repairs to be reported, including a downloadable diagnosis booklet. E-mail addresses for individual officers are included and there are useful hyperlinks to external organisations including the local free press to help tenants who wish to pursue mutual exchanges. Service standards, policies and procedures are published on the site and it includes an on line rent and service charge payment facility as well as the ability to report repairs. The EHL website [www.eastbournehomes.org.uk](http://www.eastbournehomes.org.uk) went live in December 2005, shortly after our site visit and includes all of the features of the EBC pages as well as being better designed for those with sight difficulties.
- 41 Staff throughout the service are committed to customer care. Staff were described almost without fail as approachable, listening and flexible in their response to customers. All wear identification badges.
- 42 Tenants now have a better understanding of what they can expect as a result of the production of a range of service standards covering the majority of services. They are published in the Services You Can Expect booklet and on the website, with repairs service standards also forming part of the contractors' code of conduct. Some service standards are of mixed quality; for example, the ALMO now recognises that annual estate inspections are too infrequent and is intending to introduce quarterly inspections. By adopting clear service standards tenants will know what to expect and by providing opportunities such as estate inspections they can help the ALMO and the Council to manage its contractors.
- 43 The ALMO is using complaints and compliments to help improve the service. The recording of complaints has improved and they are reported on a quarterly basis to both the Board and tenants via Open House. There is a well publicised compensation scheme for service failures that has paid out the increased amount of £2,800 plus contractor payments in the last year. Information on repairs service failures is collected and separated into contractor, type of fault and whether justified or not, with 17 of 58 complaints found to be justified. There have been no negative Ombudsman findings of maladministration in the service in the last three years.
- 44 The way in which complaints are monitored lacks sophistication. The quarterly report to the Board is not clear because it does not break down and analyse the causes and action taken to address any weaknesses. A monitoring spreadsheet used by managers does not state what stage each complaint reaches before being resolved. Without systematically analysing complaints the ALMO will be less able to learn and identify improvements to the service.

## Diversity

- 45 In our previous inspection, we found that the council was starting from a low base in delivering services that met the diverse needs of all its customers, but was providing effective leadership in developing its approach. Its corporate efforts were well thought out and planned. The service had good information about the diversity of its tenants, but had not used it as well as it could have done to plan and deliver services that met their needs.
- 46 In this inspection, we found that the approach has improved but that the quality of service remains mixed. The ALMO is trying to engage more with harder to reach groups and there are a number of examples of ways in which services have been designed to reflect the diversity of the local population. However, the ALMO still lacks a full understanding of the age range, ethnic origins, income and other characteristics of tenants. Families, young people and BME groups remain under-represented among those tenants who have greatest influence. Diversity is not yet fully embedded in the way that the ALMO goes about its business.
- 47 Diversity features highly in the plans for the organisation. For example, the improvement plan includes actions to address the issue of obsolete sheltered housing and to complete impact assessments for all services. Other actions have already been completed, including some of those mentioned below. This reflects the high priority that the Board attaches to the issue.
- 48 The ALMO is part way through a sophisticated exercise to gain a better understanding of its customers, but is not yet in a position to use the information to best effect. This goes well beyond asking questions about age, disability and ethnicity to ask questions on, for example, whether the respondent depends upon public transport. This information will be available by mid-2006. Until then the ALMO's plans will not be properly informed by good quality research.
- 49 The ALMO is increasing its engagement with the wider community. It is a leading member of the recently created Eastbourne Cultural Community Network (ECCN). This is a group of people from different service areas, working in partnership to influence service providers and encourage minority groups. A member of the tenant participation team and two tenants are involved. A similar approach is being taken to engagement with young people through community development activity on the Willingdon Trees estate. The ECCN is the first interest group of its kind in the district and both sets of activities will help the ALMO to fill some of the gaps in its consultation with hard to reach groups.
- 50 In the meantime families and tenants from the BME communities are not sufficiently involved in key decisions affecting the future of the service. The DHS working group is being asked to make decisions on the choices and quality of components that all other tenants will have as part of the improvements programme. There are no families or BME groups represented on the group and so decisions which tenants may have to live with for 30 years are being made without their input. Shortly after the on-site phase of the inspection, the ALMO was able to consult 700 tenants who responded to a questionnaire, but did not include questions that would help it to test how representative the response was.

- 51 There are nonetheless many ways in which services are sensitive to the diversity of local people. These include:
- the new reception facilities are fully accessible;
  - wherever possible public meetings, including board meetings, are being held on estates to attract as broad a group of tenants as possible and to emphasise the fact that the ALMO is separate from the Council. This is a challenge where accessible buildings such as schools and community halls are not available and the ALMO is overcoming this by the use of, for example, a mobile hearing loop;
  - the tenancy agreement and handbook make it clear that domestic violence and harassment of any kind, but specifically racist and homophobic harassment, are grounds for eviction;
  - housing officers use coloured picture cards to help communicate with those who are unable to read;
  - contractors bidding for work are required to demonstrate the extent to which their operations do not discriminate;
  - some discretion is allowed over the deadlines for repairs, for example where the tenant is vulnerable the repair can be done within a shorter timescale;
  - a protocol has been agreed with social services to enable the access of vulnerable people to two supported housing schemes in Vicarage Road and to the retirement housing scheme at Gwent Court;
  - door-to-door rent collection is retained for a small number of housebound tenants; and
  - the diversity of staff reflects that of the general working age population and their understanding of the needs of the population has been enhanced through training. This has included equalities and deaf awareness.
- 52 There has been a significant improvement in the time taken to carry out adaptations. The self assessment reports that it took from between six and twenty months from the referral by an occupational therapist to the commencement of work in 2004. The ALMO and Council have addressed this by increasing the budget substantially to £408,000 and by dealing with minor adaptations without the need for a referral. This has enabled occupational therapists to focus on the more complicated work and successfully reduced the overall time taken for minor adaptations from 98 to 51 days in the six months leading up to the inspection. For major adaptations the impact has been greater still - falling from an average of 312 days to 155 days. This makes a major improvement to the quality of life of the most vulnerable residents.
- 53 There has been a robust self assessment of the extent to which EHL complies with the CRE Code of Guidance on housing, but it is not yet compliant with it. There are translation and interpretation services available through staff, Sompriti (a local interest group) and the South East Interpretation and Translation Service.

There is a policy not to recharge for repairs attributed to harassment and the overall take up of services and level of satisfaction are similar among different BME communities according to the 2003 survey (although the BME data was based upon a very small sample). The main weaknesses are the lack of publicity for the work that the ALMO is doing in this area, the limited amount of information on tenants and any targets in terms of service delivery. The ALMO cannot claim to be compliant with the Code until these important weaknesses are addressed.

- 54** Diversity is not yet fully embedded in the way that the ALMO goes about its business. For example:
- the quality of monitoring of service take up is mixed. While we found an insightful analysis of lettings, nothing similar exists for repairs or other aspects of the service. In particular, the discretionary repairs expenditure to 'target harden' homes is not being monitored to ensure that it is being used fairly;
  - the leaseholder satisfaction survey did not include questions on diversity in order to help assess whether some groups are more satisfied than others with different aspects of the service; and
  - publications do not include their title in the main community languages and references to other formats such as large print and tape are variable. For example the repairs handbook and the first edition of the redesigned Open House did not include straplines and some of the text was very small. The second edition addressed this. Similarly, the voting forms and information on candidates for the Board was not available in different formats, such as large print.
- 55** Older people make up a high proportion of the population and while they are heavily represented among those being consulted, the actual range of services that they can choose from compares poorly with other districts. This issue is discussed in more depth in the section on supported housing.

### **Stock investment and asset management**

- 56** The Council has legal responsibilities as a landlord that include keeping in good repair the structure and exterior of dwellings and any installations provided for heating, sanitation and supply of services (Section 11, Landlord and Tenant Act 1985) and contributing to the Home Energy Conservation Act Strategy (HECA). The Government's 'Decent Homes' target also requires local authority landlords to bring their stock up to a defined standard by 2010. The ALMO is responsible for ensuring the day-to-day delivery of services to meet these requirements and for procuring all refurbishment work, acting as an agent on behalf of the Council.

### **Capital improvement, planned and cyclical maintenance, major repair works**

- 57** In our previous inspection, we found that the council was committed to achieving the decent homes standard (DHS) and focused its activities and resources on that goal. However, there was little resident involvement in the development and monitoring of major repairs schemes. The difficulty of letting retirement housing properties was also having a negative impact on the council's rental income.

- 58 In this inspection, we found that this is an area of service in which weaknesses significantly outweigh strengths. The ALMO is no longer able to make its investment decisions on the basis of accurate information. An asset management strategy is yet to be adopted and, tied to this, the ALMO has not yet made firm decisions on the future of obsolete retirement housing schemes. The ALMO is failing to ensure that every home receives an electrical safety check within the minimum period of once every ten years and provide adequate information on the location of asbestos in homes. However, when capital and planned improvements take place tenants are satisfied with the quality of work itself. Tenant participation in the programme is improving, but they are not yet fully empowered.
- 59 The plans for the housing stock are no longer fit for purpose. While the HRA business plan was considered fit for purpose in 2003, the condition of the stock has deteriorated in the intervening three years. An asset management plan is well overdue and the quality of consultation to inform the draft plans has been inadequate. A stock condition survey undertaken in 2003 enabled the Council to find out what it needs to do to meet the DHS, but this information is no longer reliable. In 2003 the Council estimated the total cost of the work required to meet and maintain the housing stock to the DHS to be £154 million over the period 2003-2033. £37 million was estimated to be needed within the first five years, while this falls to £21 million in the last five years. The degree to which work will need to be frontloaded will gather pace as the 2010 deadline to meet the DHS gets closer. The stock survey identified that half of all properties lack double glazing, a few lack any form of heating and that virtually all of the kitchens and bathrooms are original. There is also a need for a comprehensive rewiring and re-roofing programme. Without additional funding it is anticipated that the percentage of non decent homes will increase to 78.5 per cent during 2005/06 and further still in future years. In effect this demonstrates that although only one in five homes were built before 1945, Eastbourne has some of the least modernised council housing in the country.
- 60 Having invested in the stock condition survey, the data is now flawed for two reasons.
- In spite of employing consultants to carry out the work, it has become apparent that the energy efficiency (SAP) rating was incorrectly calculated for 2003/04, which has made future targets invalid. The rating and targets have been revised downwards as a result. The current SAP rating is an average 63.
  - Information on all of the repairs and improvements that have been carried out since 2003 have not been used to keep the database up to date. This is as a result of concerns about the reliability of software to update the database. The commissioning of new software has slipped by six months until early 2006.

Without keeping the information up to date the ALMO will risk making inappropriate investment decisions and wasting the significant expenditure it originally made in the stock survey.

- 61 The ALMO has taken far too long to produce an asset management plan and make decisions about the future of its obsolete schemes. The organisation has been aware of the requirement to meet the DHS for a number of years and the low levels of demand for poorly designed retirement housing has been a national issue for at least ten years. At the time of the inspection a long term investment strategy had not been approved.
- 62 Since our criticisms of the design of its older retirement housing, the ALMO has commissioned further consultancy work which has underpinned its Difficult to Let Strategy, but both the research and the strategy is flawed. We would expect the strategy to lay out exactly what the ALMO and the Council proposes to do to make better use of its stock, how much this is likely to cost, how it will resource this and what the likely timescale for the changes would be. However, the ALMO has yet to complete the consultation process with both existing residents and potential future users of sheltered housing. The strategy itself is not 'joined up' because it does not consider the relative demand for housing among other groups, the potential growth of floating support, nor include any financial implications, in part because decisions have yet to be reached for the future of each scheme. In the meantime in all but two of the 13 retirement housing schemes residents still have to share facilities and the ALMO has to resort to marketing the accommodation to tourists in order to find people prepared to live in it. Without clear, financially appraised decisions on the future of obsolete sheltered housing, the long term investment strategy will be flawed.
- 63 By contrast, the research and decisions reached for the 356 non-traditional properties is sound. The ALMO survey found that none exhibit major structural weaknesses. As a result the HRA business plan includes a sum of £6.1 million for the repair of these properties, the cost of which varies from £8,000 – £19,000.
- 64 The approach to partnering has progressed since our last inspection, but remains in its infancy. A 'partnering charter' was signed up to between staff and contractors in September 2005. This is a symbolic, rather than contractual, arrangement to ensure that the relationship between all parties is open and based upon shared aspirations. It will help to ensure that the change to the form of contract will be reflected in a change to the culture. Full, incentive-based partnering contracts will be in place for all capital works from the end of March 2006 and are anticipated to be in place for responsive repairs from 2007. Informal arrangements to improve the efficiency of the response repairs service have been agreed and these are discussed below. It will however be a year or more before the benefits of partnering begin to be realised.
- 65 There has been an improvement in the influence that tenants and leaseholders have had in respect of repairs and maintenance. Tenants have been closely involved in the selection of DHS contractors; the new complaints procedure has led to changes in services such as leaseholder liaison; there is now a discretionary budget 'going the extra mile' to enable work that would not normally be the landlord responsibility to be undertaken to address hardship (such as changing the locks where there has been domestic violence), tenants have had the final say on capital programme options and have influenced the voids standard.

- 66 In other respects tenants are not fully empowered. The ALMO is caught in a dilemma - it takes time to develop tenant participation, but at the same time it needs to make investment decisions sooner, rather than later. This is reflected by a meeting of the DHS working group that we observed. Funding has been identified for a limited amount of enhancements to the DHS. But the choices that a small group of tenants have been given are quite limited. They were not asked, for example, whether they would prefer the enhanced funding to be used for better quality components, rather than additional features. It was not clear whether the additional funding would, or should, be split equally between each property.
- 67 The detail of the improvement programme is one of the few areas in which residents feel poorly informed. Because the ALMO is only now consulting tenants on the DHS programme it has not been able to publish a timetable showing the order and range of work that will take place. The focus group of tenants was unhappy about the amount of information on planned maintenance and in particular the provision of double glazing, which they say have been promised for as much as ten years. Leaseholders indicated that they were not well informed or well consulted about the programme when surveyed in September 2005.
- 68 Because these issues are only now being discussed, the approach to the supply chain is underdeveloped. To meet the DHS the ALMO will have to order several thousand kitchens, bathrooms and other items in the coming months. It will be a challenge for suppliers to gear up for the quantities required in the time required, but constructors feel that can be achieved. All of this suggests that in the belated hurry to consult on the programme, there is a risk that major decisions will be made, that tenants, as a whole will disagree with. A broader view has been obtained from a survey undertaken in January 2006, to which 700 tenants responded. However it is not possible to analyse the data in order to tell how representative the response is and the ALMO had not reached a decision on the local standard and choices to be offered.
- 69 Once improvement work takes place it is of a high standard and the tenants that we spoke to were satisfied with both the work and the level of customer care exhibited by contractors. The ALMO recognises that it needs to measure satisfaction levels itself more systematically. There is a very poor response rate to satisfaction questionnaires on kitchen and bathroom work, so it is not possible to measure this. There have been window replacement programmes in the past but satisfaction levels were not measured, although this is beginning to happen with work from November 2005.
- 70 The approach to electrical safety is weak. The recognised national best practice in this area is for formal inspection and testing to take at least once every ten years and upon every change of tenancy. While it is meeting the duty at change of tenancy it does not know how many homes have had a check within the last ten years. This means that some properties may be unsafe and the occupants at risk of harm.

- 71 The approach taken to asbestos is also unsatisfactory. While all communal areas have been surveyed for asbestos in accordance with the Asbestos at Work regulations, only a sample of the stock has so far been undertaken, as part of the stock condition survey. A management policy lays out what action should be taken in the event of asbestos being exposed and the decision has been taken to remove asbestos only when it is exposed and poses an actual risk to health. While this is a reasonable approach, until every property has been surveyed it will not be possible to identify where work is needed. In the meantime the information provided to tenants, contractors and staff is inadequate.

### **Responsive repairs**

- 72 In our previous inspection we found that customers had high levels of satisfaction with the repairs service. There were clear service standards and a diagnostic handbook to help tenants describe what repairs were needed.
- 73 In this inspection, we found that the quality of this service is mixed. Levels of satisfaction with repair work remain high and that the ALMO is working in greater partnership with contractors to deliver improvements that tenants would recognise. But some key performance information that the ALMO relies fails to present an accurate picture of the service and it is failing to recharge tenants for repairs arising from vandalism or neglect.
- 74 We found the quality of work to be of a good standard. The stock condition survey confirmed that while the homes are in need of modernisation their actual state of repair is good. The homes we visited, the tenants we spoke to and housing staff all reported that the work was of a good standard.
- 75 With the exception of the appointments system, the level of customer care in this area is generally positive. Tenants find it easy to report a repair and speak highly of the attitudes of both staff on the call centre and repairs operatives. We contacted a random sample of tenant who had recently reported repairs and found that all were satisfied with the way they can report repairs. All but one was satisfied with the attitude of the workers and the cleaning up after work completed. The ALMO has also enhanced the service by increasing the number of jobs that it deals with on an urgent basis. These are all improvements that customers would recognise.
- 76 Some aspects of the service lack customer focus. The fact that tenants cannot make appointments at the time that the repair they report the repair (other than for emergency work) creates avoidable inconvenience and the potential for delay. Tenants are not provided with a repairs receipt and so this makes it more difficult to monitor contractor performance.
- 77 Changes have been made to working practices to reduce the number of jobs that require more than one visit, but it is not clear how great an impact this is having. The repairs handbook and the internet pages contain a detailed set of diagrams to help tenants to describe faults and this should reduce the level of misdiagnosed repairs orders.

There has been a reduction in the number of schedule of rates items from 2,250 to 494 and the limit on variations has been increased from £25 to £150. However, the ALMO does not yet monitor the percentage of jobs that are completed right first time and staff identified the speed with which defective repairs are made good as being an area for improvement.

- 78 The changes reflect a constructive relationship between the ALMO and contractors. While the current responsive repairs contract is not due for renewal until 2007, an informal partnering agreement has been signed in order to focus on achieving shared savings as a result of the changes outlined above. While this has yet to bear fruit, the ALMO expects this to be reflected in a below-inflation increase in the cost of the contract.
- 79 Some of the key data that the ALMO and contractors produce fails to present an accurate picture of the service.
- The time taken to complete urgent and non urgent repairs is not measured correctly. Where there is a pre-inspection the time taken is measured from the date the area maintenance officer inputs information and not from date of when repair reported by tenant. This could be as much as 14 days after the repair was reported.
  - Information supplied by the ALMO indicates that 42 per cent of work is now undertaken by multi-skilled operatives, when in fact this is only the amount estimated to be undertaken by one contractor. When all repairs work is taken into account the figure is a less impressive 22 per cent.
  - The ALMO claims that 99 per cent of eligible work is made by appointments and that these appointments are kept. We found (see paragraph 36) that the way in which performance in this area is measured needs to be more robustly monitored and challenged by managers of the service.
  - The amount spent on planned and responsive repairs is a proxy for value for money, since responsive repairs are much more costly. The ALMO believes that it achieves a balance of planned to responsive work of 80:20, which suggests good practice and value for money, but this figure includes all capital expenditure. When this is taken out, the balance is 36 per cent planned to 64 per cent responsive. If the ALMO is seeking to achieve value for money it should be focussing on this figure or the average amount it spends per property on expensive responsive repairs. These amounts are not monitored and managed.
- 80 The amount levied for rechargeable repairs and the amount recovered is very low. The amount recharged for repairs amounts to £699 and only 11 per cent of this has been recovered. The ALMO has also failed to recover any of a recharge for fly tipping. This means that other tenants are paying for the damage caused by the minority of irresponsible tenants and that the money spent is not available to improve the service in other respects.

### **Empty property repairs**

- 81 In the last inspection we found that there is a sound process and clear standard for carrying out repairs and letting homes that become vacant, but that it did not monitor satisfaction in this area of service and the overall time taken to re-let homes was relatively high.
- 82 In this inspection, we found that performance in this area is mixed. The condition in which homes are let continues to be of a high standard, but that the time taken continues to be above average as a result of the difficulty to let retirement homes.
- 83 The ready to let properties that we visited were of a high standard. There is a clear lettable standard that the ALMO complies with. It now monitors satisfaction in this area and the results of the new tenancy visits to 111 tenants shows high levels of satisfaction with both the location and the type of property.
- 84 The time taken to re-let properties remains high. It took an average of 38 days to re-let homes in 2004/05, in spite of the high demand for affordable housing in Eastbourne. There has been a focus on reducing the time taken to do so. A detailed analysis of the 334 properties that became vacant in 2004/05 identified clearly that it is retirement housing where most offers get refused and that the average void period for different property types varies from 24 days to 48 days. Different targets have been set for different types of property and for most months the ALMO was able to meet its target for easy to let properties, but exceeded the target for hard to let properties. New fridges and cookers are offered as enticements for the hardest to let properties. Monthly monitoring meetings involving lettings and repairs staff are helping to maintain focus on this area. This has resulted in a reduction of the average void period to 32.5 days in the first six months of 2005/06. This is an improvement but is not yet sustained and has yet to fall below the figure for 2002/03.
- 85 While procedures remain in the main sound, we have identified some weaknesses. Firstly, the viewing of properties and sign ups take place on different days and this adds to the cost and inconvenience of the process. Secondly, homes that are ready to let are not always inspected on completion of works.

### **Gas servicing**

- 86 In the last inspection, we found that not all homes had been receiving an annual gas safety check and that the Council had put in place new practices to address this.
- 87 In this inspection we found that performance is poor because the ALMO is failing to comply with the statutory duty to undertake safety checks on each property within 12 months of the previous check.

- 88 Given that this was a major weakness highlighted in our previous inspection this is a particular failing on the part of managers of the service. New methods to ensure that checks take place have been introduced, including evening calls and checks tied in with repairs work. Information provided by the ALMO indicated a much improved level of performance of 99 per cent in 2004/05, but we found this to be incorrect. Had this information been validated, it would have been easy to spot that the contractor was aiming to carry out safety checks within the financial year, rather than within 12 months of the previous check. Approximately 700 properties had not been checked within the 12 months. Consequently the ALMO is failing in its statutory duty and its duty of care towards its tenants. When highlighted by the inspection team it took immediate steps to address this.
- 89 One of the new practices introduced to improve access was to charge tenants for missed appointments, but this is not working effectively. In the year to date the majority of recharges have been for broken gas appointments, with £2300 recharged but only 13 per cent of this has been recovered.

### **Aids and adaptations**

- 90 In the last inspection we found that the aids and adaptations budget was not well managed but that customers were satisfied with the completed work.
- 91 Strengths now outweigh weaknesses in this service area. The budget for adaptations has increased substantially to £408,000 and the ALMO now deals with minor adaptations without the need for a referral. This has enabled occupational therapists to focus on the more complicated work and successfully reduced the overall time taken for minor adaptations from 98 to 51 days in the six months leading up to the inspection. For major adaptations the impact has been greater still - falling from an average of 312 days to 155 days. This makes a major improvement to the quality of life of the most vulnerable residents.
- 92 This is also an area in which greater choice is being offered. Tenants can now select from a choice of tile colours and the location of window handles and some flexibility is exercised over additional work. The ALMO estimates that it has spent £3,500 on discretionary work in the past year. The work includes fencing, door renewal and specialist smoke alarms. This ensures that the improvements that adaptations can bring to the lives of disabled people are not undermined by the fear of insecurity.

### **Housing income management**

- 93 In our previous inspection, we found that the council performed well in collecting current rent and service charges and in offering residents many different ways to pay. It offered specialist welfare benefit advice and guidance to tenants. The service did not perform so well in reducing the overall outstanding debt. Its performance in managing service charges also varied.

- 94 In this inspection, we found that strengths significantly outweigh weaknesses in this service area. It has built upon the strengths identified last year and is clearly the best performing of the services provided by the ALMO. The level of collection remains high and at the same time the number of evictions for rent arrears has fallen to a very low level. Tenants receive accurate and timely information and have easy access to high quality benefits advice and debt counselling. There is a relatively high level of recovery of former tenants' arrears, although lower than three years ago and a low level of recovery of repairs recharges.
- 95 The ALMO has developed consistently high levels of rent and service charge collection as a result of the effective systems that it has in place. Tenants can choose from a wide range of payment methods, including debit card and via the internet. Its internal audit report of April 2005 found robust policies and procedures to be in place, along with a comprehensive spreadsheet that aids performance management and that rents and refunds are calculated correctly. While the level of rent collection has slipped in recent months it remains close to the national top quartile figure of 98.8 per cent. The garage rent collection rate is 97.8 per cent with £7,500 arrears on the total garage debit of £275,000. The amount of leaseholder service charges collected is very high at 99.9 per cent in the last year. An area of weakness had been in the failure of the Council to adopt a corporate debt policy, but this has been overcome by close informal working arrangements between the arrears team and council officers. In addition the IT system can now list and prioritise debts and the local authority is now reviewing its approach to corporate debt.
- 96 Tenants receive frequent and accurate information on the state of their rent account. Rent statements are sent out quarterly and also provided on request and on-line. While rents are set in accordance with the government financial guidelines, new consultation arrangements have been introduced for 2006/07 over the rent setting formula for different properties and the scale of the rent increase. One weakness is that tenants are not told what the level of service charges are at the same time as the rent increase letter is sent. This means that they are unclear about the overall amount that they have to pay.
- 97 The ALMO maintains a very strong emphasis on the prevention of rent arrears and other debts. This helps to prevent arrears rising to a point where eviction is the only course of action left. Prevention begins right from the time that tenants are signed up, when housing officers provide help to ensure that housing benefit applications are completed and verified. If necessary, referrals are made for welfare benefits advice and debt counselling at this point. The large range of benefits and debt advice providers working locally are continually promoted in letters, on line and by referral. There is a target for advice provision that has improved from seven to three days and providers are close to meeting this. Rent arrears staff work closely and constructively with housing benefits staff. There are four rent free (non-payment) weeks at times when other financial pressures are great, such as during the Christmas period. At the same time rent payment campaigns are held in the lead up to Christmas. The impact of all of this cannot be underestimated: the level of evictions has fallen from eight in 2004/05 to one in the first nine months of 2005/06.

- 98 The systems that govern the work of the arrears team are sound. The quality of IT is good, the quality of paperwork to support decisions is good and a case by case approach is taken to arrears within a clear procedural framework. This all helps to ensure that tenants receive an efficient and consistent service.
- 99 The quality of welfare benefits advice is high. There is a specialist rent collection team with individual targets, each of whom is trained in debt advice. The team is supported by a specialist benefits advisor who has secured over £1,000 a week on average of additional income to tenants every week since 2002. We saw a number of compliments paid by tenants to the work of the specialist advisor. This work is helping to ensure that low income households are able to manage and pay their debts, including the rent.
- 100 The impact that the time taken to issue housing benefit payments is improving. The time taken to process new and renewed HB applications has improved significantly, in part due to the early verification work undertaken by ALMO staff, although it is still taking an above average 36 days for new applications, while the level of accuracy has fallen but is still relatively high at 96 per cent. This helps to ensure that arrears do not accrue because of uncertainty over how much benefit is to be paid out.
- 101 Benchmarking data shows that relatively high levels of former tenants' arrears are collected compared with other ALMOs, although performance has slipped from the position three years ago. Out of the £85,000 outstanding in former tenants arrears in the year to November, £25,000 or 29 per cent has been collected, which is well below the figure of 40 per cent in 2002/03. Thirty-nine per cent has been written off and a significant proportion of this is attributed to tenants who have died without leaving any estate.
- 102 Performance on collecting recharges is not so effective. The amount collected for missed gas safety appointments, which make up most recharges, and repairs has varied from £7,800 to £12,900 in recent years but the amount collected in the first six months of 2005/06 is low at £2,100. The level of recharges for repairs arising from neglect or vandalism is very low and this has not been an issue that has received a great deal of attention. Practices such as collecting the recharge before carrying out work have not yet been put in place. By failing to take a firm line on neglect and vandalism the ALMO is incurring expenditure which could otherwise be spent on service improvements.

### **Resident involvement**

- 103 In our previous inspection, we found that tenant representatives were able to influence service outcomes. However, opportunities to involve residents more systematically were not embedded in the service. Representation was not diverse and the processes for involving tenants lacked clarity and consistency.

- 104** In this inspection, we found that the ALMO has invested significantly in the service, but that the quality of tenant participation remains mixed. This investment will take time to come to fruition and formal participation mechanisms are in the process of change. There are increasing numbers of ways by which tenants may become involved in less formal settings. Tenants have been able to influence important decisions affecting the maintenance and retirement housing services, but those involved are not yet representative of the wider body of tenants.
- 105** There has been a significant increase in investment in tenant participation. The budget for tenant participation is £113,000 in staffing and £60,000 in direct financial support to associations. This amounts to 2.6 per cent of the total HRA budget. This will help residents' groups to be able to develop and mature.
- 106** The overall number of tenants who are actively involved is still relatively low. A total of 367 residents have attended one meeting, while 90 have attended more than one. This is in spite of a number of efforts to promote participation including a 'Get Involved' campaign, the newsletter and the roadshows. The ALMO recognises that the scale and particularly the involvement of hard to reach groups needs to improve and has adopted a tenant involvement strategy and communications strategy to address this. It is beginning to monitor the number of tenants who live on estates covered by residents associations and is using a tenancy audit to find out which, if any, ways tenants would find most convenient. It is beginning to find out what young people and BME groups' views are through youth development work on the Willingdon Trees estate and the Eastbourne Community Network. This work is however in its infancy and it is difficult to identify changes that have been made as a result of consultation with these groups.
- 107** Formal resident involvement remains limited. Formal involvement is confined to those tenants who sit on the board, two fairly active residents associations and the retirement housing groups. Two other residents associations have struggled to operate in recent months and the retirement homes groups concentrate solely upon issues affecting specific schemes. The tenants' compact and tenant involvement pages on the website are out-of-date and the tenants' handbook makes little reference to how tenants can get involved. There is no forum to bring together representatives from each residents association to enable residents to speak with one voice. This means that other than those tenants who sit on the Board there are no opportunities for tenants and leaseholders to make decisions themselves.
- 108** The level of informal involvement is increasing.
- There are a range of new groups being developed to increase the involvement of tenants, but these are too new to have made a significant difference to the way services are provided. They include six focus groups covering specific service areas, four area forums, which are in the process of being established and the Willingdon Trees Youth Forum.
  - The emerging youth and BME involvement mechanisms have been discussed in the section on diversity.

- Annual roadshows have been used most recently to raise awareness of the creation of the ALMO and the more customer focused approach of the new organisation. The impact of the roadshow is hard to assess since it mainly generated requests for services, but managers believe that it helped to increase awareness of the organisation and signal a new and closer relationship with tenants. A door knocking exercise that took place alongside it did nonetheless identify problems with motoring offences such as joyriding, which the tenant participation team has since helped to resolve.
- There is also an imaginative means of involving 'inactive' tenants by selecting 'thin files' at random and sending out consultation letters to several hundred at a time. This was used to decide upon the order of estates in which the decent homes programme would follow (although the actual detail of what work will take place is not yet decided).
- There has been a substantial increase in the use of satisfaction surveys to assess performance in almost every service area, although response rates have been variable. While 20 per cent of tenants return the repairs satisfaction cards, the response rate to the critically important question of the future ownership and management of the stock was low.

**109** Some important decisions have been strongly influenced by residents. As the section on stock investment shows, this is an area in which tenants have been given opportunities to influence the service, although those involved are not truly representative and their choices have been constrained. There are opportunities for tenants of retirement courts to have a say in the services that they receive within their own scheme, as well as the appointment of scheme managers and cleaners. They are able to agree a 'wish list' of changes that they would like to see in each scheme. The annual leaseholder forum is a longstanding and well attended event and the ALMO now uses the opportunity to send out a satisfaction survey along with the annual accounts statement. This has led to change in major works payment methods, changes to the sinking fund and account presentation. These decisions should help to increase the level of trust between the ALMO and tenants and build upon the opinions expressed in 2003 that 72.1 per cent of tenants believe that 'the landlord takes their views into account'.

**110** There is still a great deal that could be done to empower tenants. No housing budgets are delegated to tenants (other than £12,000 towards the running costs of residents' associations) and this, more than any other, is likely to increase the numbers who are involved. Until recently there has been little publicity of residents' association meetings or other events in the Open House newsletter. While there has been extensive training to Board members there has been little training provided to other tenants. It has been limited because tenants have been reluctant to travel any distance or stay overnight in order to attend training events. This has meant that tenants are less assertive about what they want from the service and have not been well prepared for the role that they are asked to play in, for example, recruitment. At a local level staff do not provide a minute taking service - only action logs are produced from meetings and only one association regularly keeps minutes. This means that the wider body of tenants have to rely upon word of mouth to know what issues have been discussed.

- 111 The level of democracy within tenant participation has improved at the highest level, but is lacking at the estate level. The EHL constitution has been strengthened in respect of resident participation by an additional power to 'promote tenant participation ... and encourage tenant and community empowerment.' All tenants were given the opportunity to take part in the election of Board members. They were provided with descriptions of each candidate and pre-paid envelopes. Eight hundred and twenty eight tenants returned their voting slips. At the estate level the tenants involved in the election of the officers of the residents associations are limited to those who attend the annual general meeting.

## Tenancy and estate management

### Tenancy management

- 112 In our previous inspection, we found that the council's approach to anti-social behaviour (ASB) was good and effective, promoting a mix of tactics to deal with the problem. In nuisance cases, management processes were not robust leading to customer care failures.
- 113 In this inspection, we found that strengths outweigh weaknesses. The approach to ASB continues to be sound and that there is a sensitive and balanced approach being taken, mixing enforcement with diversionary activity and support for vulnerable tenants. This is leading to successful outcomes and an improvement in the quality of life on estates.
- 114 There are effective systems in place to support action to tackle neighbour nuisance and ASB. The tenancy agreement contains clear obligations not to engage in nuisance or harassment on the grounds of race, colour, religion, sex, sexual orientation, disability or any other reason, nor to commit domestic violence. These are explained and discussed at each tenancy sign up and at the post tenancy visits. There is a comprehensive ASB procedure that is outlined on the website and has set times for action to progress at each stage of the process. The quality of paperwork to support action is very high. A joint action group to tackle ASB was established in 2005 and has been instrumental in securing successful court action against serious ASB. All of this helps to convince both perpetrators and complainants that ASB is taken seriously and has led to an increase in reporting.
- 115 There are clear and challenging targets to address ASB. The target is to resolve all complaints within 90 days. Ninety days is the average time taken for all ASB complaints in the last year and so the target is challenging.
- 116 The ALMO and its partners are tackling serious ASB successfully. In 2003/04 there were three evictions for ASB and there has been a reduction in complaints and the need to agree ABCs in 2004/05. Reports of serious anti-social behaviour have fallen from two to zero in three years, with one new case so far since April. The approach itself includes a mix of enforcement, diversionary activity, such as the youth development work on the Willingdon Trees estate, and support for vulnerable tenants. Some of the individual results achieved bear witness to this:
- the cessation of a kerbside car repairing activity;

- re-housing a severely disabled tenant into one of the few specialist schemes in the country able to meet his needs; and
- ASBOs to address the threatening behaviour of various members of one family.

- 117 There has been a proportionate response to an increase in the number of less serious incidents of ASB being reported. The volume of complaints increased from 30 in the whole of 2002/03 to 34 in the first six months of 2005/06. The volume of repeat ASB has increased by the same proportion, from 3 in 2003/04 to 7 in the first six months of 2005/06. At the same time the response has escalated with a high of nine ASBOs obtained in 2004/05.
- 118 The overall picture is that ASB is decreasing. Increasing or reducing levels of reported ASB do not necessarily indicate success or failure, because tenants are more inclined to report problems if they see and believe that the ALMO and its partners will take action. The view of the Police is that the level of crime and ASB has been falling as a result of the joint approach being taken. The ALMO has also commenced work to monitor satisfaction with its response to ASB and so far in 2005/06, 75 per cent of 11 complainants have been satisfied.

### **Estate management**

- 119 In our previous inspection, we found that estates were in good condition with only minor instances of litter, vandalism and graffiti. The estate improvement programme had delivered clear benefits for residents such as improved play areas and car parking. Tenants could be more involved in setting the overall priorities for the estate improvement programme.
- 120 In this inspection, we found that strengths continue to outweigh weaknesses. The general appearance of estates is of a reasonable standard, with some recent problems of grass cutting and tree and shrub maintenance in the process of being resolved. Six infill sites of derelict land are being used to generate more homes. There have been some isolated problems with the cleaning of communal areas and alleyways as well as the removal of fly tipped material, but the ALMO is taking a pragmatic and customer focussed approach to dealing with these. The annual estate inspection regime is not enabling tenants to get more involved in monitoring the various contracts.
- 121 The general appearance of estates is good. There are very few instances of vandalism, graffiti, sharps and abandoned cars and where they do occur they are dealt with promptly. There are isolated problems of grass cutting and tree and shrub maintenance on estates following the change of the Council's contractor. During 2005 over 120 omission notices have been served where work has not been up to an acceptable standard. This has led to additional investment by the contractor, but the impact of this will not be apparent until next year.

- 122** The potentially negative appearance of derelict land is being addressed by a programme of work to develop infill sites. Six sites have been sold to housing associations for the development of thirteen homes. Eight of these will be completed during the period of the inspection while the remainder fall into the next financial year. This joined up approach is helping to prevent dereliction as well as help to meet the need for affordable homes.
- 123** The ALMO has struggled to deal with untidy communal areas to flats, other than those of sheltered housing. In these flats the cleaning of communal areas is the responsibility of the residents. This has not always been successful with residents unable to agree a rota and some communal areas in an untidy and unclean condition. This was reflected in the results of the leaseholder survey. While the ALMO has consulted on the issue, the residents have resisted the introduction of cleaning services for a service charge. The ALMO does take a pragmatic and customer focussed approach by carrying out occasional clean ups. These must however be paid for out of rental income and a long term solution has yet to be found.
- 124** A similar, customer-focussed approach has been taken to fly tipping. Since the creation of the ALMO the County Council has tightened up the criteria it uses for waste disposal. As a result the recycling centres will not accept this form of waste and the ALMO must pay its contractor to dispose of it in a landfill site. This solution is a pragmatic one with the care of the estate being put ahead of disputes over who pays. In the longer term the ALMO aims to seek additional funding or transfer responsibility to the Council for what is a service to the whole community and not just tenants.
- 125** An area for improvement is the way that tenants are involved in monitoring the condition of estates. This is a simple way in which tenants can begin to participate in the management of the service as a whole. At present the inspections only take place annually and are not well publicised. The ALMO recognises this and is moving to a regime of monthly estate walkabouts.

### **Leasehold management and Right to Buy**

- 126** In our previous inspection, we found that the Council provided a range of useful information to leaseholders and right to buy (RTB) applicants. It produced service charge estimates and sends out notices of intended works promptly and was effective at collecting service charge income. However, leaseholders appeared to be the least satisfied group of customers of the landlord service and the speed at which right to buy applications were dealt with is inadequate.
- 127** In this inspection, we found that strengths outweigh weaknesses. The speed with which the ALMO processes RTB applications, the quality of leaseholder consultation and general information to leaseholders all show improvement. Service charge collection rates remain high. Information on planned maintenance programmes and leaseholder representation at the Board level are two areas for improvement.

- 128** The speed of handling RTB applications has improved. All section 125 notices were sent out within 84 days of RTB applications in 2004/05. While the processing of RTB2s has improved from 54 per cent sent out within 28 days to 100 per cent since the ALMO was established. There is a high degree of satisfaction of RTB applicants with the process according to the ALMO's own satisfaction surveys.
- 129** The quality of some services to the Council's 544 leaseholders has already been mentioned. For example:
- consultation arrangements are strong. Annual leaseholder forums have been held since 2001. The forums have been themed in order to encourage detailed discussion on issues of concern to leaseholders. Attendance has been high at all forums with approximately 50 leaseholders attending each session. A range of officers attend forums from Housing and other service departments and after the themed briefing and discussion leaseholders have the opportunity to raise any particular concerns with officers. The ALMO has also consulted leaseholders through a satisfaction survey sent out with the annual accounts and, less successfully, through surveys of individual leaseholders on a service charge to pay for a communal cleaning service;
  - leaseholders have access to a wide range of good quality information. The leaseholder handbook is up to date, taking account of both the creation of the ALMO and the DHS requirement. It comes in an easy to read Q&A format and contains within it a range of service standards, such as quarterly window cleaning and five-yearly repainting. There is an explanation of all of the charges that leaseholders face as well as a reminder of the discount repayment clauses under the RTB. Information on accounts has improved. The statement now sets out the annual account calculation in a style approved by leaseholders. Consequently leaseholders rated access and customer care as one of the strengths of the service in the 2005 survey; and
  - service charges are effectively managed. There is a high degree of correlation between the annual estimates and final accounts. The budget includes a sinking fund for all maintenance work. There is a high service charge collection rate of 99 per cent and minimal former leaseholder arrears.
- 130** Areas for improvement include the dissemination of information on the capital work programme and the absence of a leaseholder representative on the Board of the ALMO. The way that leaseholders are informed of major works and the painting programme was identified by the 2005 satisfaction survey as a weakness. Few leaseholders have expressed concern over representation, but those we met would be able to provide a strong and constructive voice on the Board. The voting arrangements tend to limit the opportunities of leaseholders to be elected to the Board and there is no arrangement to co-opt leaseholders in a non-voting capacity. Leaseholders remain generally more dissatisfied than tenants and this is a missed opportunity to capture the views and energy of this group of customers.

## Supported housing

- 131** In the previous inspection we found that the strategic direction for sheltered (retirement) housing was unclear and that the design of the majority of schemes was outdated. While residents expressed satisfaction with the service, the way in which checks were made on the wellbeing of residents was inadequate. Consultation arrangements, help with minor repairs and the accessibility of some schemes were all improving.
- 132** In this inspection, we found that the quality of this service is mixed. The service still lacks a clear strategic direction and there are strengths and weaknesses in the retirement housing service. There are few housing related services for tenants who are living outside of the 500 sheltered housing flats and bedsits.
- 133** The strategic approach to retirement housing remains weak. Given the context of Eastbourne, with its high population of older people, this is a significant omission. It lacks an overarching older persons' strategy to show the quality of service that it aspires to. It has only in recent years developed very sheltered housing and does not provide a mobile service. In drawing up the difficult to let strategy it has taken account of the views of existing residents, the majority of whom have to share some facilities, and the demographics of the borough. It has not however consulted future users, such as middle aged tenants or the 474 older people on the waiting list. Nor has it clearly identified the design features that high quality sheltered housing should have in the future. It is not 'joined up' in the sense that it does not consider the needs other than those of older people that could be met. The approach is essentially reactive, being driven by low demand rather than shared ambitions.
- 134** Independent reviews of the retirement housing service have identified operational weaknesses. The review of the flagship scheme, Gwent Court, undertaken early in 2005 by the East Sussex Supporting People review team found that it provides a fair service with good prospects for improvement. The report speaks highly of the scheme managers, but says that the care assistants are not well supervised because they are employed by a separate organisation that does not have a local base. This small scheme is well designed but the level of dependency of residents is lower than the level of care being provided. The review of mainstream sheltered housing in June 2005 resulted in the same rating. This identified weaknesses in the provision of training, the quality of information to residents, joint working and the selection of residents. Residents were found to be generally satisfied with the service, but not the actual buildings. In both instances longer term funding for the service has been deferred until the weaknesses are addressed.
- 135** There has been some progress to address the weaknesses. A more comprehensive support plan is being piloted and staff training plans have been drawn up. However, the question of the high costs of Gwent Court has yet to be addressed and care staff continue to be managed separately by an organisation without a local base.

**136** An additional weakness that we identified is in the monitoring of the response to alarm calls. The ALMO has entered into a contract with the newly created joint venture company to manage the alarm service. The company has adopted the national standards for responding to all alarm calls as they come into the control centre, but is not monitoring the actual time it takes from the pulling of a cord or pressing of a button to the face to face response. In some instances the response will come from the emergency services, which have their own standards, while in others it will be the duty manager or visiting officer. It is not therefore ensuring that scheme managers respond promptly to alarm calls.

**137** In other respects the retirement housing service performs well.

- There is a vibrant social scene within the majority of schemes, mainly led by tenants.
- The schemes that we have visited all have well maintained open spaces and a high standard of cleanliness.
- A handyperson service has been established to carry out minor tasks, although this service is only available to those in retirement housing.
- The speed with which the call centre answers calls exceeds the national minimum standard.
- Scheme managers have developed a comprehensive range of procedures for supported housing. The procedures cover all responsibilities including emergencies of all kind, financial probity, the alarm system and all other issues from commercial callers through to what to do in the event of a death. There is however no delegation of budgets to scheme managers and this makes it difficult for them to get simple tasks or purchases undertaken speedily. In some instances it results in staff paying for minor items out of their own pockets.
- It is easy for residents to report any concerns that they may have about the management of particular schemes. Each scheme has a notice board with contact details for the senior manager and every six weeks the senior manager visits the scheme to meet with residents.
- Staff and the majority of tenants recognise that the role of the scheme manager has changed from the traditional warden to a more professional approach that focuses upon obtaining care and support for the frailest residents.
- Following the concerns expressed in our last inspection report about the way in which checks were made of the health of tenants in retirement housing, a new 'check call' procedure has been introduced. Within the procedure manual there is a checklist that scheme managers have to complete and which is reviewed by their supervisor on regular six weekly visits made to each scheme.

Consequently there are high levels of satisfaction among existing residents with the service that they receive.

- 138** Vulnerable tenants living in the community are not so well served. The focus group of tenants are unhappy about the support available to the most vulnerable tenants. They spoke of many isolated older people who have to rely upon frail neighbours for support. They were also concerned about people with psychiatric problems being housed on quiet estates without any support being provided. Up to 103 households (mainly single people) have access to various forms of independent living and floating support. Given that this includes all tenures, the amount accessible by EHL tenants is well below 103 and the overall supply of housing related support amounts to just one in every 430 households.

## Is the service delivering value for money?

### How do costs compare?

- 139** In the last inspection we found that the Council was collecting its income effectively, but we could find little evidence that individual services were provided in a cost effective manner.
- 140** In this inspection, we found that the evidence of VFM is mixed. EHL provides a low cost service and that tenants consider that the rent provides VFM. The costs of providing individual services have been reduced without any impact on the quality of these services. However, there is still much scope for further improvement.
- 141** EHL provides a relatively low cost housing service. Through cost benchmarking it is aware that the overall annual management and supervision costs are £435 per property. This is 8 per cent lower than the ALMO average and four per cent lower than last year. Tenants recognise this: satisfaction surveys and our focus group of tenants both reflected views that the service offers good value for money.
- 142** Indicators of VFM within the repairs and maintenance service are mixed. Too much work is carried out on a relatively expensive reactive basis as opposed to being planned to take place before components fail. The ALMO does not yet know how many jobs are accurately diagnosed and completed in one call and it spends too much staff time on checking whether repairs have been completed satisfactorily.
- 143** On the other hand it is spending less time on pre-inspection work and has, in consultation, deferred external decoration work where major repairs are imminent. Repairs are batched together in order to secure economies. The planned maintenance budget is being spent in full each year and a partnering contract is now in place for replacement boilers which were previously funded out of the schedule of rates. This is expected to save £10,000 over the course of the first year and more in future years.

- 144 The income collection service is delivering good and improving value for money. It achieves high overall income collection levels and so is maximising the amount available for the ALMO to spend on its services. It is offering choice and yet minimising the cost of rent collection - over the past three years payment by Post Office has fallen slightly from 62 to 58 per cent, while direct debit has shown the most growth, from 25 to 35 per cent of those who are not in receipt of housing benefit. Payment by other means has fallen from 12 to 5 per cent. A review of door to door collection has resulted in the number of collections via this expensive method falling from 43 to 13. The ALMO has also resisted the temptation to adopt an incentive package to reward regular payers because the costs of the package outweigh the benefits, since collection levels are already high.
- 145 In supported housing there is little evidence of VFM. The SP review of Gwent Court found that its costs were 24 per cent higher than the average and that some residents were less frail than the service level warrants. Management overheads are high and there are no economies of scale in the way the scheme operates. The alarms monitoring service is recognised as high cost, in spite of the merger of local services. The ALMO has, however, negotiated the alarms contract to include unspecified efficiency savings year on year. The length of the contract was reduced to three years with the option of ending the contract if savings are not delivered.
- 146 The ALMO has provided a strong challenge for the first time to the cost of support services. This has led to the procurement of legal services from private solicitors who are able to respond more promptly and with access to specialist expertise on issues such as anti-social behaviour. In this sense it is setting an example to the Council. However the quality of some service level agreements is questionable. It is not always clear what the charging arrangements are - be they an hourly rate, annual retainer or amount per unit, though these are subject to negotiation in the first year of the ALMO.
- 147 The ALMO is beginning to take advantage of the economies of scale that joint procurement can generate. It now effectively jointly procures some services with Eastbourne Council. An example of this is a three-year programme of ICT hardware upgrades which are being purchased at a price below that which the ALMO on its own could negotiate. It has joined a regional procurement consortium although this has yet to deliver savings.
- 148 It is also reducing the burden on tenants by drawing in investment from external sources. This so far amounts to tenant participation grants to cover the costs of the tenancy audit and £192,000 of EEC funding for energy efficiency measures. We found few examples of costs that would normally be borne by the whole community being met through rents. For example, the grounds maintenance contract on estates managed and funded by the Council as a whole. The ALMO is alert to the issue of who pays for the removal of fly tipped goods and the cleaning of communal areas to flats and is trying to address this.

## How is value for money managed?

- 149** In our previous inspection, we found that the council struggled to demonstrate that it provided value for money (VFM) in the landlord service. It had not used modern procurement methods or best value reviews to deliver value for money.
- 150** In this inspection, we found that there is a sound framework to monitor and manage VFM, but it is not yet implemented fully. The Board has adopted VFM as a high level priority and a sophisticated approach to managing VFM has been adopted. However, at the time of the inspection the ALMO had not adopted a procurement strategy and it is failing to apply the principles of best value in its procurement decisions.
- 151** VFM is a top level priority for the ALMO, and a sophisticated approach to managing VFM has been adopted. The ALMO compares costs against a raft of performance indicators at both the overall level and for each service area, with bottom quartile costs and top quartile performance as the overall three-year target. The intention is for targets for service areas and functions to be aligned with these targets. If it is thought that these will be mutually exclusive, then the Board will identify areas of particular local importance where it is prepared to provide a more costly service as long as the added value for customers can be identified and quantified.
- 152** The ALMO has a sound understanding of the costs of most of its services and shifts resources to areas of weakness. It has for example improved funding for tenant participation, as a result of our previous concerns, while reducing it for the RTB service, as a result of falling sales. The one exception is the fact that service charges are pooled and so the cost of the service does not always reflect the quality of different services. More importantly managers and customers may not be aware in variations between the charge and the service received.
- 153** A procurement strategy had not been adopted at the time of the inspection and the ALMO recognises that some of the procurement decisions made in its early days will need to be revisited. The creation by local Councils of a joint venture company to monitor alarms within sheltered housing (as well as provide other services) was not based upon best value principles. The ALMO has, with some reservations, signed up to the contract to monitor the alarms, but has wisely avoided tying itself into a long term agreement. In a crowded market place, the joint venture company faces an uphill task to provide its services at competitive rates.
- 154** The quality of services is to be assessed on the basis of a timetable of reviews. So far the first year of reviews has been identified, but the actual review process has yet to be commenced. The ALMO has reacted promptly to our findings on gas servicing by bringing this forward to the front of the timetable. A separate approach is being taken to service level agreements; the ALMO has concluded this without a review process. Some services are by their own admission not performing and an immediate result has been the outsourcing of legal services. Others are low cost, but struggling and the ALMO is working with the Council to address performance issues. A balanced score card approach is planned as a means of monitoring VFM in the medium term.

- 155 More recent decisions do not transparently demonstrate the use of best value principles. The order and approach to the review of service level agreements during the first year of the ALMO's operation was agreed in 2005. The order has been based upon levels of performance, risk, competition and ease of comparison. The ALMO plans to apply the four Cs and make use of benchmarking data to compare quality with cost. It is however unclear to what extent the approach was adopting in transferring the legal service to another Council and more recently to private solicitors.
- 156 Partnering has been adopted in principle as the preferred form of procurement for some services, but the impact of this upon efficiency savings and improvements in quality is yet to be felt. The DHS contracts will not come into force until 2006 and the repairs contracts will not be replaced with partnering contracts until 2007, although an informal partnering agreement is aimed at achieving shared savings and an increase in the number of jobs completed in one call. Gas servicing and boiler replacements were the first to adopt formal partnering contracts from 2005.

## Summary

- 157 We consider the overall landlord service to be a fair, one-star service. There have been some significant improvements to the service since our last inspection, but many changes have had insufficient time to materialise into improvements that customers of the service would recognise.
- 158 The strongest area of service is that of income collection. There are very few weaknesses in this service.
- 159 Strengths outweigh weaknesses in terms of access and customer care, tenancy and estate management and in the RTB and leasehold management service.
- 160 The quality of services is mixed in terms of diversity, responsive repairs, supported housing, tenant participation and value for money. Given the context the approach to capital, planned and responsive repairs is very weak. There are critical weaknesses in the approach to health and safety matters in gas and electrical servicing and in the advice provided on asbestos.

## What are the prospects for improvement to the service?

### What is the service track record in delivering improvement?

- 161** In our previous inspection, we found that the service had made progress against its plans in areas where customers benefited and could see a difference. The service had a track record in innovation and had carried out a number of national pilots. National and local performance indicators showed, overall, a pattern of improvement over the last three years. A number of strategic concerns and significant customer care weaknesses were still to be addressed and there had been slippage in a number of planned improvements. The service did learn from others but not in a systematic way.
- 162** In this inspection, we found that the service as a whole has moved forward, but that more time is needed for the overall service to achieve a good, two-star rating. There have been qualitative improvements in most service areas, while any deterioration has been relatively minor. Progress against both the improvement plan and the recommendations of our previous inspection has however been mixed, with a number of deadlines having slipped. Some key performance information for repairs and maintenance have been incorrectly calculated and reported but the overall picture is of the majority of a wide range of local indicators showing improvement.
- 163** It is clear from the evidence in the first part of this report that there have been qualitative improvements in most services, although it is too soon to be certain that these are sustained improvements. The most important achievements are:
- access - the range and quality of information for customers;
  - diversity - the tailoring of services and removal of language barriers to access;
  - repairs and maintenance - the speed with which adaptations are provided;
  - income collection - the reduction in evictions;
  - estate and tenancy management - the reduction in serious ASB;
  - resident participation - the increased number of opportunities for informal participation; and
  - value for money - in income collection.
- 164** On the other hand in a few specific areas the quality of service has deteriorated. On repairs and maintenance the time taken to re-let properties is deteriorating: the average re-let time increased from 26 to 38 days between 2002 and 2005, with current performance 33 days. The percentage of expenditure on emergency repairs has increased. And in estate and tenancy management performance on grass cutting, shrub and tree maintenance has deteriorated (although we believe this to be a temporary problem).

- 165 Progress is weak when set against the narrow range of national performance indicators in appendix one, but this misrepresents the true picture, which is more positive. For example the recent deterioration in arrears recovery hides a significant reduction in the number of tenants being evicted for arrears. The ALMO will continue to make little impact upon the SAP figure and percentage of homes that do not meet the decent homes standard until it is able to access additional capital funding. The speed with which repairs are carried out shows improvement although the statistics fail to include the time taken for any pre-inspections. The picture for a wider range of local and national indicators shows more improving than deteriorating.
- 166 Since the 2004 inspection progress against the improvement plan has been variable. Five actions have been implemented and their impact should already be felt by customers. There are a further seventeen actions that are on track, though many of these relate to processes, such as RIBA subscription, rather than results that tenants would recognise. Fourteen actions are behind schedule including some key strategies that have only just been adopted; eleven are well behind schedule; and some actions have been replaced by less tangible targets, such as revised targets for BME involvement and youth tenants associations. Progress against the recommendations of our previous inspection is equally mixed, as Table 2 illustrates.

**Table 2 Recommendations of previous inspection**

Recommendation	Progress
Ensure that the new location of the housing advice centre meets the requirements of the Disability Discrimination Act 1995 and provides confidentiality for all callers.	Partial - new reception complies with DDA and interview rooms are confidential, but the meet and greet facility lacks confidentiality.
Adopt and implement a strategy to meet the needs of older people and those with disabilities.	Weak - difficult to let strategy is not fit for purpose.
Develop effective systems for recording, monitoring and evaluating service standards and complaints by December 2004.	Partial - improved approach to service standards and complaints but accuracy of data and reporting of complaints need to improve.
Ensure that all information meets the needs of customers, is in plain language and is available in alternative formats by May 2005.	Strong - quality of communications much improved.

Recommendation	Progress
Consider the extension of the repairs service to evenings and weekends by March 2005.	Partial - Saturday morning repairs introduced.
Produce a debt reduction strategy by March 2005 particularly aimed at former tenants' arrears and housing benefit overpayments.	Partial - draft income maximisation strategy produced below that of three years ago.
Improve performance in carrying out the repairs and improvement programme and in the speed of processing right to buy applications, by December 2004.	Partial - RTB and adaptations processing times have improved but speed of repairs clouded by unreliable data.
Set targets and develop means by which all tenants may increase the level of influence that they have over the service, by May 2005.	Partial - growth in informal consultation and development of tenant involvement strategy, but too soon to have made a significant difference.
Ensure that the service has sufficient capacity to deliver its objectives and to meet the challenges ahead as the ALMO becomes established.	Partial - strategic capacity in maintenance and retirement housing persists.
Develop a range of value for money indicators and monitor these from October 2005.	Partial - range of indicators developed but some key indicators are either unreliable or not yet monitored.

*Source: Audit Commission December 2004*

### **How well does the service manage performance?**

- 167** In our previous inspection, we found that the council's housing plans were of a high standard. They took full account of the external environment and legislative changes and support corporate objectives. The housing strategy and housing revenue account business plan were fit for purpose. Nonetheless some important weaknesses existed in the council's approach to competition and comparison and the repairs plan was weak. A lack of openness about some weaknesses indicated that parts of the service lacked self awareness. The council had a clear and considered approach to risk assessment resulting in a good understanding of the barriers to service improvement allied to the development of actions to manage the risk.

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- 168** In this inspection, we found that strengths outweigh weaknesses in this area. There are varying degrees of self awareness and openness about the quality of different services. While the delivery plan is in need of updating, many of the actions to address weaknesses may be found in other plans. The general quality of plans is mixed. The accuracy of data undermines a sound framework for monitoring and managing contractor performance, while imprecise targets undermine the performance management of staff.
- 169** While individual members of staff are open about the strengths and weaknesses of the service, the self assessment was not rigorous and painted an overly positive picture of the service. There is a general tendency to confuse progress with achievement. Weaknesses are presented as strengths, for example the absence of a stock investment strategy is phrased as 'work on developing one has been commissioned'. The self assessment identifies very few weaknesses.
- 170** The level of self awareness varies from service to service. In the income collection service it is particularly high, with managers being able to point to national leaders in best practice from whom they were learning. In other areas we could find relatively few examples of learning, horizons that did not extend beyond East Sussex and a reliance upon external consultants to bring in expertise of varying quality. Improvements in the volume of customer feedback and consultation will help to address this weakness.
- 171** An example of the lack of openness and self awareness is the self assessment of supported housing. In the early part of 2005 both Gwent Court and mainstream retirement housing were subject to reviews undertaken by the East Sussex Supporting People team. The reviews consistently rate the performance of the two services as below the rating given by the ALMO. There is a particular divergence in terms of the protection of older residents in Gwent Court from abuse. In spite of this the self assessment makes no mention of any weaknesses in either the Supported Housing or VFM sections. If managers are not open about any weaknesses the ALMO will not gain the trust of tenants and improve as quickly as it could.
- 172** As a result of this the delivery plan for the ALMO is now out-of-date. The delivery plan is the focus of improvement among Board and managers. However, the plan does not address a number of important issues, for example:
- the completion of the tenancy audit and its analysis;
  - targets to ensure that representatives reflect the diversity of the tenant and leaseholder population;
  - most of the weaknesses in the repairs and maintenance service (by contrast the delivery plan includes more actions for the stronger income collection service); and
  - the strategic and operational weaknesses in retirement housing.

**173** Planned improvements to the repairs and maintenance service are to be found in the draft investment strategy. The ALMO has employed external consultants to produce this strategy, which lays out the general principles and context within which the service operates. A number of commitments are to be found within the body of the strategy but are not summarised at any point. These include:

- to set and report widely on annual targets;
- improved systems on both the client and contractor side;
- programming, batching and standardised components to improve budgetary control;
- a better balance of planned to responsive works;
- compliance with the service standards;
- recharging for repairs arising from negligence and other causes; and
- sustainable building policies.

Because the strategy is based upon a document produced for another ALMO and has not yet been adopted by EHL, a number of the actions within it have yet to be included in the improvement plan. These include those relating to budgetary control and rechargeable repairs. The strategy notes that a performance management framework is in place but has not identified the weaknesses of the data itself. It is also silent on issues of diversity such as the employment of women operatives or other ways of increasing the sensitivity of the service. Nor does it mention the monitoring of performance to different groups. It has not identified all of the operational risks in terms of health and safety - notably gas and electricity safety - reputation and finance. The ALMO recognises that these weaknesses exist, but this is very late in the day to be drawing up a satisfactory investment strategy.

**174** Other weaknesses in repairs and maintenance are addressed by separate policies.

- The greater empowerment of tenants in decision making forms part of the resident involvement strategy produced for Eastbourne Homes, in consultation with tenants, by the Tenant Participation Advisory Service and adopted in August 2005.
- The speed with which empty properties are re-let is an objective of a detailed void control policy and procedure that was introduced in September 2005.
- An asbestos management strategy has been adopted that is based upon the removal of asbestos from homes when the asbestos is in poor condition and provides a risk to health and to address the weakness of not providing appropriate information to tenants.

- 175 The strategic approach to value for money was discussed in detail in the first section of the report. Our judgement is that the strategy, and in particular the application of the principles of best value, is underdeveloped. Most of the VFM improvements that the ALMO is seeking relate to repairs and maintenance. Aside from those mentioned in the repairs and maintenance strategy above, the ALMO efficiency statement identifies further improvements in the service. These include reduced paperwork, less time spent on repairs (by reducing the number of visits), fewer defects and fewer complaints. However, since some of the outcomes have not been measured previously (such as repairs completed right first time and satisfaction with new homes) it is not yet possible to say whether these improvements are being achieved.
- 176 The approach to strategic risk management is sound, but operational risks have not been fully identified and contingency plans put in place. A risk strategy was adopted in August and an up to date corporate risk log is in place that identifies the key strategic risks, how important they are and what contingencies are in place to deal with them. This has not yet been replicated at the service level, although in some areas, such as the customer contact centre, contingencies are clearly in place. A more developed approach to risk may have helped to identify some of the health and safety issues that our inspection has identified.
- 177 Plans for leasehold management are strong. The ALMO has responded promptly to the results of the leaseholder satisfaction survey by producing an action plan. The plan aims to address specific issues of income collection, invoicing, resident involvement, information on DHS work and service standards. In all but resident involvement the actions are clear.
- 178 Weaknesses remain in these plans.
- The ALMO has not yet developed its own IT strategy, asset management plan or supported housing strategy. The first two are said to be imminent but should have been developed ahead of our inspection.
  - While there are a range of policies and practices to tackle discrimination, the revised targets for BME involvement read more like a job description than specific targets.
  - The Council updated its affordable warmth strategy in June 2005, but the ALMO is not mentioned as one of the Council's partners, nor is its role defined.
  - The objectives and actions contained within the communications strategy are sound but the strategy is not yet SMART. Most actions have a clear deadline and responsible officers. It does however lack clear targets and ways in which success may be measured. These targets are described as 'ongoing'.

- The income maximisation strategy needs further development. It provides a position statement on what action currently takes place for each income stream and identifies additional actions and changes to processes that could take place. It does not show clearly the scale and how improvements will be made in terms of rent, garage rent, service charges, leaseholder income and rechargeable income. The action plan contains some challenging targets, but the basis for these is unclear.
- 179** The ALMO has developed a sound performance management framework, but needs to ensure that it is used effectively. There is a hierarchy of meetings at both strategic and operational level to monitor the performance of the ALMO. The management agreement lays out a suite of reports that the ALMO should provide the Council. Performance information is produced on a regular basis and used to gauge the performance of the organisation. The information is both comprehensive and detailed - for example being able to compare contractor performance against different service standards. Contractor performance issues are addressed in a constructive way and both sides work together to tackle any problems perceived with the service. But some important performance indicators, including outcome and VFM data are not yet monitored, such as the level of abandoned calls, the average time to answer calls, the percentage of repairs completed in one call, the collection rate for rechargeable work and the cost of variations.
- 180** Complaints and compliments are reported to the Board, but not systematically. Members receive a summary of complaints but this is in the form of a list of complaints and a separate list of outcomes. This makes it difficult to identify and track the main causes of complaints, nor of how serious they are, in order to drive improvements. EBC remain closely involved through scrutiny and the performance management task group.
- 181** Where service targets are set they are generally challenging. Only those for tenant satisfaction and the speed of processing housing benefits claims (not itself within the remit of the ALMO, but important for income collection) are not challenging. The targets are cascaded down to individual targets for each member of staff.
- 182** The quality of individual targets is mixed. All staff have targets that are set as part of annual appraisals and six monthly reviews and these are regularly reviewed at one to one meetings. The targets do flow from the corporate and service objectives, but vary from a manageable five to an excessive twenty per member of staff. Many are not precise and read more like job descriptions. For example:
- 'Listen and encourage tenants to share their views';*
  - 'Present cases at court';*
  - 'Deputise as lead officer; and*
  - 'Housemark benchmarking.'*

Without clear targets for all staff, the ALMO will be less able to drive improvement.

## Does the service have the capacity to improve?

- 183** In our previous inspection, we found that the council had created additional capacity to help it deliver its goals and was addressing gaps in leadership and project management to help drive forward the ALMO. Overall, the performance management framework was strong.
- 184** In this inspection, we found that strengths outweigh weaknesses in the capacity of the new organisation. The Board has drawn in a great deal of expertise through the recruitment of independent members and has gelled well into a team. The morale and capacity of front line staff is high, but there remain gaps in the strategic capacity of the service. There are strong partnerships between all of the key players.
- 185** The ALMO board contains a strong mix of voluntary sector experience, some business experience and professional housing expertise. Monthly Board meetings have been well attended and have managed to achieve a balance between the large number of policy and operational decisions involved in setting up the ALMO while maintaining an overview of performance. There is a strong drive for continuous improvement and a high degree of mutual respect between all board members. A code of conduct and register of board members' interests has been adopted.
- 186** Some board members lack an understanding of strategic issues at present and there is a need for training on diversity, but all of this is being addressed through a comprehensive skills analysis and training programme.
- 187** The Chief Executive provides clear, visible leadership, but there are gaps in the strategic capacity of the repairs and maintenance and sheltered housing services. These services have taken far too long to develop their longer term ambitions and plans and have had to rely upon consultancy support of varying quality. Some of the weaknesses in capital programme management are being addressed by the employment of a DHS project manager for the first phase of the work, to 2010. There is a project plan in place for this, but very little scope exists within for contingencies. It will require very careful project management to ensure that the milestones within the plan are met, but, as paragraph 167 shows, the ALMO has struggled to keep to a number of deadlines. Future delivery of the programme depends on the ability of the ALMO to recruit and develop staff to take on this work.
- 188** The range of training and the quality of personnel management available to staff is a strength. Staff and board development began well before the creation of the ALMO. Among the highlights of this are:
- a calendar of training developed with the involvement of staff - this has helped, for example, to improve the culture of customer care;
  - regular Wednesday morning and afternoon training sessions for all staff;
  - the whole organisation has been trained to understand what is meant by the DHS; and

- well regarded induction and mentoring arrangements for retirement housing staff, along with a training plan derived from the support plans of residents.

As a result of this and improved absence management there is a relatively low staff turnover rate of 2.8 per cent and absenteeism has reduced from nine to six days per staff member a year.

- 189** The creation of the ALMO and move to the new office is helping to improve the culture of the organisation. Managers and staff are positive that the move to an open plan office has improved internal communications. The degree of staff empowerment has also increased. For example retirement court managers have been empowered to instigate case conferences, manage the handyperson work schedule and update the procedure manual. More decision making has also been delegated to rent arrears staff. This helps staff to feel in control of their work and bring about a more responsive service.
- 190** The organisation is financially sound (in all but the ability to fund the capital improvements) and has shifted resources to the areas that need them most. These include additional staff in customer care, tenant participation and DHS project management. In the area of house and flat sales, where the demand for the service is falling, it has reduced the level of staffing. It is expanding into the area of leased housing in order to offset the loss of any homes under the Right to Buy, although it is too soon to say whether this activity will be viable.
- 191** The quality of IT is improving. A new server has increased the capacity, speed and reliability of the service and the support service is well regarded. But the housing software has been unable to enable real time updating of the stock condition data and retirement housing staff expressed dissatisfaction with the quality of IT from which they work. There are few opportunities for 'silver surfers' in retirement housing or elsewhere to make use of the internet.
- 192** The Council's contract management capacity is improving. The success of the ALMO depends as much upon how the Council maintains an interest in its work, as it does upon how it itself manages its contractors. The Council is gearing itself up to be able to do this. It has invested in procurement, project and performance management for its senior managers. It currently manages a number of high value contracts for refuse collection, leisure services and a capital project for a new cultural centre. There is specific housing experience in managing repairs and maintenance contracts and a stock transfer contract. The Council has some experience of the management of outsourced services, including waste management and leisure services.
- 193** The relationship with Eastbourne Borough Council is one of many strong partnerships that the ALMO has helped to develop. Key, among these are as follows.
- The strong ethos of partnership among Board members. They are keen to build on the partnership with tenants, contractors and the statutory bodies.

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- The strong relationship between Councillors and the ALMO. This is underpinned by a strong political consensus in support of Eastbourne Homes. Councillors find it easy to contact and obtain information from the ALMO and there is a good working relationship between the ALMO management and the staff of the Council who manage the contract.
- There are good operational level relations with the council's housing benefits service and allocations department.
- There is a good relationship with Police in dealing with all types of anti-social behaviour and as part of the Crime Reduction Partnership. The Police consider that the level of anti-social behaviour has fallen and that EHL is supportive of its tenants.
- Joint work with the occupational therapy service has helped to bring down the time taken for adaptations. Of the 157 day reduction in the time it takes for major work, 37 has been in the time taken to undertake the work and 120 has been in the organisation of the work.
- Good relationship exists between contractors' staff and EHL staff. Performance issues are handled well and both sides work together to tackle any problems perceived with the service. The work shadowing of both sets of staff is helping to improve understanding and trust between the client and contractor. This is symbolised by the fact that staff on both sides were all involved in signing the partnering agreement.

## Summary

- 194** We consider the prospects for improvement to be promising. The service as a whole has moved forward since our inspection just over a year ago, but more time is needed for the overall service to achieve a good, two-star rating. The majority of indicators show improvement. There have been qualitative improvements in most service areas, while any deterioration has been relatively minor.
- 195** There has been progress against both the improvement plan and the recommendations of our previous inspection over the course of the last year, although a number of deadlines have slipped.
- 196** The general quality of plans is mixed. The self assessment was not open about the weaknesses of the organisation, but actions to address the key weaknesses may be found in various plans and the draft repairs and maintenance strategy. There is a sound framework for monitoring and managing contractor performance, but imprecise targets undermine the performance management of staff.
- 197** The Board benefits from the expertise that it has attracted through the recruitment of independent members and it has gelled well into a team. The morale and capacity of front line staff is high, thanks to the creation of the ALMO and a greater degree of empowerment. There are strong partnerships between all of the key players. There remain some gaps in the strategic capacity of the service.

## Appendix 1 – Performance indicators

Description	2002/ 03	2003/ 04	2004/ 05	September 2005	Best Quartile 2004/05 (BVPIs only)	Commentary
Local authority rent collection and arrears: proportion of rent collected (BV066a)	98.8	98.8	98.1	97.7	98.3	Deteriorating from a good base linked to significant reduction in evictions.
Average SAP rating (BV063)	61	61.8	63	n/a	68	Unreliable data - a consultant commissioned in 2004 used out-of-date software. The 2005 re-calculation was carried out using current software but the figure reported publicly was 66.
Per cent homes not meeting decent homes standard (BV184a)	70	70	73.5	n/a	21	Deteriorating trend due to low levels of investment.
Per cent appointments made and kept (BV185)	71	99	99	99.6	90	Unreliable data - we estimate it to be 24.64 per cent.

## Appendix 2 – Documents reviewed

Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:

- a self assessment of the strengths and weaknesses of the service;
- the full range of plans including the improvement plan, corporate plan and plans for each service area;
- reports to the Board, management team and Eastbourne Council;
- staff and property files; and
- information to tenants including the tenants' handbook, repairs handbook and a range of leaflets.

## **Appendix 3 – Reality checks undertaken**

When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:

- observations of Board meetings and consultation meetings with tenants;
- interviews with senior managers, councillors and board members;
- focus groups of tenants, staff and contractors;
- telephone surveys of tenants;
- visits to properties that were ready to let and that had been the subject of improvement work;
- file checks; and
- mystery shopping and observations of the reception area.

## Appendix 4 – 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)

### **The provision of welfare benefits advice**

Arrears prevention work begins right from the time that tenants are signed up, when help is given to ensure that housing benefit applications are completed and verified. If necessary, referrals are made for welfare benefits advice and debt counselling at this point. The large range of benefits and debt advice providers working locally are continually promoted in letters, on line and by referral. There is a target for advice provision that has improved from seven to three days and providers are close to meeting this. The impact of this alongside other preventive action cannot be underestimated: the level of evictions has fallen from eight in 2004/05 to one in the first nine months of 2005/06.

An imaginative approach to consulting with hidden groups.

- There is an imaginative means of involving 'inactive' tenants by selecting 'thin files' at random and sending out consultation letters to several hundred at a time. This was used to decide upon the choice of decent homes programme.