

Housing Association Inspection Report

April 2006



# Inspection Report

**Sevenside Housing**

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## Housing Association Inspections

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

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 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).

For housing associations our inspection role and remit is set out in sections 41(A) and 41(B) of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003) 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 Association;
- 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.

We are committed to working in partnership with other regulators, and the Audit Commission and the Housing Corporation are working together to improve the performance and efficiency of housing associations. Our shared objectives are to ensure that associations provide services for the diverse range of customers in their areas of operation, high standards of customer services and access, and value for money for both customers and the taxpayer.

The Housing Corporation is the statutory body which regulates housing associations to ensure that they are well governed, well managed and financially viable, as set out in its regulatory code. Its lead regulation staff work with housing inspectors to ensure that there is adequate information provided for the inspection and that the inspected body implements recommendations in the inspection report. The overall findings of the inspection are also used to inform the Housing Corporation Assessment (HCA) which determines eligibility for further public investment and may influence the Housing Association's future business prospects.

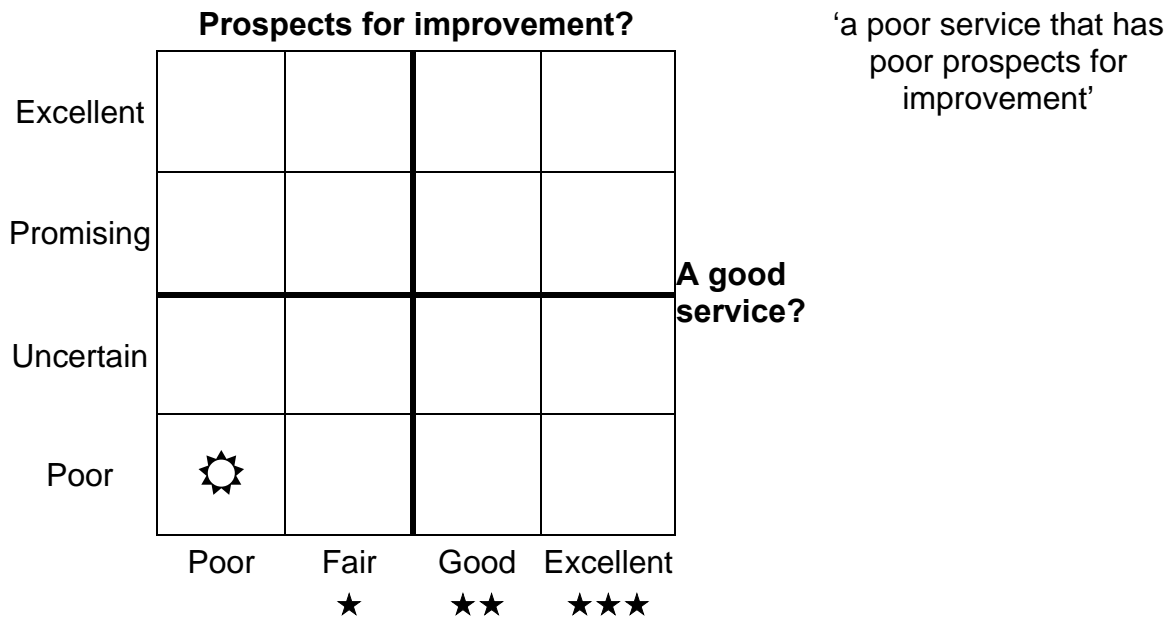
## Summary

- 1 Severnside Housing is a not for profit company, limited by guarantee, registered social landlord which resulted from the large scale voluntary transfer of the housing stock from Shrewsbury and Atcham Borough Council on 1 October 2001.
- 2 Severnside Housing provides 5,315 homes with some 82 per cent being located in urban areas and 18 per cent in rural locations. Over 98 per cent of homes managed remain coterminous with the area covered by Shrewsbury and Atcham Borough Council. The Association has 19 sheltered housing schemes with 20 scheme managers.
- 3 Severnside Housing employs 242 full-time equivalent posts. One hundred and ten of these posts are located in the Association's in-house repairs and maintenance arm, Severnside Housing Property Services (SHPS).

## Scoring the service

- 4 We have assessed Severnside Housing as providing a 'poor', zero-star service that has poor prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

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



Source: Audit Commission

<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.

5 The service is assessed as poor because of the following.

- Access to services is weak, with restricted hours of operation, a poor website, and a tenants handbook which is not user friendly and contains out-of-date information.
- Service standards are not comprehensive.
- Information on Severnside is not available at partners' offices.
- The corporate approach to diversity is weak, and there is a lack of information on the profile of tenants to ensure that services are being delivered equitably.
- The Association does not comply with the CRE<sup>2</sup> code of practice for rented housing.
- The aids and adaptations service is poor and not focused on outcomes for vulnerable people.
- There is a lack of focus on meeting the national priority of achieving the decent homes standard, and the Association is currently in the poorest performing 25 per cent of associations nationally on meeting this requirement.
- Tenants' homes are difficult to heat with the condition of Severnside's properties being in the poorest performing 25 per cent of association's nationally.
- Too much emergency and urgent repair work is undertaken showing a poor use of resources.
- A lack of focus on getting repair jobs completed right first time and high levels of variations.
- Out-of-hours repair reporting arrangements are flawed.
- Appointments arrangements do not provide user focus.
- Void repair performance is poor and costly; in addition too much money is wasted on steel cladding, blighting areas unnecessarily and without effective managerial control.
- The performance on collecting former tenant arrears is poor and money, benefits and debt advice provision is not effective.
- Supporting People services are incurring a deficit with no effective strategy to address legacy funding issues.
- There is a lack of plans and actions to achieve good value for money for tenants.
- Repairs and maintenance services are provided internally and have not been market tested with no plans to do so.
- Productivity levels in the responsive repair service are unknown.
- Staffing levels and fixed costs associated with SHPS<sup>3</sup> are high.

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<sup>2</sup> Commission for Racial Equality.

<sup>3</sup> Severnside Housing Property Services – the in house direct labour organisation for undertaking repairs and maintenance.

### 6 However, there are some key strengths in service delivery.

- The customer service centre is dealing effectively with telephone contact from tenants, office and reception facilities are of high-quality and staff are welcoming and professional.
- Effective complaints handling is taking place.
- There is effective work being undertaken to support victims of domestic violence.
- There is good choice of layout and materials for tenants having planned improvement works carried out to their homes and effective cyclical painting arrangements are in place.
- A costed lettable standard in place that was agreed with tenants.
- High levels of performance are being attained in the annual gas service programme.
- Good rent collection levels are being achieved and quarterly rent statements are clear and informative.
- Anti-social behaviour is dealt with effectively with a range of methods being used on a multi-agency basis.
- Effective good use of the housing stock is being made through a transfer incentive scheme.
- Some external funding is being levered in to support priorities.

7 Severnside Housing is assessed as having poor prospects for improvement because of the following.

- There is a poor track record of delivering continuous improvement.
- The approach to providing value for money is poor, with procurement arrangements that are weak and unchallenging.
- The Association is not self-aware of its strengths and weaknesses.
- Strategic, corporate and service plans are weak or absent.
- There is a lack of challenge, focus and prioritisation.
- There has been limited use of continuous improvement techniques, for example, best value.
- There are limited examples that demonstrate that the Association embraces learning.
- The approach to diversity is weak.
- There is no effective performance management framework in place, with no staff appraisals having taken place for over a year.
- IT systems do not provide accurate and timely information in all areas.
- There is an unwillingness for the Board and staff to take ownership of problems and to develop solutions, with a lack of clear leadership from the Board.
- The Association does not have the appropriate skills, tools and resources to deliver effective improvement.
- There have been delays in agreeing a new salary scheme for operatives linked to improved working practices.
- A lack of leadership from senior staff to other parts of the organisation and confused roles and responsibilities across the whole organisation.
- A lack of an effective and clear management structure.
- A heavy reliance on the Severnside Tenants Action Group (STAG) as the primary means of consultation with tenants.

8 However, there are some positive areas that are supporting improvement. These are as follows.

- Improvements to contact with tenants via the customer contact centre have been made.
- Rent collection and gas servicing performance has effectively improved.
- There has been some learning by frontline staff.
- Some staff are effective in implementing improvements in their own areas of operation.
- Team working and communications are effective.
- Training arrangements work well.

## Recommendations

- 9 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. In this context, the inspection team makes the following recommendations.

### ***Recommendation***

*R1 Put in place an effective framework of corporate and service plans that set targets and milestones to bring about continuous improvement in service.*

*Ensure that these:*

- *incorporate SMART4 principles;*
- *incorporate value for money considerations; and*
- *set clear targets, roles and responsibilities.*

The expected benefits of this recommendation are:

- to provide better value for money to tenants;
- give support to staff to implement best practice; and
- improve effectiveness and co-ordination of services.

The implementation of this recommendation would have high impact and incur low cost.

This should be implemented within twelve months of the publication of this report.

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<sup>4</sup> Specific, Measurable, Attainable, Relevant and Time-bound

**Recommendation**

*R2 Implement clear and measurable service standards across all areas of operation by:*

- *setting clear service standard targets through consultation with residents;*
- *improve the accessibility of services provided by the customer service centre; and*
- *making better use of IT systems and the website to disseminate information.*

The expected benefits of this recommendation are:

- increased customer satisfaction;
- improved value for money; and
- improved speed and quality of contact in emergency situations.

The implementation of this recommendation would have medium impact and incur low costs.

This should be implemented within twelve months of publication of this report.

**Recommendation**

*R3 Improve the approach to diversity by:*

- *eliminating the backlog of aids and adaptations work outstanding;*
- *ensure that a comprehensive profile of all tenants by appropriate diversity categories is developed and maintained;*
- *ensure that all main services are monitored by appropriate diversity categories so that the Association can evidence the delivery of equitable services; and*
- *ensure that actions are taken to meet the requirements of the new CRE code of practice for rented housing.*

The expected benefits of this recommendation are:

- demonstrate that services are being provided equitable and sensitively;
- compliance with legislation and positive practice;
- to demonstrate community leadership; and
- enable services to respond to trends more effectively.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented within twelve months of publication of this report.

**Recommendation**

*R4 Improve performance management arrangements by:*

- *ensuring that targets set within corporate and service plans are monitored and underperformance challenged promptly and effectively;*
- *making an appropriate use of local PIs to measure service delivery;*
- *having sound information of the cost and quality of services being provided; and*
- *ensuring that plans have a focus on delivering improved value for money for tenants.*

The expected benefits of this recommendation are:

- raise self-awareness of what is working well and what is not;
- improve the ability of the Board to challenge poor performance; and
- to improve financial viability by making best use of resources

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented within twelve months of publication of this report.

*R5 Improve the capacity and capability of the Association by:*

- *ensuring that there is an effective human resources and workforce plan in place;*
- *ensuring that staff appraisals take place and that target setting with reference to the corporate plan is embedded at all levels; and*
- *ensure that vacant posts at senior levels are filled promptly.*

The expected benefits of this recommendation are:

- increased levels of customer care and satisfaction; and
- improved capacity to bring about continuous improvement.

The implementation of this recommendation would have medium impact and incur low costs.

This should be implemented within twelve months of publication of this report.

**Recommendation**

*R6 Improve working relationships with external partners and stakeholders by;*

- setting in place formal working practices in the form of service level agreements wherever possible; and
- ensure that external partners are proactively encouraged to influence service delivery to the maximum benefit of tenants and potential tenants.

The expected benefits of this recommendation are:

- to maximise the impact of external partners; and
- to ensure that services reliant on external input work to the benefit of tenants;

The implementation of this recommendation would have medium impact and incur low costs.

This should be implemented within twelve months of publication of this report.

**Recommendation**

*R7 Improve the overall approach to providing value for money services by:*

- establishing a programme of best value reviews to address key areas of service delivery;
- consult with tenants on the effectiveness of current expenditure on asset management to make sure that funds are being spent to meet aspirations; and
- ensure that there is a focus on national and local priorities.

The expected benefits of this recommendation are:

- improve customer care to tenants;
- better outcomes in meeting decent homes standards and energy efficiency; and
- improved financial viability.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented within twelve months of publication of this report.

**Recommendations**

*R8 Develop a SMART action plan to address all weaknesses identified in this report and ensure that progress is regularly monitored and reported corporately to the Board and to residents.*

*R9 Address all other weaknesses in the report in such a way that the benefits outweigh the costs.*

*R10 Report the outcomes of this inspection to the Board, tenants and stakeholders.*

- 10 We would like to thank the staff of Severnside Housing who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: On-site from 16 to the 20 January 2006

**Regional contact details**

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## How good is the service?

### What has the service aimed to achieve?

- 11 Severnside Housing is a not for profit company, limited by guarantee, registered social landlord which resulted from the large scale voluntary transfer of the housing stock from Shrewsbury and Atcham Borough Council on the 1 October 2001.
- 12 Severnside Housing provides 5307 homes with some 82 per cent being located in urban areas and 18 per cent in rural locations. Over 98 per cent of homes managed remain coterminous with the area covered by Shrewsbury and Atcham Borough Council. The Association has 20 sheltered housing schemes with residential scheme managers.
- 13 Severnside Housing employs 242 full-time equivalent posts. One hundred and ten of these posts are located in the Association's in-house repairs and maintenance arm, Severnside Housing Property Services (SHPS). The association has a turnover of £16 million with a loan facility of £92 million. The housing stock was purchased for £63 million and the balance of the loan facility is being used to finance improvements to stock condition with a 40 year business plan in place. The annual establishment budget for 2005/06 is £5 million, the development budget is £6.3 million, the responsive repairs budget is £3.7 million, and the planned maintenance budget is £8.5 million.
- 14 The purpose of the Association is 'making a positive difference'. This is supported by a set of aims and values. However, there is an overall lack of corporate plans and strategic direction and therefore it is difficult to determine what the priorities and aims of the Association are.
- 15 Severnside Housing is regulated by the Housing Corporation. The association was made a supervision case by the Corporation in December 2005 citing 'serious concerns about governance and management'. Since that point a new Chief Executive has been appointed and statutory appointments have been made to the Severnside Board to strengthen governance in the organisation.
- 16 The focus of work since stock transfer has been to meet the original transfer promises. These included the promise to 'spend £25 million on improvements through planned maintenance works by 2008'.

## The service

- 17 Services are currently split between two directorates - commercial (finance, IT, property services and asset management) and services (all housing services). There have been a number of senior staff changes over the last 18 months, and there are currently a number of senior positions which are filled on an interim basis. A new Chief Executive was appointed on 3 January 2006.

## The customers

- 18 Severnside Housing does not have a clear tenant profile to enable it to understand the characteristics of its customers. A tenant satisfaction survey was carried out at the end of 2005 which included collecting information about diversity, and the profile of tenants. The information from this survey was available at the time of the inspection, but was not fully collated.

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

### Access and customer care

- 19 There is an area where weaknesses outweigh strengths. There are weaknesses as the Association does not have a clear vision about how services should be delivered, there are restricted opening hours preventing users from accessing services at times convenient to them and a lack of service standards. Positive features include the new customer contact centre which is dealing with a large percentage of calls to conclusion which frees up other staff. In addition, there are good reception facilities and effective complaints handling.
- 20 The Association does not have clear and consistent leadership in providing a customer focus to access and customer care issues. There is no overarching access and customer care strategy and a lack of a clear vision for how customers should be signposted into services. For example, staff are unclear about the use and function of the website and there are no plans in place to extend its use further. Whilst individuals demonstrate reasonably high customer care standards, this is not strongly enough part of the organisation's culture. This does not provide a framework for staff to work within, and does not provide users with co-ordinated services.
- 21 Severnside Housing does not have a comprehensive set of service standards in place that have been agreed with tenants. There are some basic standards around telephone answering, dealing with calls at the first point of contact, and agreeing timescales with customers. However, these are not specific or measurable and do not cover all services. For example, there are no service standards in place for the aids and adaptations service. This inhibits the ability of users to challenge the level of service that they are receiving, and does not set an adequate framework for staff to operate within.

- 22 There is a lack of monitoring in place for those service standards that are in existence. The absence of specific standards across a range of services undermines the ability of the Association to effectively determine the quality of service being provided.
- 23 Severnside is not providing services that are available to all users as opening hours are restricted. For example, the customer service centre closes at 5.00pm on Monday to Thursday and 4.30pm on Friday. The out-of-hours service that is then operational is not set up to deal with a full range of customer issues. The main office for customers to visit at Brassey Road has similarly restricted opening hours. This would make it difficult for a tenant working traditional hours to access Severnside's services.
- 24 The Association has taken steps to provide a well-organised customer contact centre as the point of first contact for tenants through the telephone, albeit with limited opening hours. Staff use scripts to provide a framework for service delivery, and are exceeding a target of seeing 80 per cent of telephone enquiries through to conclusion. Scripts are reviewed monthly and adjusted to ensure best practice is achieved. Telephone answering times are performing reasonably well with 84 per cent of calls answered within a target time of 20 seconds in December. There is some evidence of the service being proactive in making the best use of resources whilst the service user is in contact, for example, raising concerns about rent arrears if customers call about other issues. This is providing users with a well-organised and accessible point of initial contact.
- 25 The association is providing good quality reception facilities at the Brassey Road offices. This location is central to Shrewsbury where over 82 per cent of the housing stock is located. The publicly accessible offices here are compliant with the Disability Discrimination Act, have private interview facilities, induction loops and distraction toys for children. They are staffed by welcoming and professional staff and there is a range of information on display along with general information being shown on a large TV screen.
- 26 Severnside Housing has not fully explored the effectiveness of its telephone contact arrangements. Neither freephone nor low call rate telephone numbers are used. The association has decided to encourage more tenants to use the customer contact centre as the main point of first contact, but has not specifically explored with tenants their preference for the use of cheaper telephone rates. This can make out-of-hours reporting of repairs difficult, and does not provide a focus on customer care.
- 27 Severnside Housing has not used IT systems to ensure that out-of-hours services are consistent with services delivered during the day. For example, the customer service centre has access to diagnostic software to ensure that repair details are obtained in a systematic way at the point of contact. However, the out-of-hours service does not have this facility, nor any access to property records or details. At times, emergency calls have been passed onto Property Services for repair to be undertaken to properties not in Severnside's ownership. This is resulting in inaccurate diagnosis of repair requests and is not providing a high level of service for customers.

- 28 The Association does not have a fully effective website or a range of IT services based around internet access. The existing website has limited interactivity, there is missing information, for example, on repairs services, and little information promoting or marketing difficult to let properties. This is a missed opportunity to utilise e-government principles in the provision of services, and restricts the ability of existing and potential service users to access Severnside's services.
- 29 The Association does not have a systematic approach to the use of satisfaction surveys to help it tailor services to customer needs. For example, the aids and adaptations service and housing income management are areas which are not covered by surveys. This restricts the ability of Severnside to develop and tailor services to customers' needs.
- 30 The Association is not involving all service users and stakeholders in evaluating the service provided and determining standards and priorities for improvement. There is a traditional approach to resident involvement with an over reliance on the Severnside Tenants Action Group (STAG) which, whilst open to all tenants, is not fully representative. There is a lack of wider engagement with the wider tenant community and external partners and stakeholders report a lack of involvement in service development and influence. This prevents the Association from determining all user priorities in a meaningful way.
- 31 The effectiveness of Severnside's approach to disseminating information to existing and potential service users is undermined by the lack of a systematic approach to having no systematic way of ensuring that written information is available at partners' and stakeholders' offices. For example, no information about Severnside's services was on display or available at the local Citizens Advice Bureau or the offices of Shrewsbury and Atcham Borough Council. This prevents possible service users having access to up-to-date information about what they can expect from Severnside Housing.
- 32 The existing tenants handbook provided to all tenants is weak. It is printed in a small font size, is not capable of being updated by having a format that allows the insertion of new information, and has missing information. For example, there is little information about debt services and counselling, or aids and adaptations services. In addition telephone numbers contained in the handbook are now out-of-date. This does not provide tenants with clear, easily accessible information about the services that they can expect to receive from their landlord.
- 33 There is a lack of awareness in Severnside about who is using its services and who is not. There is no systematic analysis of service usage, or any appropriate reaching out to tenants who may not have used services for some time. This limits the understanding of the Association to tailor services to meet user needs or to identify issues of vulnerability.
- 34 Action has been taken by Severnside to ensure that staff are providing a customer-focused service. There are good training arrangements in place, for example, all staff have recently been trained in customer care and training has been provided in working with the scripts set up in the customer care centre. This ensures that staff are aware of the level of customer care expected by Severnside Housing.

- 35 Efforts are being made by Severnside to take services out to customers. For example, surgeries are being held on major estates where front line staff are present to answer queries, repair requests, receive reports of anti-social behaviour and general concerns. This service is working well, and provides uses with options for how they wish to interface with Severnside
- 36 There are some good examples of Severnside providing quality written information to tenants. For example, details of the new lettable standard are included in a clear and informative leaflet and good quality newsletters are produced in conjunction with STAG. This shows a willingness to provide information that is useful to tenants.
- 37 Severnside Housing is providing an effective framework to deal with tenant and user complaints. There is a published complaints procedure and our examination of case files on complaints showed that this was being followed in practice. Compensation arrangements are in place for poor service delivery and actions taken are recorded. This ensures that tenants can have confidence when making complaints to Severnside that they will be dealt with in accordance with the published procedures.

## **Diversity**

- 38 Diversity is an area of weakness for Severnside. There is lack of leadership, of clear plans and strategies, and a comprehensive understanding of the customer profile. There is a substantial backlog of major and minor aids and adaptations work and an absence of clear information for people for whom English is not a first language, and for vulnerable people. There are some positive features of the Association's approach to diversity, for example, buildings comply with the requirements of the Disability Discrimination Act, all staff have had training on equalities and diversity, and the approach to domestic violence is appropriate and supportive.
- 39 There is an overall lack of clear and consistent leadership in the promotion of equal opportunities and diversity to ensure that legislative and good practice requirements are being addressed. There is an absence of strategy around diversity issues. For example, the Association does not have a black and minority ethnic housing strategy, and the Association is unaware of whether it complies with the Commission for Racial Equalities (CRE) Code of Practice for Rented Housing or the requirements of the Housing Corporation's Good Practice notes four and eight. This leaves staff and the organisation vulnerable to allegations of providing discriminatory services, and does not provide an effective framework to ensure that service delivery is tailored to local needs.
- 40 There is an overall lack of awareness about the local context within which Severnside Housing operates. It does not have a full profile of its tenants, beyond basic census information, although a tenant satisfaction survey carried out at the end of 2005 is now providing some baseline information. This prevents the Association from ensuring that services are tailored to local needs and aspirations.

- 41 The Association is not catering for people for whom English is not the first language. Not all leaflets have straplines indicating the availability of written information in differing languages. Those leaflets that do have a translation strapline limit this to Chinese, Arabic and Welsh, although it is not clear how these languages fit with local need or context and there has been no systematic evaluation of the needs of the local community. This limits the effectiveness of all of the written information provided by Severnside in addressing the needs of all sectors of the community.
- 42 The association does not have a focus on providing a prompt and effective service to older people and people with disabilities. Requests for both major and minor aids and adaptations are taking much longer to complete than good practice recommendations made by the Office of the Deputy Prime Minister (ODPM). For example, a tenant has been waiting since April 2002 for disabled facilities grant work to be completed, and a tenant has been waiting since June 2004 for minor adaptation work to be completed. This puts vulnerable tenants at risk of injuring themselves at home, and does not ensure that tenants can continue to live independently and safely.
- 43 Severnside Housing is not making good use of the website in getting information to vulnerable people, and diverse sectors of the community. There is little information on the website about the level of service that people can expect to receive on the aids and adaptations service, and a lack of information on translation services or information in other formats. It is, however, positive that the website has been externally validated to ensure that it complies with best practice guidelines for people with visual impairments.
- 44 There is an inconsistent approach to the collection of diversity information on surveys undertaken by Severnside. For example, there are differing ethnic origin definitions used, and differing requests for information. This prevents the Association from having a clear and consistent input of data to ensure that services meet local need and context.
- 45 The Association is not taking a comprehensive approach to ensuring that contractors and consultants are meeting good practice requirements on diversity. Whilst some basic information is asked for within contract documentation this is very limited and does not ask for the staff profile, and does not ensure that the contractor is committed to Severnside's legislative and good practice requirements. This prevents the Association from ensuring that services are delivered on an equitable basis to all customers.
- 46 There are gaps in the procedures in place for dealing with harassment at Severnside. For example, there is not separate guidance in place to deal with racial harassment. There is a section in the overall harassment policy and procedure documents but this does not give a clear statement of intent or give this issue prominence. This prevents staff from having clear and robust guidance on dealing with racial harassment in an effective manner.

- 47 There has been a lack of leadership on diversity issues in Severnside. For example, diversity training has not been provided to all board members, although sessions have been provided to some. This does not show a high level of commitment by board members in promoting a diversity aware culture.
- 48 The profile of staff in Severnside does not reflect either the local, regional or national profiles on disability. There are only 0.8 per cent of staff with a declared disability against a local figure of 4.6 per cent. However, the ethnic profile does broadly reflect that of Shrewsbury and Atcham with 98.7 per cent of staff being white against a local figure of 98.4 per cent.
- 49 It is positive that diversity training has been provided to almost all Severnside staff. It is included in the induction training that all new staff are required to participate in it. This ensures that staff have a common understanding of the requirements of the Association in dealing with diversity.
- 50 There are some strengths apparent in the Association's overall approach to diversity issues. Both the Brassey Road offices and the Knights Way depot have been audited for DDA purposes and work identified as necessary to ensure compliance has been completed. Some documents and newsletters are available in large print and on audio tape, and posters advertising a national translation service and promoting the reporting of race and hate crime are on display in reception. This positive work is providing an impact for some customers with diverse needs and shows commitment for the diversity agenda from some parts of the organisation.
- 51 The association is taking a proactive stance on dealing with issues of domestic violence. There is information on display on what advice and assistance can be provided and staff showed good awareness of the issues and were survivor-centred in their approach. There has been new information put onto the Association's website on domestic violence and there is evidence of multi-agency support being in place. This is providing a positive framework to tenants of Severnside to, where appropriate, maintain settled family groups and give support and advice to people experiencing domestic violence.
- 52 The successful approach to dealing with domestic violence is also replicated in positive outcomes for vulnerable people on Severnside's floating support service. This is giving good levels of support for a range of client groups enabling tenancies to be sustained, and ensuring that vulnerable people are appropriately supported.

## Stock investment and asset management

### Capital improvements, planned and cyclical maintenance, and major repair works

- 53** Overall, weaknesses outweigh strengths in Severnside Housing's capital improvements, planned and cyclical maintenance and major repairs work. There is a lack of focus on achieving the decent homes standard, outcomes for tenants in energy efficiency are weak, and the focus of performance against the stock transfer promises made to tenants has been on expenditure not successful outcomes. There are some strengths in the service. These are having effective control of the existing programme, there are good choices provided to tenants, a five-year cyclical painting programme, and good use of materials.
- 54** The Association does not have a clear and comprehensive asset management strategy in place which would set the overall context of maintaining and improving the housing stock in conjunction with a corporate plan. This absence means that there is a lack of clarity about the effectiveness of existing and past expenditure, and no effective framework in place to ensure that future expenditure will have the most impact for tenants.
- 55** Whilst the Association is on track to exceed the promise to spend £25 million that was made when stock transfer took place in 2001, there is a complete lack of evidence to determine whether expenditure has been targeted on the things that matter most. The Association does not have a focus on meeting the national priority of achieving the decent homes standard (DHS) by 2010, and it does not know whether it will achieve this or not. Since transfer the Association has continued to aim to meet the promises made to tenants on providing replacement doors and windows. Currently, the Association is in the worse performing 25 per cent of housing associations nationally with 43.36 per cent of the stock failing the DHS. This is despite the Association having spent £21.6 million on capital improvement work, or an average of £4,070 per property, since October 2001. This shows that the Association is not focused on meeting national priorities or in ensuring that all tenants live in well maintained homes.
- 56** Severnside does not have a focus on providing tenants with homes that are easy to heat or thermally efficient. The average standard assessment procedure (SAP) rating for the housing stock is 56 which places the Association in the worse performing 25 per cent of housing associations nationally. The focus of expenditure since stock transfer took place has been the replacement of windows and doors; however, this makes little difference to the thermal efficiency of individual properties. Severnside has not had a focus on improving heating systems systematically across the whole housing stock. There has been no prioritisation of central heating replacements and there is no systematic boiler replacement programme. This means that tenants are living in properties that are difficult and expensive to heat, with a lack of plans and strategies to address this.

- 57 The Association has been able to attract inward investment to ensure that properties are being given additional thermal insulation. This programme is currently underway, and is due to be completed by the end of 2007. This programme is part funded by a national fuel supplier, and by the end of 2007 all properties will have loft insulation that meets building regulation requirements and cavity wall insulation where possible. This will ensure that the currently low SAP rating will rise, thereby ensuring that homes are easier and cheaper to keep warm for all tenants.
- 58 The Association does not have effective and agreed arrangements in place to deal with asbestos within the housing stock. Although some information is recorded on the stock condition database this has not been done in a systematic way based on a full survey. Information on the presence and location of asbestos is not being printed on job tickets and internal information on the subject is contradictory. This prevents the Association from ensuring that it complies with legislative requirements on the control and use of asbestos and potentially puts operatives and tenants at risk.
- 59 Severnside does not have an agreed plan in place to deal with difficult to let bedsit accommodation, although it is acknowledged that the Association has a low percentage of this accommodation, and a low number of properties defined as being hard to let. Some properties are proving difficult to let and are declining in popularity as aspirations of potential tenants rise. However, the Association does not have any effective plans in place to ensure, for example, that long-term planned maintenance work is not carried out at properties which may have a very limited future, requiring remodelling, redevelopment or demolition. This prevents the Association from making best use of resources and does not provide an effective framework within which staff can operate effectively
- 60 There is effective managerial control of planned and cyclical works. Good contractual arrangements are generally in place, with high levels of customer satisfaction being achieved. There are some good examples of customer care being provided through contractual arrangements, for example, on the recently awarded contract for kitchens and bathroom replacement work tenant liaison officers are being employed by the contractor to ensure that effective communications on the timing and content of work occurs with tenants. This shows a commitment to effective communication with tenants.
- 61 The Association has good stock condition information in place, however, this is not being used effectively to inform and prioritise improvement works. The survey was based on a 100 per cent survey of the stock that was carried out in 2003. In addition, there are concerns about the updating and control of this information. Internal audit reports show that there have been identified weaknesses in data maintenance and yet action plans to address this concern are absent. This undermines the validity and confidence that the Association can place on this information which is the cornerstone of any future asset management plans and strategies that may be formulated.

- 62 The Association provides a good level of choice of worktops, kitchens, layout and finishes in the planned maintenance and capital improvement schemes that are undertaken. These choices have been developed with tenants and are well publicised, monitored and worked through with individual tenants. This shows a high level of customer care which will give individuals ownership of decisions affecting the homes in which they live.
- 63 Severnside regularly consults with tenants, via STAG, on the type and quality of materials used in the planned maintenance and capital improvement programme and this is a strength. However, the arrangements to ensure that there is consideration of both quality and price are less well formulated. For example, there is no agreed basis on which to assess the balance of price and quality and recent proposed changes to kitchen supplier appear to have been rejected by tenants even though substantial savings could have been made without any loss of quality. This limits the effectiveness of current tenant involvement arrangements and prevents both the Association and STAG having an effective and agreed means of consultation in place.
- 64 The Association has a well-organised and managed cyclical painting programme in place. This work is carried out on a five-year rolling programme, and is undertaken by external contractor that was selected through a competitive tendering process. This will ensure that the condition of external elements of properties that are subject to deterioration will be maintained in the long-term.

### **Responsive repairs**

- 65 The responsive repairs service is an area where weaknesses outweigh strengths. Performance is good in dealing with emergency work, but less so on urgent and routine repairs. There is a lack of focus on getting jobs done right first time and high levels of emergency and urgent work are being undertaken which is a poor use of resources. Out-of-hours and appointment arrangements are not well managed or resourced. Too many repeat visits are made for the same problem, and there is a lack of attention to providing value for money to tenants. The strengths are that there are high levels of tenant satisfaction with the service, good quality materials used on site, and some effective control of the work force bringing benefits to tenants.
- 66 The Association is not providing a fully effective responsive repairs service. Whilst repair reporting is convenient and generally handled well, all work is then given to the Association's in-house provider - Severnside Housing Property Services (SHPS) for effective completion, where there are substantial weaknesses around working practices, value for money, and getting jobs done right first time which prevent this from being a high-quality service.
- 67 Performance against responsive repair targets is not effective in all areas. For example, whilst performance in emergency repair categories is consistently meeting targets, performance on urgent and routine categories is less effective. Performance during 2005/06 has fallen from that in 2004/05 in urgent and routine categories - to the end of December 2005 only 88 per cent of urgent work was done within set target timescales and only 90 per cent of routine work. This does not provide tenants with a reliable responsive repair service.

- 68 Severnside Housing does not have a focus on getting repair jobs done right first time, or in getting an accurate diagnosis of what is required prior to operatives attending tenants' homes. Around half of all reported repairs are subsequently subject to variation orders, requiring operatives having to ring their line managers to get agreement to undertake additional work that is not set out on job tickets. Recent instructions to operatives require permission even for simple variations - for example, to replace ten meters of fencing would require operatives having to ask permission if the job ticket stated 'replace nine metres of fencing'. This is time consuming for operatives and is not providing an effective service for tenants.
- 69 The Association has substantial numbers of uncompleted repairs. Reports show that over 1,000 responsive repair jobs were on the housing management IT system as 'outstanding and not completable within target'. It is not clear who how this information is produced, and there is confusion about its accuracy and validity. This does not provide a high level of service for tenants and increases the potential for small repair items to progress to large repairs.
- 70 Severnside is not meeting Audit Commission guidance in the levels of emergency and urgent work. During the first nine months of 2005/06 financial year, 54.8 per cent of repairs jobs were in emergency and urgent categories - emergency repair jobs alone accounted for 22.6 per cent of all repairs. Both of these categories far exceed best practice recommendations of 30 per cent (combination of emergency and urgent) and 10 per cent (emergency) respectively. This does not show a focus on achieving value for money for tenants and indicates that there are substantial failures of property attributes in tenants' homes causing disruption and inconvenience.
- 71 The Association is failing to diagnose repair requests correctly at the point of contact via the existing out-of-hours service. All calls are routed through to the alarm monitoring centre when the customer service centre is not in operation but this facility does not have access to diagnostic software or property records as there is no IT link with the main housing management IT system. Therefore, all repair requests received by this service are perceived as being emergency or urgent and are passed onto SHPS operatives. This does not provide a consistent service for all tenants and is wasting scarce resources.
- 72 The Association is not providing a customer friendly means of reporting repairs. The out-of-hours service is not set up to take repair requests when the CSC is closed and repairs cannot be reported on line. This restricts the ability of tenants to report repairs in the ways in which they would prefer, and makes repairs reporting for a tenant working traditional hours difficult to achieve.
- 73 Repair appointment arrangements for responsive repairs are not working well. There is a lack of specific written information about what tenants can expect to receive. Appointments are offered on an am/pm basis when the initial repair request is received, but this is not performing adequately. There are too many repeat visits being made to tenants' homes to finish work, too many repairs miss their target times, and the Association is in the worse 25 per cent of housing associations nationally on the percentage of repair appointments made and kept. This causes inconvenience for tenants and does not provide customer-focused services.

- 74 The Association is not systematically analysing the reasons for the high level of responsive repairs currently being undertaken. Although £21.6 million has been spent on the housing stock since 2001 in capital improvements and planned maintenance, expenditure on responsive repairs in 2004/05 was higher than in 2002/03. Severnside is unable to identify why this is the case. Neither has the Association undertaken any systematic analysis of why substantial repairs are being carried out at individual properties. For example, a property at in Shrewsbury has received 49 repairs during the 2005/06 financial year, and over 1000 properties have had more than ten repairs in the same period. This does not provide assurance to tenants that planned works are effectively improving their homes, and is not a good use of resources.
- 75 Severnside is not using its property inspectors in an appropriate and efficient way to bring benefits to the service that tenants receive. At least 22 per cent of all repairs are pre-inspected by Severnside inspectors, and yet this still results in substantial variations to repair requests. Around 7 per cent of repairs are post-inspected, and whilst this has increased recently, there is still a lack of focus on ensuring that tenants receive a quality responsive repair service by effectively monitoring the work completed.
- 76 There are some strengths in the responsive repair service. Tenants' responses show a high level of satisfaction with the service that they receive. The quality of materials used on repairs is good, and all SHPS staff have received customer care training. All operatives wear uniforms and have identification, have 'tracker' vehicle location equipment on vans, and retain imprest stock of commonly used components on their vans also. This enables operatives to operate effectively with good levels of customer care, and managerial control to ensure that tenants receive a professional service.

### **Void repairs**

- 77 Severnside's void repairs service is weak. It does not bring properties back into a lettable condition rapidly enough to ensure that rent loss is minimised or so that properties can be re-let to tenants in an area of high housing demand and need. There is a lack of policy and procedure, too much expenditure is wasted on the use of steel cladding and performance overall is poor.
- 78 There are some strengths in the void repair service. A new lettable standard was agreed with tenants during 2005, and clear and user friendly information is now provided to new and prospective tenants. This lettable standard has been costed by the Association and agreed within existing business planning.

- 79** The service lacks robust policy and procedures with challenging timescales to turn properties around more rapidly. Although there has been a recent review of existing procedures these still lack challenging targets that will enable managers to monitor voids more effectively and to address under performance. There is a tendency, as a result of this, for departments to suggest that delays in re-letting properties lie elsewhere. There are numerous examples of interdepartmental administrative issues that are preventing an organisational wide focus on getting properties re-let. For example, there is only one void inspector and due to holidays and sickness absence there were 16 outstanding void inspections awaited during week commencing 16 January 2006 that had not been carried out. This is preventing the Association from working out what needs to be done to bring properties back into a lettable state.
- 80** There is a lack of focus in ensuring that targets for void repairs are met. Currently all void work is given to the in house repairs provider Severnside Housing Property Services (SHPS) yet this organisation has been consistently unable to meet void targets. There are many other contractors who would be able to undertake this work, but there has been no decisive action to give work to firms that would be able to meet targets. For example, only 61 per cent of void repairs have been done within target during 2005/06. This poor performance is increasing Severnside's rent loss and preventing people in housing need in the area from accessing good quality accommodation.
- 81** Severnside is wasting money and potentially blighting areas by the indiscriminate use of steel cladding on empty properties. Policy and procedure allows the use of steel cladding in certain circumstances, but through custom and practice Severnside staff now routinely use it on most void properties. In the first nine months of 2005/06 the Association has spent over £50,000 on steel cladding for voids. This is largely unnecessary expense and negative impact on the visual appearance of estates.
- 82** The poorly performing voids repair service is contributing to poor re-let times within the Association. It took, on average, 43 days for Severnside to re-let general needs properties in 2004/05 which places the Association below average. Given the context of the area, with high overall demand for properties and substantial numbers of people in temporary accommodation this performance is unacceptable.
- 83** It is positive that the Association is assessing the views of new and potential tenants. Refusals of offers are being monitored and this shows that very few properties are refused on the basis of condition. This indicates a focus on providing a good quality home at the point of letting.

- 84 The Association has put in place good arrangements to ensure that gas and electricity supplies are available when tenants move in. Rather than the tenant having to determine which supplier of these services to contact, the Association has contractual arrangements with a national fuel supplier who agree to supply the new tenant at the start of the tenancy at a competitive rate. Tenants can then choose to switch suppliers if they wish after 28 days. The supplier pays a small commission to the Association for each tenant who signs up to this facility. This enables gas and electricity to be available at the start of the tenancy and speeds up the gas and electricity safety checks that the Association undertakes.

### **Gas servicing**

- 85 Gas servicing performs well and is a strong area of service delivery for Severnside Housing. There is a high level of performance in ensuring that statutory landlord requirements to service every property on an annual basis are met, and there are good quality control checks taking place. The Association deals effectively with solid fuel appliances and there is a focus on providing customer care.
- 86 Overall, there is a very strong performance in meeting statutory landlord requirements and servicing all gas appliances within twelve months. At week commencing 16 January 2006 only one property service was outstanding and legal action was in progress against that tenant. This shows that the Association is taking its responsibilities seriously and ensuring that tenants are not put at risk through living in properties with unserviced or faulty gas appliances.
- 87 The Association has effective contractual arrangements in place with an external company which is contributing towards the strong performance levels being achieved. There are long-term contractual arrangements in place until the end of 2008, and close working relationships with the contractor to ensure that a high level of performance is maintained. This is indicated by having an arrangement to undertake a combined smoke alarm check when gas servicing is being carried out. This provides tenants with the reassurance that they can have confidence in both gas appliances and smoke alarms in their homes.
- 88 There are effective arrangements in place for quality checking and monitoring the gas servicing programme. The contractor undertakes a random selection of 10 per cent reported quality control checks, and this is further monitored by arrangements with an independent external monitoring company. It is through this process that random checks of paperwork, record keeping, qualifications and quality of work are undertaken. This shows an effective mechanism to be in place ensuring compliance with statutory landlord requirements.
- 89 Effective communication with tenants is contributing to the high level of performance being attained. For example, there are customer-focused appointment arrangements with the contractor agreeing to attend tenants' homes in the early evening or at weekends to ensure that servicing takes place. This arrangement has been agreed with the contractor at no extra cost and shows a focus on providing services which are accessible to all tenants.

- 90 There are effective arrangements in place for servicing the substantial number of solid fuel appliances in the housing stock. In conjunction with the existing contractor procedures are in place to ensure an annual service of solid fuel appliances takes place with the contractor also employing a registered chimney sweep to make sure that chimneys are clear and properties well ventilated. This provides tenants with the assurance that they can use solid fuel appliances safely.
- 91 The Association has good collaborative arrangements in place on smoke alarms. All properties have battery operated smoke alarms and batteries are changed when gas servicing is undertaken. This arrangement has been negotiated with the gas servicing contractor at no extra cost and provided a good level of customer care for tenants.
- 92 There are some weaknesses in gas servicing arrangements. Written information provided to tenants on sleeping in rooms with gas appliances is not clear and does not comply with advice given by the Health and Safety Executive. There are some inaccurate statistics being provided to the executive team on understating the performance on gas servicing and the level of outstanding properties which is confusing. This lessens the effectiveness and clarity of reporting arrangements.

### **Aids and adaptations**

- 93 The service experienced by Severnside tenants requiring aids and adaptations is poor. There is a substantial backlog of uncompleted major and minor works, and a lack of published service standards. The delivery of the aids and adaptations programme is a partnership between Severnside Housing, Shrewsbury and Atcham Borough Council and the county council occupational therapist service. Severnside Housing does not therefore have complete control of the whole process. However, responsibilities for delays in the process are unclear and there is a lack of effective reporting. The multi-agency approach to providing these services is not effective and there is a lack of prioritisation for vulnerable people.
- 94 There is a lack of published information or service standards indicating what level of service tenants can expect of the aids and adaptations service. There is also a lack of clarity in published information about the role of the local authority and its mandatory requirement to provide disabled facilities grants (DFGs) and what this means for Severnside tenants. Therefore, it is not clear to tenants of Severnside where the overall responsibility for poor performance lies.
- 95 There is a large and historic backlog of both major and minor aids and adaptations. In total there is a backlog of around £770,000 of outstanding works, with a combination of minor works of up to £1000 which are funded by Severnside and DFG work which is funded by Shrewsbury and Atcham Borough Council. Irrespective of the source of funding vulnerable people are having to wait unreasonable periods of time to get vital work done to their homes to enable them to live independently and safely. As at week commencing 16 January 2006, tenants have been waiting up to four years for major works and up to 18 months for minor works to be carried out, with a total of around 250 people waiting for aids and adaptations work to be completed. This is putting the lives, the independence and well being of vulnerable people at risk.

- 96 Severnside is not clear and open with tenants about the length of time that they will have to wait for aids and adaptations work to be carried out. Tenants are not kept updated on the progress of their application, despite Severnside employing a dedicated manager to oversee this work. Neither are tenants openly told of the possible delays that are being incurred so that they could determine whether to make other personal arrangements to ensure that they can maintain independence.
- 97 Severnside is not effectively monitoring the whole customer experience in the aids and adaptations service. For example, it only records the application as being 'live' when referral from the County Council Occupational Therapist service is received, rather than, more appropriately, when the tenant first applies for assistance. There are no 'fast tracking' arrangements in place, ensuring for instance, that minor adaptations get completed where the need is clear, without delays in waiting for an OT assessment. This prevents the Association from having a complete understanding of the service from a customers' perspective, or in providing rapid services to vulnerable people.
- 98 Severnside Housing is failing to maximise expenditure of allocated budgets. Despite having a substantial backlog of work, the Association underspent against its own budget in 2004/05, with only £39,000 being spent against a budget of £50,000 during this period. This is an unsatisfactory performance as the whole process from application, to budget allocation, to completion is under its own control, with the work required being undertaken by SHPS. This is preventing tenants with disabilities from receiving an effective and rapid service on minor adaptation work.
- 99 The association does not have effective policies and procedures in place to deal with the whole range of aids and adaptations. For example, procedures for dealing with minor works do not provide clear targets on timescales responsibilities or procurement arrangements. There is a lack of clarity about the use of external bodies such as care and repair and no effective mechanisms to ensure prioritisation of urgent cases or work for people who are terminally ill. Managers cannot effectively ensure that services are being provided within a set performance management framework and also lessens the quality of service being provided to vulnerable people.
- 100 There are no published service standards in place. Some internal guidance is given but potential users of the service would not be clear about what they should expect to receive. In addition, there is a lack of performance reporting both externally and internally setting out in a transparent way the level of performance currently being given to tenants to ensure that responsibility and delays in provision between the Association, the local authority and the county council social services occupational therapist service can be properly determined.
- 101 Severnside is not ensuring that adapted homes are offered to, or promoted to people with disabilities who need them. There is no adapted property register in place, and a lack of promotion of suitable adapted properties. This is not making best use of the housing stock or minimising the need for additional aids and adaptations.

- 102** There are no formal procedures in place for recycling of aids and adaptations equipment. Some stair lifts are removed and stored by a stair lift supplier but this is an ad hoc arrangement, and does not ensure that best use is being made of scarce resources. The lack of formal allocation and letting arrangements to ensure that people with disabilities are matched with suitably adapted properties is a further weakness in this area. This does not show a focus on meeting the needs of people with disabilities or in providing a cost effective and prompt service.

### **Housing income management**

- 103** Housing income management is an area with a balance of strengths and weaknesses for Severnside Housing. Overall collection rates are good, with convenient payment methods in place. Rent statements are clear and helpful, there are good working relationships with the local authority's housing benefit services, and the county Supporting People team. Weaknesses include a poor performance on collecting former tenant arrears, a lack of an overarching income collection strategy and poor outcomes for tenants needing debt and benefits advice. Supporting People services are being subsidised with no effective strategy being in place to address legacy funding issues.
- 104** The Association has good overall collection rates. In 2004/05, 101.6 per cent of general needs rent was collected which places Severnside in the top performing 25 per cent of housing associations nationally. During the same period, 103.8 per cent of supported housing income was collected again placing Severnside in the top performing 25 per cent of associations.
- 105** Severnside provides comprehensive information to all service users that clearly describes the Association's rent and service charge setting policy, and how rents and service charges are collected. The Association is still within the five-year rent guarantee period following housing stock transfer and is therefore currently constrained in its ability to review, or impose changes to rents or service charges.
- 106** The Association provided tenants with cards to enable payments to be made at post offices and other participating shops. This is popular and works well. Tenants can also pay by bank standing order, cash at reception or cheque. However, there is not a full range of payment methods as currently the Association is unable to utilise direct debit arrangements or allow tenants to pay online via the internet. The implementation of this efficient arrangement, which has been repeatedly delayed due to IT problems, is a weakness preventing tenants paying by the most cost effective means.
- 107** The Association has analysed and understands the respective relative costs of existing payment methods and there is some encouragement for tenants to pay by standing order. This shows some focus on providing accessible income collection arrangements.

- 108 It is positive that the Association has in place a comprehensive arrears procedure. This sets out roles and responsibilities and nine stages for action which are escalated via the housing management IT system. It emphasises the need for early, regular and personal contact. It stresses the need to reinforce the importance of paying rent at sign-up as well as completing a calculation of likely housing benefit entitlement. This is well used by staff and procedures are being consistently and effectively applied resulting in good levels of customer care. This ensures that tenants receive clear and up-to-date information in writing about their current arrears position and enables them to take action where required.
- 109 There has been effective consultation with tenants, via STAG on the style and content of arrears letters and rent statements. This has resulted in clear and concise arrears letters and rent statements. Rent statements are sent out on a quarterly basis and contain useful information on the reverse explaining the content and giving information about payment methods. This provides tenants with a clear understanding of their payment record on a regular basis.
- 110 There are highly effective working arrangements being maintained with Shrewsbury and Atcham Borough Council on the payment of housing benefit (HB). There is a HB service level agreement in place which is renewed annually and HB is not adversely affecting the overall arrears level of Severnside. This ensures that tenants do not accrue arrears inappropriately while waiting for HB administration to be completed.
- 111 There are positive working relationships with the county level Supporting People (SP) team at an operational level. This ensures that operational issues around SP grants, service charges and budgetary considerations are being considered at an early stage at an operational level. Grant payments are made in a timely way, and while there are reconciliation issues, the Association's staff are working hard to resolve these in close liaison with the county council. Staff are therefore able to alert the organisation more widely about factors relating to SP services.
- 112 The Association is incurring a deficit on SP funded services without having a realistic or agreed plan in place to address this. There is currently a SP grant shortfall of £1.94 per week for service users in sheltered housing and £0.15 per week for customers with alarms. While the Association has chosen not to collect this from service users, there are difficult decisions ahead, as there is potential for the shortfall to rise due to reduced funding. This will have an impact on service users and if not addressed on the financial viability of the Association.
- 113 There are weaknesses in the Association's approach to housing income management despite the high collection levels. For example, there is a lack of an overarching income management or money advice strategy. This does not ensure that services are accessible, equitably delivered or providing easy access to high-quality sources of advice.

- 114** The Association does not fully understand how effective existing income management arrangements are, or whether they are fully meeting the needs of all tenants. Severnside does not carry out any bespoke satisfaction surveys on income collection, and does not monitor service delivery by diversity categories. It cannot, therefore, evidence whether services are appropriate for tenants, or whether they are being delivered equitably, for example, whether any particular categories of tenants are more likely to be evicted for rent arrears than others. This fails to ensure that services are being provided that meet customers needs.
- 115** Existing money and debt advice services do not provide Severnside tenants with an easily accessible and user focused means of minimising debt and maximising income through benefit advice. Staff do verbally signpost tenants to the Citizens Advice Bureau (CAB) in Shrewsbury, but there is an over reliance on this service which has stretched resources and is unable to provide prompt interviews for Severnside tenants in debt. There is a typical waiting time of six to eight weeks for an interview. Severnside does not have a formal SLA with the CAB, does not provide any direct funding to the service, and does not employ its own money or benefit advisor. Current standard rent arrears letters fail to signpost tenants to the CAB. This does not provide tenants in debt with an effective source of independent advice, and means that lower level cases are not receiving timely advice to prevent problems from escalating.
- 116** There is a lack of effective measures in place to ensure that former tenant arrears (FTAs) are collected. There is a lack of accurate information on collection levels of FTAs, and the Association has not used effective procurement measures to determine the most effective way to recover former tenant arrears. Since the start of the current financial year FTAs have increased from a total of £105,850 to £166,507 without any clear information on collection levels. This does not show a focus on maximising income collection and affects levels of financial viability.
- 117** Performance management and monitoring arrangements for housing income collection are flawed. There are gaps in information provided to the executive team, for example, on the levels of arrears and the overall number of tenants in arrears. This situation has occurred through ineffective implementation of the IT system. There are circumstances where staff have to engage in time consuming manual arrangements for case management which prevents early intervention in some cases, and inhibits the effectiveness of performance management. This undermines the effectiveness of the Association in effectively monitoring the service that tenants actually receive.
- 118** The Association does not have effective monitoring procedures in place to ensure that tenants receive a prompt and equitable service in arrears case management. There are no procedures in place for routine sample checks of case work by senior managers and there is no senior management authorisation required in eviction cases. This weakness is compounded by a lack of reporting to the Board on factors leading to eviction and no formalised analysis of why this is occurring in seemingly high levels within the Association.

- 119 The number of evictions for rent arrears are high compared to associations of similar size. There were 27 in 2002/03, 33 in 2003/04, 34 in 2004/05 and 21 to date in 2005/06. The lack of reporting and analysis of the factors leading to eviction is a weakness. There were 20 possession orders obtained in 2004/05 for single male tenants who had held their tenancies for around six months. This indicates a lack of support to ensure that tenancies are sustained.
- 120 There is a lack of proactivity to ensure that staff resources are used in an effective way. For example, Severnside Housing staff play no co-ordinated role, in conjunction with council staff, in housing benefit verification. All possession cases are presented in court by legal practitioners rather than empowering Severnside housing management staff to take these cases forward. This does not provide a focus for value for money, or in providing joined up services.
- 121 The association is not providing maximum encouragement to tenants to maintain clear rent accounts. For example, the Association has not tried giving small scale incentives, such as entering tenants with clear accounts into a year-end prize draw. This is a missed opportunity to improve rent collection for minimum financial outlay.

### **Anti-social behaviour**

- 122 Severnside Housing's approach to dealing with anti-social behaviour (ASB) is an area of strength for the Association. Incidents of nuisance, ASB and harassment are dealt with rapidly and in accordance with clear policy and procedures. Disputes are handled quickly using mediation in appropriate circumstances and there is effective multi-agency working.
- 123 The Association has developed a clear and comprehensive ASB policy statement and procedure in conjunction with stakeholders and a special STAG working party. The procedure includes the use of a 'model form of undertaking' where a tenant accepts a breach of tenancy condition but is willing to promise that it will not happen again. Action plans are developed in all cases and agreed with and signed off by the complainant. These procedures set a framework for operation that is clear and ensures that staff provide an effective service.
- 124 There are clear performance targets in place to deal with reported incidents of ASB which are being achieved. All incidents are to be investigated within five working days and, if exceptionally serious, within 24 hours. This provides a prompt and robust response to tenants who report ASB.
- 125 There is a clear willingness to take action to tackle ASB through a range of methods. To date, Severnside has served 66 acceptable behaviour contracts (ABCs), ten anti-social behaviour orders (ASBOs) and 24 criminal related anti-social behaviour orders (CRASBOs). There has been recent close working with the police to obtain two closure orders under new legislation, of properties where drug dealing was taking place. This is providing demonstrable evidence of actions being taken against perpetrators of ASB, with police reporting reduced incidents of ASB, and gives victims confidence that the Association will not tolerate ASB.

- 126** There is effective multi-agency working taking place. Severnside is an active member of the Shrewsbury and Atcham Community Safety Partnership, an inter-agency group where individual cases are discussed, and a member of Shrewsbury Targeting Youth Group which monitors ABCs and co-ordinates support to young people. In addition, there are three active safety groups working effectively on larger estates with local stakeholders, tenants, the police and Severnside involved. These groups meet every six weeks to look at quality of life issues, such as ASB, lighting, litter and other concerns. In addition, there is an information sharing protocol in place with the police. This ensures that all agencies with a role in dealing with ASB are providing a co-ordinated approach to meet tenants' needs.
- 127** Multi-agency working is helping to bring additional external funding to help deal with ASB. Funding has been obtained externally to provide mobile CCTV equipment for surveillance, CCTV near the shops on Moston Road, gating schemes and improved lighting. Severnside has also been working with the local authority to jointly fund a neighbourhood warden service on larger estates in Shrewsbury. This joint working is obtaining extra resources to address ASB in Severnside's housing stock.
- 128** The Association is effectively sending out messages on its stance and success in dealing with ASB. There are sections on success in the tenant newsletters, and features on local TV and radio news. Letters have been sent to residents to thank them for providing information that has enabled ASBOs to be achieved. This is showing that the Association is prepared to take action and that it is worthwhile for tenants to report ASB.
- 129** Severnside is making good use of mediation to address neighbour disputes and ASB. The Association has been actively involved in setting up a county-wide mediation service with external funding. There is an SLA in place and, of 15 referrals made in September and October 2005, 77 per cent have been resolved successfully. This is an effective way of making sure that neighbour disputes do not escalate and are dealt with at an early stage.
- 130** There is positive work being undertaken to direct young people towards diversionary activities. Severnside has included this in its ASB procedures. For example, when acceptable behaviour contract interviews are taking place young people are asked what their interests are. A further interview then takes place with youth workers to encourage them to sign-up to positive activities. Additionally the Care Plus arm of social services has provided funding to reward young people who have stuck to agreements with cinema tickets and days out. This shows the value of multi-agency working and indicates Severnside are taking a proactive stance on working to reduce ASB.

- 131** Severnside is offering a good range of support to complainants about ASB. They are offered victim support, visits from housing management officers, panic alarms, CCVT and extra security measures. Victims would only be re-housed on the recommendation of a police superintendent or chief constable. Our examination of case files indicated a supportive and proactive stance on ASB, with a good level of overall support and options being used. This provides a good customer-focused service which gives tenants confidence in Severnside's ability to address ASB.
- 132** There are some weaknesses in Severnside's work on addressing ASB. Although monitoring of ASB has been taking place on an informal basis, there has been no formal reporting on the volume, trends or action taken to the executive or the Board. This prevents the organisation from having a good understanding of trends, whether ASB is being properly addressed and whether existing actions are having an appropriate impact.
- 133** The association is not making good use of IT systems in the control and administration of ASB. Current record keeping is paper-based and this adds to the administrative burden placed on staff. Diary sheets are issued to all complainants without an assessment of whether this is appropriate in all cases, and this lessens the effectiveness of monitoring and reporting arrangements.

### **Allocations and lettings**

- 134** Allocations and lettings is an area that shows a balance of strengths and weaknesses for Severnside Housing. Good information is provided to prospective tenants, there is effective case work and record keeping and a clear lettable standard in place. There are weaknesses which include limited use of accompanied viewings, limited information on the availability of properties, and no choice-based lettings scheme.
- 135** The Association is providing a good level of information for new tenants and housing applicants. This is contained in the 'move on up' newsletter which is produced twice yearly, in a useful 'welcome' pack for new tenants and in a clear leaflet on the Association's lettable standard. The lettable standard is sent out to all prospective tenants at the offer stage and is a clearly written and attractively presented document. This ensures that tenants have a good understanding of what they can expect from Severnside.
- 136** The Association is attempting to minimise the time taken to re-let properties. Properties are pre-allocated once notice is received from the out-going tenants. There is a target to carry out 90 per cent of lettings on-site with 86 per cent being achieved in December 2005. This gives the new tenant the opportunity to raise any issues of concern at the point of letting and provides a customer focus to the lettings process.

- 137** The Association's letting function is working effectively in partnership with Shrewsbury and Atcham Borough Council (SABC). There are regular meetings between the Association's staff and the council's housing options team. There is a procedure in place for processing nominations from SABC which was updated in July 2005. While there is a 75 per cent nominations agreement in place with SABC, the Association's allocations and letting staff take care to ensure that homes offered to the council are appropriate and not just to hit the target. This shows that there is a focus on ensuring that joint working takes place to minimise delays within the lettings process.
- 138** The Association has reviewed its allocations policy to ensure that it is appropriate and meets best practice. This was reviewed in late 2005 in consultation with key stakeholders and service users and is due to be introduced from 1 April 2006. This has ensured that effective consultation with tenants and external stakeholders has been undertaken.
- 139** The Association is making best use of its housing stock through a transfer incentive scheme. This makes payments to tenants willing to move to smaller homes where under-occupation is occurring. Payments vary depending on the size of the tenant's current home and the type of home they are moving to - a tenant leaving a three bed house for an upper floor sheltered bedsit will receive £450. Since April 2005, 13 homes have been released with payments made of £2,850. This is a proactive policy which helps to make the best use of the housing stock in an area with high demand for family properties.
- 140** The Association has made efforts to promote the availability of more difficult to let properties. For example, it has been promoting sheltered bedsits and bedsit bungalows in posters in the reception, articles in the tenants' newsletters, and posters in villages and shops. This has helped to re-let some less popular properties.
- 141** Staff are following policy and procedure in the allocations and lettings process. Our review of case files showed that they were in good order with comprehensive information where appropriate. This ensures that lettings are carried out on a fair basis in accordance with set procedures.
- 142** The association has recently improved the arrangements for the use of decorating allowances. A new and informative leaflet has been produced for new and prospective tenants and negotiations have resulted in there being an increased range of outlets where decoration vouchers can be used. This is enhancing the experience of new tenants and making it easier for them to maintain the internal condition of their homes.
- 143** The Association is making good use of the new tenant survey. These are showing high levels of satisfaction with the allocations and lettings process with positive comments about the clarity of information and processes. This is a good use of customer feedback to ensure that processes are meeting the needs of potential customers.

- 144 The Association is maintaining good administrative systems to support the allocations and lettings process. Case files are in good order with comprehensive information and appropriate recording of decision making. Allocations are made in accordance with set procedures and show a good level of consistency.
- 145 Although it is positive that 'welcome' or post-tenancy visits are taking place performance against target has been variable. For example, there is a target to carry out a 'welcome' visit within six weeks of a new letting. However, in July 2005, only 23.5 per cent of these were achieved. This lessens the impact of these important visits, and means that new tenants are not getting suitable advice to ensure that rent and benefit arrangements are clear and working well.
- 146 There are some weaknesses in the Association's work on allocations and lettings. For example, while it is positive that pre-allocation is taking place, applicants are generally not allowed or able to view properties until they are ready-to-let. Accompanied viewings are not widely offered to customers are provided on request or if there is OT or social services involvement. This does not allow the property to be fully tailored to individual needs.
- 147 Severnside housing has allowed system problems to interfere with the accuracy and performance of the allocations and lettings process. For example, annual reviews of the housing register have not been taking place due to IT problems, although a full review has just been completed. This does not enable staff to have reliable demand data and adds to the administrative burden of re-letting properties.
- 148 Severnside Housing is not utilising a choice-based lettings scheme to market properties or to give wider choice to prospective tenants. There is no commitment from the local authority to promote or to implement such a scheme and SABC has not sought funding to do so. This does not provide tenants with the widest possible choice of properties or enable the Association to more effectively market difficult to let properties.
- 149 There is a lack of information publicly available of what properties Severnside can or cannot offer. There is no information available on the property types available in different locations and the rate of turnover making it difficult for applicants to make informed choices on options relating to their accommodation requirements.
- 150 Performance management within the allocations and lettings service is not fully effective. A great deal of allocations and lettings information, including CORE<sup>5</sup> and RSR<sup>6</sup> data, is manually produced due to concerns about the reliability of data from the housing management IT system. This prevents the organisation from having information in which it is confident and does not ensure an effective lettings and allocation service is being provided.

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<sup>5</sup> Continuous recording of lettings – a standard requirement of the Housing Corporation to record in a systematic way the letting characteristics.

<sup>6</sup> Regulatory and statistical return – a standard annual return made by all registered social landlords to the Housing Corporation

## Is the service delivering value for money?

### How does costs compare?

- 151** The provision of value for money services in Severnside Housing is an area of considerable weakness. There is no effective overall approach to value for money, the Association is unable to demonstrate the competitiveness of the in-house repairs provided SHPS, there is a lack of performance management and poor outcomes from the investment made since stock transfer took place.
- 152** The organisation lacks an embedded strategic view about providing value for money services and how this should be achieved. There is no specific value for money strategy and value for money considerations are absent for many of the organisation. The Association does not know how well existing service costs compare to others, and this prevents staff having a complete understanding of what areas need to be focused on for improvement in value for money.
- 153** The Association has allocated almost all of its planned maintenance, responsive repairs work and void repairs to the in-house provider Severnside Housing Property Service (SHPS) without being able to demonstrate the competitiveness of the service being provided. This service has not been market tested and there are no plans in place to do so. There is no systematic evaluation of the competitiveness of these procurement arrangements and even when SHPS performs poorly, for example, on void repairs, it continues to receive the work.
- 154** There is an absence of cost versus quality information to determine how well services perform against others. There is a lack of benchmarking information across all services so staff, management and the Board cannot know how well services are providing value for money to tenants. This undermines the ability of staff to seek more efficient and effective services.
- 155** There is a lack of a strategic focus on achieving value for money. Sound corporate and service plans which would give a direction and challenge to the organisation are absent and there is no culture of achieving improvements to existing levels of efficiency and effectiveness. This undermines the whole approach to providing tenants with value for money.
- 156** The Association does not have a good understanding of how service costs compare with others. There is a very limited amount of benchmarking undertaken by the Association and this is not universally embedded into all considerations of providing cost effective services. This prevents the whole organisation from understanding the costs associated with delivering services, and challenging any high cost services.

- 157** Severnside cannot demonstrate value for money in its commissioning and contract management services. It employs a number of in-house contract managers with responsibility for specific parts of the investment programme, for example a contract manager dealing with the electrical programme, and one dealing with adaptations. However, the Association is unable to demonstrate that in commissioning this work in-house value for money is being achieved. The numbers of managers dealing with relatively small contracts is excessively high and coupled with the absence of comparative data undermines the Association's approach to value for money in procurement of contracts.
- 158** The lack of comparative cost benefit information prevents the organisation from understanding whether value for money is being achieved in its performance against the original transfer promises. For example, over £6 million has been spent on replacement windows since stock transfer, yet the Association is unable to demonstrate whether good value for money has been achieved on this expenditure or not. Windows are purchased from one supplier through a competitive process, and fitted by the in-house SHPS, but the fitting arrangement has not been competitively procured. This limits the ability of the Association to demonstrate that it is providing tenants with the most effective services.

### **How is value for money managed?**

- 159** The Association has not used modern procurement methods to ensure that value for money is provided to tenants. Until very recently there has been no robust procurement strategy and work has been allocated to SHPS, for example, without any set principles of procurement being applied. This means that the Association is unable to demonstrate that it is providing good value for money services to tenants.
- 160** The Association does not make use of modern procurement methods and partnerships. It is using traditional procurement arrangements on the rare occasions that it does engage with the external market place for the provision of goods and services. It does not have partnering arrangements in place, but relies on fixed term tendering arrangements to procure services. The Association is not giving confidence to existing or potential contractors to develop long-term effective procurement arrangements that will ultimately benefit tenants.
- 161** The Association is not effectively engaging with its in-house provider SHPS and there is still a client/contractor culture that is not leading to the most effective service being provided to tenants. For example, negotiations on a new salary scheme for trade operatives have been stalled for over 18 months, while operatives still get paid wage rates based on historical productivity levels. There is no current measure of individual productivity and there is a lack of incentivisation for operatives to raise productivity levels. This means that tenants are not being provided with the most efficient or effective service as operatives are not being encouraged to produce more, or being challenged when productivity falls.

- 162** Multi-skilling is not being used to provide a focus of providing a better repairs service to tenants as, with the salary scheme, negotiations on multi-skilling have stalled. This means that tenants get too many visits from differing trades with many variations on repair jobs. This is a waste of resources and does not provide customer-focused services.
- 163** There is no evidence of resources being moved to meet national or local priorities. For example, the focus of investment expenditure has been on vague transfer promises rather than seeking to achieve the national priority of meeting the decent homes standard.
- 164** The Association is not challenging existing service delivery methods even when performance is declining and costs increasing. For example, performance by the in-house SHPS in dealing with voids is poor and declining - yet average void costs have risen substantially over the last year without this situation being challenged. All work on voids continues to be given to the in-house team. This does not provide an efficient or effective approach to making best use of the housing stock, minimising rent loss and maximising the availability of housing in an area of high demand.
- 165** There are substantial fixed costs associated with the in-house SHPS service for which the Association cannot demonstrate that it is getting a cost effective service. For example, the depot at Knights Way is a substantial facility which cost the Association around £1 million in 2002. This facility has substantial spare office space, and is grossly underutilised. Staffing levels within SHPS are high with substantial managerial overheads, without any analysis of productivity being available. This means that tenants are paying for facilities and staff without any evidence that effective value for money services are being supplied.
- 166** Working practices, particularly within the repairs service do not have a focus on achieving value for money. There is a high percentage of pre-inspection work being undertaken, which is a poor use of resources. This is not giving an effective service as there is still a high percentage of repairs variation, which means that tenants are not getting their work done right first time, and is leading to increased administration.
- 167** There is a lack of clear and robust targets for efficiency and improving value for money. There is no effective performance management system to drive the agenda forward and the lack of service plans means that throughout the organisation there is a lack of ambitious targets. This means that there is no action to drive down costs and generate surpluses in one area that could be used to meet priorities in another. This is providing poor value for money for tenants and means that they are paying more for services than they need.

- 168** The Association does not have a clearly defined organisational structure that ensures value for money is being universally achieved. For example, there is uncertainty among some managers about the role of budget holders and responsibility for service delivery is not conterminous with financial responsibility. This is apparent in the inspection service for repairs where inspectors report to the customer care function rather than the asset management function. Similarly the responsibility for resident involvement is diluted and it is not apparent where financial responsibility for this lies. This diminishes the effectiveness of the organisation in addressing value for money issues and managerial accountability for delivering value for money services remains unclear.
- 169** There are some operational issues which work against achieving value for money. For example, high numbers of responsive repairs are undertaken to individual properties without any analysis of the factors, or any co-ordinated asset management approach to minimise these property failures. Some tenants are waiting many years for items under the transfer promises like new windows and doors, while expenditure is taking place on non-essential areas of the stock. This displays a lack of focus on what tenants' collective needs and aspirations are, and means that there is a reduced impact on, for example, meeting the DHS.
- 170** The Association has not developed its IT function successfully to provide improved services to tenants. Expenditure has been substantial, but the impact on services in many areas has not been realised. Staff are not able to use systems effectively in many areas, for example, rent collection and repairs, to support service delivery in an effective way. Responsibility for system development has been diluted with a number of staff changes to role and responsibility. Staff do not have the systems in place to maximise their effectiveness in providing high-quality services to tenants.
- 171** There are some strengths in the provision of value for money services. The Association now has a more effective procurement strategy in place, is obtaining good value for money in the gas contract that has recently been extended, and has been successful in leveraging in funding from external sources. For example, the mediation service, funding for ASB measures and funding for energy efficiency and insulation improvements.

## Summary

- 172** Severnside Housing provides a poor service. Access and customer care arrangements do not provide easily accessible service to all tenants, and there is a lack of focus on the approach to diversity. Value for money considerations are almost entirely absent from the organisation. The responsive repairs service is flawed with too much emergency and urgent work being undertaken and appointment arrangements do not work well. The Association lacks a focus on achieving national priorities with its performance on both achieving the decent homes standard, and providing energy efficient properties, being in the worse performing 25 per cent of associations nationally. There is a substantial backlog of aids and adaptations work which means that tenants with disabilities are not being supported to live independently and safely at home.

- 173** There are some positive elements of service delivery. Rent collection levels are high, and arrears cases are dealt with effectively. Performance in gas servicing is strong with good monitoring and quality control check. The allocation and lettings process works well and is easily understood by tenants and anti-social behaviour is dealt with effectively and on a multi-agency basis.

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

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

- 174** Severnside Housing has a weak track record in delivering improvements across all services. Outcomes for tenants in terms of having homes that meet the decent homes standard, or are energy efficient, are poor. There is a lack of self-awareness about the level of service actually being provided and an absence of corporate and service plans to support and bring about continuous improvement.
- 175** All areas of the operation are weakened by the lack of effective overarching corporate plans and strategies that have been agreed and are implemented. This has prevented all areas of the operation moving forward and delivering improvements within a set framework of co-ordinated actions. Whilst there have been some recent efforts to set strategies these are being done in isolation. All efforts to improve the track record on improvements are being hampered by the lack of strategic planning.
- 176** There has been a lack of action to use continuous improvement techniques, like best value reviews, to effectively implement change to lead to improvements in service delivery. Some BVRs have been undertaken in the past but these have had limited impact with an insufficiently focused use of challenge, comparison, competition and consultation. Action plans have not been sufficiently monitored and managed and have not been SMART. Therefore, demonstrable improvement across services over time has not been achieved.
- 177** The Association has a mixed picture of improving performance in key areas over the last three years. The number of properties failing the decent homes standard remains high at 43.4 per cent which places the Association in the worse performing 25 per cent of associations nationally. Progress against this national priority has been slow despite the Association having spent over £21 million on capital improvements and planned maintenance since 2001. The SAP rating of properties and re-let times also place the Association in the worse performing 25 per cent of associations nationally. This means that many tenants are living in homes which fail current basic standards, are difficult to keep warm and properties stay empty for excessive periods when demand for accommodation in the area is strong.
- 178** There are some areas where improvement has been made in key areas over the last three years. These are mainly in the area of rent collection and completing repairs within target times. For example, the percentage of repairs completed in all three categories of emergency, urgent and routine repairs have improved. Performance on rent collection now places the Association in the top performing 25 per cent of associations nationally. This shows that the organisation has some areas where improvement has been sustained.

- 179** The Association does not have a clear corporate sense of why improvement across services has not occurred. There has for instance, been a focus on the transfer promise of spending £25 million over five years on improvements to properties, but almost no understanding of why improvements in the number of homes meeting the DHS has not occurred at a faster rate. This lack of analysis and clarity prevents action being taken in the areas that would benefit tenants.
- 180** The Association does not have an effective track record in providing value for money services to tenants. The Association does not have good quality and clear information about cost versus quality on the provision of goods and services to tenants. Effective procurement arrangements have not been in place to ensure that tenants, staff and the Board can ensure that value for money considerations have been effectively applied over time. This has prevented continuous improvement in providing value for money for tenants.
- 181** There is a lack of self-awareness about the actual level of service being provided. The self assessment provided by the Association as part of this inspection process was self congratulatory and did not allude to many of the areas of poor service. Some senior staff are unaware of what the Association's strengths and weaknesses are and this feeds through to a lack of awareness at board level. This lack of transparency and self-awareness limits the opportunities to address the things that will matter most to tenants and service users.
- 182** The Association has been slow in using modern technology to support service provision. For example, the website is not well developed and IT systems are, in places within the organisation, a barrier to continuous improvement. This prevents services being as accessible as they could be and does not make cost effective use of the investment into IT systems that has taken place.
- 183** The Association has not been able to use the freedom and flexibilities that come with housing stock transfer to break down the barriers to effective continuous improvement. For example, it still operates with a strong client/contractor split evident in the relationship with the in-house provider of repairs and maintenance services, SHPS. There is also still a culture of maintaining the approach to service delivery that was in place when the housing function was still a part of the local authority. This prevents services moving forward in a more innovative and effective way for improved service provision to tenants.
- 184** There are some strengths evident in the Association's track record on providing improvement. It has effectively implemented the customer service centre to provide an effective first point of telephone contact. This improvement was achieved in consultation with tenants and was effectively delivered and responded to the needs of tenants. This shows that the Association can effect important changes when it is focused on an outcome.

### How well does the service manage performance?

- 185** Performance management is a significant area of weakness for Severnside Housing. The organisation does not have effective improvement plans in place, and has not clearly set out its aims and priorities for the future. Existing plans are not co-ordinated and there is an absence of plans seeking to achieve value for money and efficiency. Leadership in driving improvement has been weak.
- 186** The Association has a lack of effective performance management, measurement and monitoring at all levels. Data collection is weak and too often inaccurate and reliant on manual actions, and there is an absence of accurate cost and quality information to provide an effective performance management framework. Differing information is reported within the organisation and there is a lack of corporate and service planning to ensure that staff know what the aims and objectives are.
- 187** The Association is not clear what the aims and priorities for the future are. It is not aiming to improve the things that matter most to tenants and the wider community and there is an overall lack of purpose and direction. Some staff do have good individual views about what needs to be improved, and are taking individual and team action to implement changes, but these are small scale and are not being effectively co-ordinated.
- 188** There is an absence of a clear vision about what matters most to tenants, and particularly how services impact on the most vulnerable service users. For example, it is clear that the aids and adaptations service is failing people with disabilities yet there has been a lack of decisive actions to address this. There are no plans in place to ensure compliance with the CRE code of practice in rented housing. The association lacks a corporate approach to diversity issues across the whole spectrum, and this has allowed a situation of poor service delivery to vulnerable people to develop.
- 189** The collection, collation and presentation of existing performance management data is flawed. Too much data has to be collected manually, and the data pack given to the executive team has missing and inaccurate information. For example, rent collection figures indicate that almost every tenant is in arrears, when this is not the case, and arrears levels by amount are absent. This undermines the effectiveness of performance management and does not give the Association a sound base upon which to develop robust action plans.
- 190** There is a lack of challenging targets across the organisation. Indeed in some areas it is difficult to detect any targets whatsoever. It is not clear how those targets that do exist have been set as there are few references to comparative performance, for instance, aiming at the top performing 25 per cent of housing associations nationally. This does not indicate an organisation which is ambitious or intent on delivering continuous improvement.

- 191** Severnside Housing is not a learning organisation. There are few examples where the organisation has sought to learn from others, or to use best practice examples from elsewhere to bring about improvements on service delivery. There was some learning from other social housing providers on the implementation of the new customer service centre but this is an isolated example. There is a lack of internal learning from works well. For example, positive outcomes are being realised from the gas servicing contract, but this has not been translated into more effective ways of dealing with void properties. This fails to bring about continuous improvements in service through the dissemination of best practice across the Association.
- 192** The Association is not proactively providing information about its performance to tenants. Although some information is displayed in the reception at Brassey Road, the Association is not using other mechanisms to set out its performance. For example, there is no performance information on the website, little in tenants' newsletters, and a limited amount of key performance indicator information in the annual report. This limits the awareness of tenants and prevents them from having a baseline understanding of performance on which to base their views about the quality of work being undertaken by the Association.
- 193** There is a lack of a vision across the Association about the future direction. For example, there are emerging difficulties with the popularity of bedsits within the housing stock, and yet there is an absence of clear plans and strategies around this issue. There are no firm plans to remodel or redevelop this accommodation or to further promote and market these properties. There are some examples of proactive work being taken on a scheme by scheme basis, with recent board agreement to redevelop some hard to let bedsits in Shrewsbury Town Centre in partnership with a specialist care provider. Overall this limits the understanding of staff in developing an appropriate asset management strategy and is resulting in investment taking place at properties that have no viable future.
- 194** There is a lack of strategic direction in other areas. For example, there is no garage strategy to set a framework for future management of these assets. There is a lack of service standards linked to policy and procedure that prevents the Association from having a robust approach to provide effective customer services. This is endemic in the Association and prevents tenants from receiving better services in key areas.
- 195** There is a lack of robust procurement strategies to ensure that goods and services provide tenants with good value for money. Although a new procurement strategy has now been developed it has yet to be embedded into the Association and to bring about meaningful change to ensure that goods and services are effectively procured. This lack of effective procurement means that in some areas tenants are paying too much for poorly performing services.

- 196 There is an unwillingness for staff and the Board to take ownership of under performance and to address this effectively. For example, the aids and adaptations service has been underperforming for some time yet there is a lack of robust action plans to address this in conjunction with the local authority. Voids performance has been ineffective for some time yet work continues to be given to the in-house team without seeking better contractors. This does not show a robust approach to dealing with under performance and means that tenants are paying for and receiving ineffective services.
- 197 Staff appraisals are not being carried out to ensure that performance targets are set and are being monitored. Although an appraisal scheme has been agreed in the past this has not been successfully maintained or used effectively. The human resource function in Severnside has been diluted with staff instructed to work on other issues and therefore this important part of staff management has been neglected. This prevents staff from having clear targets and limits the ability of the Association to challenge poor performance.
- 198 Delays to the finalisation and implementation of a revised salary scheme for trade operatives have impacted on service delivery. This has prevented improved working practices being taken forward and does not ensure that operatives are appropriately incentivised to ensure high levels of productivity. This means, for example, that greater levels of multi-skilling and improved productivity rates have not delivered improvements in repair services that tenants receive.
- 199 The Association has been slow to re-allocate tasks within existing action plans when senior staff have left the organisation. For example, plans developed following a mock inspection that was carried out in mid 2005 still contain named individuals who have left Severnside's employ some months ago. This prevents staff from having a clear understanding of responsibilities and prevents effective performance management and monitoring of action plans.
- 200 The Association is not effectively using performance indicator information. For example, there is a lack of local PIs linked with targets to set the agenda within Severnside's context of operation. Some use is made of national PI data, but this lacks effective target setting to ensure that achievable milestones are set. This prevents effective use of data to help bring about sustained improvements in service to tenants.
- 201 There are some strengths in the area of performance management. New monitoring and auditing arrangements for gas servicing have been effectively implemented to ensure a continuing high level of service is provided. There are early signs of effective use of the European Foundation Quality Model (EFQM) techniques to set the framework for performance management, and this has been combined with effective work being undertaken on the development of a strategy map. The Association carried out a complete review of its approach to continuous improvement during 2005, and the Board, senior staff and team leaders have received training in the EFQM model. This is providing a basis for the Association to move forward in delivering more effective performance management.

- 202** There is a systematic approach being taken in the management of some parts of the Association. For example, effective procedures have been put in place for line management at the customer care centre, which are bringing benefits to the way in which services are provided.

### **Does the service have the capacity to improve?**

- 203** Severnside Housing does not have sufficient capacity to improve and this is a weakness for the Association. The Association does not have the appropriate skills, tools and resources to deliver effective improvement. There is a lack of human resource planning and the use of clear strategies to set an agenda for management and a lack of effective procurement.
- 204** There has been a lack of challenge from the Board to management. There has been a complacent attitude towards strategic planning with a complete absence of effective corporate and service plans for which the Board must take main responsibility. There has been a lack of recognition from the Board about positive achievements of staff, and it is clear that recent significant changes to senior management have impacted upon service delivery and the morale of front line staff.
- 205** There has been a lack of support from the Board in providing direction, leadership and encouragement to staff. The Board has not been visible in driving through service improvements and many staff are unaware of who Board members are. There is no track record of the Board and staff working together for a common purpose to bring about improvements that tenants would recognise.
- 206** Changes to senior management and a high turnover among managers has led to a diminished capacity in some critical areas. For example, the financial capacity of the organisation has been weakened by having unqualified staff responsible for some aspects of finance. Similarly, the HR function has been diminished as the Assistant Director with responsibility for this being given the role of Company Secretary. This uncertainty about role and responsibility has prevented the Association from having sufficient capacity in key areas to deliver improvement.
- 207** The Association has not used IT effectively to deliver service improvements. There are gaps in systems, an over reliance on manual records and ineffective performance management. For example, rent collection relies on some manual calculations, former tenant arrears collection performance is unclear and IT systems have not been extended to ensure that the out-of-hours service is effectively supported. This prevents staff from having reliable systems to set a framework around how services are delivered.
- 208** The Board has not taken action to ensure that it is able to provide the right balance of skills and leadership. For example, there has been no formal skills audit of the Board since 2002, and there is no succession strategy in place for key Board member roles. This is particularly pertinent as both the Chair and Vice-Chair have indicated that they will be stepping down from these posts during 2006. This diminishes the capacity of the Board to set clear and robust strategies and to provide effective leadership to staff and management.

- 209** The extent to which tenants as a whole, beyond the relationship with STAG, have been able to make any impact on the priorities of the Association is unclear. Consultation mechanisms are restricted to STAG, and there is a heavy reliance on the small number of committed members within STAG to influence the aims and objectives of Severnside. A wider range of participation opportunities does not exist. This limits the understanding of the Association in determining what matters most to tenants.
- 210** There is a lack of clearly developed arrangements in place to maximise the impact and role of partners. For example, many of the relationships with partners and stakeholders lack defined outcomes and performance management. There are few service level agreements in place, and whilst there is a willingness among Severnside staff to work effectively with partners this is not set within a comprehensive framework of roles and responsibilities. This limits the effectiveness of work being undertaken with partners.
- 211** The willingness and competence of front line staff to maintain service delivery through a period of uncertainty for the Association is clear. Basic services have continued to be supplied to tenants. There are some staff who demonstrate that they have a focus of providing improvement to service delivery but these have been hampered by a lack of clearly set priorities from management and the Board. This has restricted the capacity of parts of the Association to achieve continuous improvement.
- 212** There are effective training opportunities being provided to staff. These include good induction arrangements and support to complete external courses and qualifications. This has helped some parts of the Association to maintain good levels of service for example, in sheltered housing schemes where support staff are well trained and motivated.

## Summary

- 213** Severnside Housing has poor prospects for improvement. It has a weak track record of delivering continuous improvement, and there is a lack of focus on obtaining value for money. Strategic, corporate and service plans are weak or absent, and the whole organisation has lacked leadership and a sense of direction at both Board and senior managerial levels. Performance management arrangements are weak and not embedded into the culture of the Association. There are weaknesses in the capacity of staff, systems and strategically directed resources to deliver improvement, with unclear roles and responsibilities, and this is acting as a substantial barrier to improvement.

## Appendix 1 – Performance indicators

### 1 Performance Indicators for the year to 31 March 2005.

Performance indicator	2002/03	2003/04	2004/05	2004/5 national mean	2004/05 national median	2004/05 quartile position
Compliance indicator	-	-	Non-compliant	-	-	-
<b>General needs rent</b>						
Average weekly gross rent	£47.78	£47.15	£50.13	£63.46	£64.38	1
<b>Vacant dwellings and lettings</b>						
Re-let time	41 days	41 days	43 days	43 days	36 days	3
Dwellings vacant and available to let	-	-	0.6%	1.0%	0.6%	2
Dwellings vacant and not available to let	-	-	0.9%	1.3%	0.4%	3
Lettings to BME tenants	-	-	1.6%	14.7%	-	-
<b>Stock condition</b>						
Average SAP rating	55	46	56	66	66	4
Failing decent homes standard	55.2%	50.2%	46.7%	18.7%	8.1%	4
<b>Repairs performance</b>						
Emergency repairs completed in target	96.0%	97.2%	99.0%	95.2%	96.9%	1

Performance indicator	2002/03	2003/04	2004/05	2004/5 national mean	2004/05 national median	2004/05 quartile position
Urgent repairs completed in target	83.3%	91.1%	94.1%	91.6%	93.8%	2
Routine repairs completed in target	89.1%	90.1%	94.9%	92.0%	94.0%	2
Appointments made and kept	97.6%	99.7%	85.8%	94.1%	96.9%	4
<b>Service to tenants</b>						
Tenant satisfaction overall	81%	81%	81%	79%	80%	2
Tenant satisfaction with participation	67%	67%	67%	62%	61%	2
<b>General needs financial performance</b>						
Average GN weekly operating cost	£37.34	£47.46	£47.93	£51.29	£48.36	2
GN operating cost as a percentage of Turnover	90.1%	97.6%	97.1%	79.9%	74.5%	4
Weekly investment per GN unit	£24.90	£32.91	£30.67	£35.51	-	-
Rent collected for GN	99.8%	100.0%	101.6%	99.1%	99.4%	1
Rent lost due to GN voids	1.8%	1.8%	1.2%	1.9%	1.4%	2
Current tenant rent arrears at year-end for GN	-	-	3.9%	5.4%	5.2%	2
<b>Supported housing rent</b>						
Average weekly gross rent (SH)	-	-	£45.87	£66.22	£67.45	1
Supported housing lettings						

**Sevenside Housing**

Performance indicator	2002/03	2003/04	2004/05	2004/5 national mean	2004/05 national median	2004/05 quartile position
Re-let time (SH)	-	-	47 days	37 days	30 days	4
<b>Supported housing financial performance</b>						
Average SH weekly operating cost	£262.05	£59.24	£57.78	£105.25	£83.01	2
SH operating cost as a percentage of turnover	88.8%	180.6%	96.4%	89.9%	89.8%	3
Weekly investment per SH unit	£101.78	£11.85	£32.53	£24.10	-	-
Rent collected for SH	106.4%	183.7%	103.8%	99.3%	99.9%	1
Rent lost due to SH voids	6.0%	45.6%	5.1%	4.1%	3.2%	3
Current tenant SH rent arrears at year-end	-	-	9.5%	4.6%	3.8%	4
<b>SOPIs</b>						
Vacant period	-	-	-	16 weeks	6 weeks	-
Rent arrears (percentage)	-	-	-	5.1%	3.9%	-
LA/HA tenant sales (percentage)	-	-	-	8.6%	6.7%	-
Waiting list/register sales (percentage)	-	-	-	45.9%	37.9%	-
Shared owner satisfaction overall	-	-	-	63.4%	64.1%	-

Performance indicator	2002/03	2003/04	2004/05	2004/5 national mean	2004/05 national median	2004/05 quartile position
Sales to BME purchasers (percentage)	-	-	-	16.8%	-	-

*Source: Housing Corporation*

- 2 The national figures relate to all associations providing PI data that own and/or manage 250 or more dwellings. For shared ownership, only associations owning 100 or more of these dwellings are included.
- 3 It is Housing Corporation convention to number those performing at least as well as the top quartile level as being in quartile 1, and below the bottom quartile as in quartile 4.

## Appendix 2 – Documents reviewed

- 1 Before going on-site, and during our visit, we reviewed various documents that were provided for us. These included:
  - draft procurement strategy;
  - organisation charts;
  - internal audit reports;
  - agreements with partners and management agreements;
  - financial business plan;
  - Severnside annual report;
  - tenants newsletters and articles;
  - complaints procedures and registers;
  - equality and diversity policy;
  - stock condition survey reports;
  - planned and capital expenditure programme information;
  - executive team performance information pack;
  - rent setting policy;
  - rent payment policy and procedure;
  - tenancy agreements; and
  - board papers.

## Appendix 3 – Reality checks undertaken

- 1 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:
  - attending the Meole Brace surgery;
  - shadowing Area Housing Officer;
  - observed customer service centre;
  - desk top review of complaints files;
  - check of reception facilities at Brassey Road offices;
  - check of facilities at the Knights Way depot;
  - staff interviews and focus groups;
  - shadowing repairs inspectors;
  - desk top review of lettings files;
  - desk top review of rent payment records;
  - desk top review of anti-social behaviour records;
  - check of the Association's website; and
  - attended and observed Board meeting.