

Inspection Report

Leeds North East Homes

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Arms Length Management Organisation (ALMO) Inspections

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

This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

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

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

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

The Housing Inspectorate has published additional guidance for ALMO inspections:

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

Summary

- 1 Leeds City Council is one of five metropolitan districts in West Yorkshire. In 2001, the population was 716,500 and this is expected to increase to more than 740,000 by 2010. Black and minority ethnic (BME) groups make up 11 per cent of the population; this is significantly higher than the regional average for Yorkshire and Humberside. Despite the thriving city centre economy, marked contrasts remain between the most affluent and most deprived areas of the city. At 2.5 per cent, the level of unemployment is slightly above regional and national levels (Claimant count at July 2004).
- 2 The 2004 Index of Multiple Deprivation ranks Leeds as 91st¹ most deprived of 354 local authorities in England. Four of Leeds' 33 wards (12 per cent) fall within the 100 most deprived wards in England.
- 3 Leeds North East Homes manages 5,900 council homes in a very diverse district, comprising inner-city areas, suburban areas, 'dormitory' or 'commuter' villages and a rural fringe.
- 4 Leeds North East Homes employs approximately 100 staff.

¹ Rank of average rank.

Scoring the service

- 5 We have assessed Leeds North East Homes (LNEh) as providing a ‘good’, two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart²

	Prospects for improvement?					A ‘good’ service that has promising prospects for improvement’
Excellent					A good service?	
Promising			⚙			
Uncertain						
Poor						
	Poor	Fair ★	Good ★★	Excellent ★★★		

Source: Audit Commission

- 6 We consider the service to be good because:
- the ALMO’s contact centre staff provide a caring and responsive service;
 - LNEh actively seeks customer feedback and uses it to reshape and improve service quality;
 - LNEh uses the information it holds about its customers to help improve its understanding of and services to the diverse community it serves;
 - the ALMO’s offices are accessible and conveniently located for customers, service standards are comprehensive and information for customers is clear with translation and interpreting services readily available;
 - capital programmes are well managed and tailored to provide choice to tenants and facilitate the installation of adaptations;
 - good progress has been made to improve thermal insulation and to reduce the levels of homes falling below the decency standard;
 - the reliability, quality and value for money of both the responsive repairs and voids repairs services has improved;
 - gas servicing is supported by clear publicity stressing the importance of the annual service; there are high levels of customer satisfaction with the work;

² 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.

8 Inspection Report | Scoring the service

- customers have a wide range of options for paying rent and LNEh works constructively with Leeds Benefits Service to speed-up payments and maximise tenants' entitlement to benefits;
- regeneration partnerships are delivering clear improvements to the safety and security of estates;
- residents are involved at all levels of LNEh's business;
- the overall standard of caretaking is satisfactory and meets customer expectations;
- the number of empty properties and the time taken to relet them is reducing;
- customers searching for a new home are able to exercise choice and details of vacant homes are widely publicised;
- LNEh managed the transfer of the sheltered housing wardens service effectively and services to their residents are improving;
- LNEh has a clear focus on improving value for money. The ALMO has secured significant efficiency gains and realised additional resources for investment through partnerships and procurement of repairs and capital works contracts; and
- the cost of the service compares favourably with other ALMOs.

7 However, there are some areas for improvement:

- overall tenant satisfaction is static, and complaints management is not effective;
- some customers find it difficult to access LNEh services and average telephone response times are slow compared with the best providers;
- LNEh has not adequately addressed the much lower levels of satisfaction among BME tenants and in particular their concerns about racial harassment;
- targets for gas servicing have not been met;
- weaknesses in joint working arrangements have limited LNEh's progress in tackling anti-social behaviour;
- LNEh does not have robust data on the presence of asbestos in tenants homes;
- LNEh is failing to meet rent collection and arrears recovery targets; and
- there have been significant capital budget underspends.

8 We consider that the ALMO has promising prospects for improvement because:

- it has addressed many of the weaknesses identified in our previous inspection and implemented the majority of our recommendations;
- performance improved against eight out of ten key national indicators in the past year;
- the increasing focus on customer service and in delivering value for money indicates a clear commitment to continuous improvement;

- LNEh has clear objectives and priorities and effective arrangements for managing and monitoring performance;
 - there is a robust risk management framework in place;
 - LNEh staff are increasingly seeking out opportunities to benchmark their performance and share learning with other organisations;
 - the arrangements for managing the relationship between the strategic landlord and the ALMO are robust;
 - the Chair and Chief Executive provide effective leadership to the organisation;
 - corporate governance has been continuously strengthened by increasing the skills and effectiveness of the Board; and
 - new staff have improved LNEh's skill base and overall capacity is increased by delivering projects and services in partnership with other organisations.
- 9 However, there are some barriers to improvement:
- capacity is reduced by increasing sickness absence levels;
 - LNEh has not made a comprehensive assessment of the match between existing skills and staff resources and those needed to deliver its objectives;
 - IT provision is not currently meeting user needs in some service areas; and
 - the long-term financial viability of LNEh has not yet been secured.

Recommendations

- 10 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs³ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with the ALMO Board, the local authority and customers; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Carry out an immediate review of equalities strategies by:

- *reviewing accountability for, and the relative priority of, equalities and diversity actions in service plans;*
- *reviewing the resources available for improving engagement with BME communities;*
- *expediting impact assessment work, ensuring that the impact on gay and lesbian residents and on new minority ethnic communities is included;*
- *expediting research to improve understanding of BME resident dissatisfaction; and*
- *developing with partners an action plan to address the increasing concerns of LNEh residents about racial harassment.*

The expected benefits of this recommendation are:

- an improved understanding of the needs of BME and other minority communities and in the longer-term an improvement in levels of confidence and satisfaction with LNEh services; and
- a more effective strategy for tackling racial harassment.

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

³ Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

Recommendation

R2 Further improve customer services by:

- *improving record keeping and increasing monitoring of the handling of complaints and correspondence, ensuring that senior managers and the Board receive regular reports;*
- *ensuring that the feedback obtained from customers through user surveys and the STATUS survey is more effectively communicated to staff, managers and the Board; and*
- *expediting plans for providing more effective support to vulnerable customers.*

The expected benefits of this recommendation are:

- a better understanding throughout the organisation of service risks and service weaknesses and the opportunity to address these more effectively in team plans; and
- more consistent support services for vulnerable residents and the associated reduction in incidents of anti-social behaviour.

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

Recommendation

R3 Review policies and procedures for income management by:

- *reviewing protocols with Leeds City Council for reporting performance and the treatment of technical debt;*
- *ensuring performance reports reflect the true position of arrears;*
- *urgently expediting improvements to direct debit handling; and*
- *improving monitoring to ensure that procedures are adhered to and the override facility is used appropriately.*

The expected benefits of this recommendation are:

- improved services to tenants who pay by direct debit;
- less inappropriate chasing of tenants with technical debt; and
- improved rent collection performance.

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

Recommendation

R4 Improve value for money by ensuring that capital budget allocations are fully spent by:

- *improving budget monitoring and forecasting to ensure that underspends are identified and remedied at an earlier stage.*

The expected benefits of this recommendation are:

- an improved focus on delivering projects on time and on budget; and
- the creation of opportunities to reallocate resources to other priority projects or services where appropriate.

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

Recommendation

R5 Address capacity issues by:

- *improving and integrating IT systems; and*
- *expediting work with partners to set up a comprehensive asbestos database.*

The expected benefits of this recommendation are:

- a reduced risk of residents and visitors being exposed to potentially harmful materials;
- more reliable and consistent information on customers and on performance; and
- more efficient use of staff time.

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

- 11 We would like to thank the staff of Leeds North East Homes who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 7 June to 16 June 2006

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Report

Context

The locality

- 12 Leeds City Council (LCC) is one of five metropolitan districts in West Yorkshire. In terms of area, it is the largest metropolitan district in the country, covering 55,270 hectares. The city of Leeds has continued to benefit from significant economic regeneration, which has transformed the city centre landscape in recent years. However, despite the thriving city centre economy, stark contrasts remain between the most affluent and most deprived areas of the city.
- 13 Issues of deprivation continue to be more acute in ethnic minority communities. For example, unemployment levels within ethnic minority communities stand at around four times the average across the city as a whole. Health inequalities within the city remain marked, with the premature death rate in the inner city 39 per cent above the national average.
- 14 Approximately 442,000 people work in Leeds. Traditional manufacturing activity is giving way to expanding service industries and Leeds is a growing professional centre, with 40,000 new jobs forecast to be created over the next ten years.
- 15 The Leeds North East area contains approximately 126,000 people living in approximately 52,000 households. The area is very diverse, comprising inner-city areas, suburban areas, 'dormitory' or 'commuter' villages and a rural fringe. It is also home to a sizeable black and minority ethnic population in Chapeltown and a significant Jewish population in Moortown, Alwoodley and Shadwell. There is representation of each housing tenure within the area but there is a larger rented sector within the North East area than in many other parts of Leeds. The ALMO manages around 11 per cent of the total housing stock in the area.

The organisation

- 16 The Council established six arms length management organisations (ALMOs) including Leeds North East Homes (LNEH) with effect from the 1 February 2003. The ALMO has delegated responsibility for providing housing management and maintenance services, receiving a management fee for this service. It manages the Council's £30.6 million capital and revenue budget and employs approximately 100 staff to deliver the service.

- 17 Following the May 2004 elections, the Council comprises 99 councillors with 40 Labour, 26 Liberal Democrats, 24 Conservatives, 5 Morley Borough Independents, 3 Green and 1 Independent councillor. Whilst Labour remains the largest single party, political control is now vested in a coalition of Liberal Democrats, Conservatives and the Green party. They have agreed that leadership of the Council will alternate between the leaders of the Liberal Democrats and Conservatives on a six-monthly basis. The executive board provides the policy and strategic direction for the Council through scrutiny boards; one of which specifically considers neighbourhoods and housing matters, including the ALMOs.
- 18 The local strategic partnership (LSP) is the Leeds Initiative, which set out its vision of the city in 'Vision II'. The LSP is organised around three executives and a number of sectoral partnership bodies. The housing-related contribution to 'Vision II' is co-ordinated through the Leeds Housing Partnership of which all housing sectors are members. Leeds North East Homes is an active member of the partnership, which oversees the preparation and implementation of the city's housing strategy and is a key player in Leeds' regeneration plan.

The service

- 19 The ALMO board consists of eight tenants, five Councillors and five Independents.
- 20 The functions delegated to LNEh are set out in their Section 27 application and can be summarised as:
- stock investment decisions and repairs ordering;
 - rent collection, dealing with arrears, debt counselling;
 - consulting and informing tenants on matters which are the ALMO's responsibility;
 - promoting tenant participation, including involving tenants in monitoring and reviewing service standards;
 - enforcement of tenancy conditions;
 - managing lettings, voids and under-occupation; and
 - estate management, caretaking and housing-related support services under the Supporting People programme.

- 21** The functions retained by the Council include:
- overall housing strategy and enabling;
 - determining policies on lettings and anti-social behaviour (in consultation with the ALMO) and rents;
 - managing the Supporting People programme;
 - homelessness, general housing advice;
 - administration of the Housing Register; and
 - services to leaseholders and Right to Buy administration.
- 22** In September 2003, the Audit Commission inspected LNEh and judged it to provide a good, two-star service, with promising prospects for improvement. That assessment enabled Leeds to receive an initial £10.5 million, rising to a total £45.4 million, to bring its homes up to the Decent Homes Standard. LNEh expects to complete its Decent Homes programme by 2010/11.

How good is the service?

What has the service aimed to achieve?

- 23** In partnership with members of the Leeds Initiative, the local strategic partnership, the Council has agreed a new Vision for Leeds for the period from 2004 to 2020. The vision's main aims relate to:
- going up a league as a city – making Leeds an internationally competitive city, the best place in the country to live, work and learn, with a high quality of life for everyone;
 - narrowing the gap between the most disadvantaged people and communities and the rest of the city; and
 - developing Leeds' role as the regional capital, contributing to the national economy as a competitive European city, supporting and supported by a region that is becoming increasingly prosperous.
- 24** The Vision for Leeds is based on the principles of sustainable development - making sure everyone has a better quality of life now and for generations to come. Its purpose is to guide the work of all the partners to make sure that it achieves its long-term aims. All the partners publish their own strategic plans in which they outline what they will do to help deliver the Vision.
- 25** The aims of Leeds North East Homes are:
- to be the highest performing social landlord in Leeds as measured by our customers and Leeds City Council;
 - to be the landlord of choice for our customers and employer of choice for our staff team;
 - to deliver a range of good quality management services which meet our customers expectations, offer value for money, and achieve a three-star excellent rating from the Audit Commission;
 - to work in partnership to improve the quality of our neighbourhoods and estates and develop thriving communities;
 - to provide good quality homes that are attractive to customers; and
 - to sustain, develop and grow the company to ensure its future.

26 LNEh intends to deliver these aims through its values. In all its work LNEh will:

- put customers first;
- promote equality and diversity;
- work in partnership to improve neighbourhoods and communities;
- value and respect customers and colleagues;
- work together as a team;
- be professional, positive and innovative;
- deliver quality services; and
- be a learning organisation.

27 The LNEh Business Plan sets out the following objectives for 2006:

- a robust governance structure;
- annual LNEh Decent Homes Plan milestones;
- efficient management of the management fee revenue income;
- a better match of housing supply and demand;
- improved service performance, meeting customer priorities, and addressing the diverse needs of customer groups;
- greater opportunities for customer involvement and demonstration of corporate social responsibility;
- a positive contribution towards wider regeneration programmes and neighbourhood renewal; and
- a high performing, motivated and skilled staff team, demonstrated through high staff satisfaction and Investors in People accreditation.

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

Access and customer care

28 In our previous inspection, we found a wide range of ways to contact staff, offices that were conveniently located and a wide range of information available to customers. The introduction of appointments for repairs had been welcomed by tenants, although reporting repairs would have been easier if tenants had access to the terms used in the repair finder diagnostic. The performance of the contact centre was inconsistent. Service standards were not displayed consistently in all LNEh buildings. The presentation of written material varied, particularly in sheltered accommodation and tower blocks.

- 29 In this inspection, we found more weaknesses than strengths. Although LNEh's contact centre provides a caring and responsive service, customers are not receiving a prompt telephone answering service. Some customers find it difficult to access LNEh services, and do not always receive the quality of service they expect. Complaints are not effectively managed and systems for responding to customer enquiries are not robust. Overall customer satisfaction with landlord services is not improving. However, service standards and information provided to customers are clear and have been developed with customer input; offices are appropriately located and LNEh regularly obtains and uses customer feedback to inform service improvements.
- 30 Following a review of service level agreements with LCC in 2004, LNEh decided to withdraw from the Council's shared call centre. In November 2005 it opened its own contact centre, which provides freephone services. As the number of calls made to the freephone number was much greater than expected, LNEh initially fell well short of the answering standards expected by customers. It therefore decided to introduce voicemail facilities in April 2006. The voicemail message is triggered after 15 seconds so that customers who do not wish to hold can leave a message which should be returned within an hour.
- 31 The contact centre provides LNEh customers with a caring and responsive service. The service has improved steadily since its inception and most customers welcome the addition of the voicemail service. In June staff took an average of 33 minutes to respond to the 942 messages (13 per cent of all calls) left by customers, which is within the service standard time agreed with tenants of one hour. The number of abandoned calls has reduced to 9 per cent with customers waiting on average only 37 seconds before abandoning. We found that the service provided by contact centre staff was thorough and reliable and that every effort was made to deal with each enquiry fully before the end of the call.
- 32 LNEh is not providing customers with a prompt telephone answering service. At the time of our inspection, customers still had to wait an average of nearly one minute to speak to an agent, which is slow compared with other providers. Despite the recruitment of additional staff, the contact centre cannot cope with the number of calls made at peak times. The service has not met its target of 90 per cent overall customer satisfaction. Existing levels fluctuate between 83.7 and 86.5 per cent. The requirements of customers who need an urgent response or who are unable to leave a message are not being met.

- 33** Some customers find it difficult to access LNEh services, and do not always receive the quality of service they expect. Customer satisfaction with arrangements for contacting LNEh is low. Twenty-eight per cent of respondents to the 2006 STATUS survey thought that it was difficult to get hold of the right person, an increase of 3 per cent on 2005. Thirty-two per cent were dissatisfied with the final outcome of that contact. Currently, LNEh does not have information on the percentage of customer enquiries made through the contact centre rather than through the neighbourhood offices, out-of-hours service, direct telephone lines or face-to-face contact. Also, because of problems with IT systems, LNEh does not yet know whether it is meeting its target to deal with 80 per cent of customer enquiries at the first point of contact. Without this information the ALMO cannot effectively address customer concerns about accessing the service.
- 34** Complaints are not effectively managed. Although LNEh introduced a revised complaints monitoring system in April 2006, it does not automatically identify delays in responses. New staff with relevant skills have recently been recruited to improve complaints handling and response times improved significantly between May and June. However, in the last two months, of the 36 complaints received, only seven were answered within the 15 day standard. LNEh policy is to issue holding letters if the complaint cannot be answered fully within 15 days, but this does not routinely happen. One tenant took a relatively minor complaint about unsatisfactory improvement works to the ombudsman because after seven months LNEh had failed to resolve it through the complaints process. Weaknesses in complaints handling are a barrier to improved customer satisfaction.
- 35** Customers receive inconsistent responses to emails and letters. E-mailed enquiries through the website are not monitored effectively. These are usually re-directed to the appropriate section to deal with, but response times are long, and when tested we did not receive responses for eight days and 18 days respectively. Responses to letters are inconsistently recorded, and LNEh is unable to judge whether it meets its own service standards. Without a reliable source of information, LNEh cannot judge whether the service it provides meets customers' expectations.
- 36** LNEh is failing to improve overall customer satisfaction with its services. The STATUS surveys of the last three years show that satisfaction is static: 73 per cent (2004), 72.1 per cent (2005) and 72.3 per cent (2006). Satisfaction with accommodation, condition of property, and with neighbourhood has increased in the past year. However, satisfaction with the repairs and maintenance service while improving is still low at 71.5 per cent. LNEh points to its own service user feedback surveys, which generally show levels of satisfaction over 80 per cent. However, these results are often based on very small samples with poor response rates. Until the ALMO carries out further analysis with customers of the STATUS survey data, it will not be able to take the steps necessary to improve customers' overall perception of the service.

- 37 Service standards are clear and comprehensive. Customers are involved in developing and reviewing service standards and policies through a variety of forums. Tenant members of the contact centre project group were involved in taking the decision to install an ansaphone and in agreeing the service standards for the centre. Tenants are also involved in service review groups, which cover all main service areas and meet quarterly to discuss performance against service standards and options for improvement.
- 38 All LNEh offices are accessible and provide good facilities for all customers. In addition to the contact centre, staff involved in regular contact with customers and those responsible for estate management work from four neighbourhood offices. All LNEh staff have received customer care training and front desk reception staff are dressed in company uniform. The external faces of three offices (the fourth is located in an LCC building) are decorated in corporate colours making them both attractive and easily distinguishable from the surrounding shops. Entry doors to the offices are automatic and wide enough to accommodate a wheelchair or children in prams. Minicom/loop systems are fitted to assist customers with hearing difficulties. Offices have designated play areas and rooms available for confidential interviews. Posters are easily visible and although service standards are not on display in LNEh offices they can be obtained on request.
- 39 The website is easy to access. A number of services are available online such as paying rent, complaining and reporting a repair. Information about service standards, opportunities to get involved and translation facilities is comprehensive and well signposted.
- 40 The information LNEh provides to tenants is clear and accessible. This includes posters and leaflets, covering a wide range of issues such as becoming a Tenant Board Member. LNEh also produces more detailed customer guides on specific services, such as disabled adaptations and a handbook specifically for repairs. Tenants have been involved in developing this information through reader panels and tenants sit on the editorial panel for the LNEh newsletter. All publications are available in large print, Braille, and other language formats. Residents groups also produce newsletters containing useful local information and encouragement to tenants to get involved with support from LNEh. Satisfaction with the LNEh newsletter, which is produced quarterly is high at 82 per cent as measured by the 2006 STATUS survey.
- 41 However, information for customers about compensation is poor. The ALMO's customers are not provided with information about LCC's compensation policy or about their legal right to make a claim against their landlord for loss of service or amenity. Neither LCC nor LNEh publicise the policy or the process and compensation is not mentioned in the tenants' handbook.

- 42 LNEh has a wide range of tools for obtaining customer feedback. The in-house customer research team designs and issues surveys which include short and simple questionnaires with incentives offered for completion such as entry into a prize draw, as well as bi-annual mystery shopping exercises. Tenants are asked to complete service user surveys on most key services such as home improvement, repairs services and rent payment methods. A broader annual STATUS survey of a randomly selected sample of around 2,000 tenants measures overall satisfaction with services.
- 43 LNEh uses learning from customer feedback to make service improvements. Changes were made to the information provided to victims of anti-social behaviour and to the voids procedure in response to customer feedback surveys. The relevant service review group considers service issues raised by formal complaints and through tenants' forums, remedial action is agreed and fed into service improvement plans. Action taken in response to customer feedback on the performance of the contact centre, in terms of both the quality and speed of the service has led to increasing customer satisfaction with that service.
- 44 LNEh regularly updates customers on the outcomes of feedback surveys. After analysing customer comments LNEh discusses its response at tenants meetings and confirms in newsletters what actions it is proposing to take in response. This ensures that residents are informed about the use made of their comments.

Diversity

- 45 In our previous inspection, we found that LNEh had an under-developed approach to equality and diversity, but had made a policy commitment to ensure that it provided community leadership and services that met the diverse needs of tenants and staff. At a strategic level the Council and LNEh were focused on addressing issues relating to diversity and were clear as to where they had to improve. LNEh had still to develop a clear understanding of the needs and views of the community it served.

- 46 In this inspection, we found strengths, balanced by some significant weaknesses. LNEh's approach to tackling domestic violence is still in development. There are weaknesses in impact assessments, coverage of equalities issues in Board reports and access to Sheltered Housing schemes. LNEh has failed to address lower levels of BME customer satisfaction and it has not given sufficient priority to addressing resident concerns about racial harassment. Some of the access and information needs of BME tenants are not being met as well as those of white tenants. However, a commitment to equality and diversity is a core theme of LNEh's business and the organisation reflects the ethnic make up of the community it serves. All LNEh offices comply with the requirements of the Disability Discrimination Act (DDA). LNEh works constructively with partners to agree joint strategies for addressing community cohesion and diversity issues. Translation and interpretation services are readily available. LNEh makes good use of its customer profile information to tailor services to meet the specific needs of customers although customer profile information is not always reliable nor used consistently. LNEh has established firm links with some community organisations to help meet the needs of tenants from minority communities. Arrangements are in place to ensure contractors are committed to diversity.
- 47 LNEh's approach to tackling domestic violence is still in development. The ALMO is a partner to the Leeds Strategic Domestic Violence Partnership but it has only recently developed its own policy and supporting action plan. Implementation of the policy and monitoring of incidents will take place after staff have been trained, and this is scheduled for September 2006. The policy has yet to be publicised to customers and stakeholders. Currently, therefore, LNEh does not have the information it needs on the extent or nature of domestic violence to enable it to direct resources to tackling the problem.
- 48 Equality impact assessments of services have not been thorough. All services have been assessed at a high level only, providing a priority list of service areas that need more in depth assessment. Frontline staff were not involved in this work and some staff were unaware that the assessments had taken place. They were aware, however, of the Equality and Diversity section of their service plans. Training has been planned for the Equality and Diversity Officer to equip him to carry out thorough assessments. Without thorough impact assessments, LNEh cannot judge whether it is delivering its services in a way that meets the needs of all customers.
- 49 Reports to the Board do not routinely consider whether there are any barriers to accessing the service. Report templates include an equality and diversity section but the use of this section is inconsistent. For example, the report reviewing the progress of the contact centre did not include any equality and diversity implications. Since our inspection this year LNEh has added 'barriers to accessing services' to the wording to prompt completion of the template. Without this information, the Board risks making decision which have unintended impacts on some sections of the community.

- 50 Some of the access and information needs of BME tenants are not being met as well as those of white tenants. The 2006 STATUS survey showed that fewer BME respondents (66.3 per cent) than white respondents (82.9 per cent) knew how to complain. Fewer BME respondents (51.2 per cent in 2006, a deterioration of 7.8 per cent since 2005) than white (67 per cent) found it easy to get hold of the right person when they contacted LNEh. In terms of the final outcome of their contact, BME satisfaction levels have fallen significantly from 40.26 per cent in 2005 to 28.4 per cent in 2006. Almost three times as many BME respondents (6.1 per cent) as white (2.2 per cent) say they do not receive the newsletter on a regular basis. Until LNEh implements its plans to contact BME customers to explore the reasons for these responses there is a continued risk of poorer service for these customers.
- 51 LNEh has failed to address the significantly lower levels of satisfaction of BME groups. Satisfaction rates among BME tenants are low, and the overall satisfaction level declined between 2005 and 2006. The response rates from BME tenants are also poor. An action within the 2005/06 service plan to contact dissatisfied customers has not been implemented and has been carried forward to the current year's plan. Similarly, the action to invite members of the BME community to speak at team meetings was not implemented. We found that staff were either unaware of the disparity in satisfaction levels or if aware did not consider that addressing it was a priority for anyone other than the Equality and Diversity Officer.
- 52 LNEh has not given sufficient priority to addressing resident concerns about racial harassment. The 2006 STATUS survey indicates that those concerns are increasing. 31.4 per cent (20.5 per cent in 2005) of BME respondents and 10.7 per cent (8.6 per cent in 2005) of white respondents thought that there was a slight or serious problem of racial harassment in their neighbourhood. In addition, 33.7 per cent (26 per cent in 2005) of BME respondents reported a problem of people causing damage to their home. LNEh has plans to increase contact with BME communities. It also plans to carry out further analysis of the survey results to better understand residents' concerns. Until greater priority is given to this issue there will be a continued threat to the safety and security of LNEh residents.
- 53 The ALMO also has limited information on the incidence of hate crime on its estates. The Board and senior management receive information on the number of hate crime cases that are reported to LNEh's offices - only one in 2006, but not about those reported to other agencies in the area - 29 so far in 2006. Also the ALMO does not know which of the 29 cases involve LNEh customers, either as victims or as alleged perpetrators. The Board does not therefore have sufficient information to enable it to address both the actual and the perceived problems of harassment.
- 54 Not all sheltered housing schemes are DDA compliant. LNEh has assessed the sheltered stock for DDA compliance and has drawn up schedules of works. However, it has not yet identified funding to carry out the works. There are therefore still some barriers to access for disabled people in these schemes.

- 55 A commitment to equality and diversity is a core theme of LNEh's business. The promotion of equality and diversity is one of its eight key values. An Equality and Diversity Officer was appointed in 2005 to develop the equalities agenda. There is a clear Equality and Diversity Policy supported by an extensive action plan with challenging targets to address current weaknesses. All service plans now address equality and diversity issues. LNEh has contributed to LCC's achievement of Level 3 of the Equality Standard. The Board has appointed a 'Champion' for diversity and LNEh promotes diversity awareness for tenants through newsletter articles, training for tenant representatives and by involving tenants in drawing up the service plan with the Equality and Diversity Officer.
- 56 LNEh's recruitment and tenant selection processes help the organisation reflect the ethnic make up of the community it serves. At September 2005, 17 per cent of staff, 17 per cent of Board members and 21 per cent of all tenants were from BME communities. Minority ethnic representation among senior staff is low but plans are in place to address this through Positive Action Training in Housing (PATH) recruitment and Career Opportunities for Ethnic Minorities (COFEM) mentoring.
- 57 LNEh works constructively with partners to agree joint strategies for addressing community cohesion and diversity issues. The LNEh Chief Executive chairs the Leeds ALMO Equality and Diversity Group and also chairs the District Partnership for Leeds North East, which includes the police and community organisations. The Partnership aims, among other things to develop harmonious communities and has hosted a conference to consult about community cohesion. LNEh has adopted the BME Strategy recently launched by the Leeds Housing Partnership, which includes the six ALMOs, Leeds Registered Social Landlords and LCC. This provides a strategic framework for improved engagement with minority communities.
- 58 Translation and interpretation services are readily available. Customers have access to Language Line but often interpreting services are provided by members of LNEh staff who speak one or more community languages. Services are also available from Leeds City Council's interpreting and translation unit. Straplines on letters and key documents and on the website publicise the availability of translations and of alternative formats such as Braille and large print. Translators also attend residents meetings when requested.
- 59 LNEh makes good use of its customer profile information to tailor services to meet the specific needs of customers. This information is stored on the customer relationship management system, Siebel. The customer research team send out surveys every six months to tenants to check that the information held about them is up to date. Information about vulnerabilities and other needs is used by LNEh and its partners to target services such as providing additional smoke detectors for elderly people and translating requests for access letters. It is also used to target capital resources effectively to provide adaptations for disabled customers.

- 60 However, there are weaknesses in the information systems. The customer profile information is not made available to repairs operatives before they visit homes to carry out the work. Not all the information held by LNEh has been transferred to Siebel. LNEh is working with the other Leeds ALMOs to develop a solution for merging the current and previous systems. Until this is complete doubts will remain about the reliability of Siebel.
- 61 LNEh has established firm links with some community organisations to help meet the needs of tenants from minority communities. This includes providing meeting venues for organisations such as Community Links and the Leeds Black Elderly project and giving presentations about LNEh to staff of voluntary and statutory organisations who work with BME communities. In August 2005 LNEh held a BME Fun day at the local Islamic Centre, which was attended by partner agencies such as the police and Groundwork as well as over 200 residents. Staff are in regular contact with the mosques in the area and with the Button Hill Group, which supports elderly residents in the area who are predominantly from Caribbean communities.
- 62 However, some partner organisations consider that LNEh is not proactive in seeking to understand the needs of their clients, for example asylum seekers. Also there is no engagement with gay and lesbian groups. Overall, the increasing engagement with community organisations is helping to improve both LNEh's diversity awareness and the communities' awareness of LNEh's services.
- 63 Progress has been made since the last inspection to make contact with hard-to-reach and vulnerable customers. Targets have been set for the Partnerships Team to establish these contacts. To date 251 customers, predominantly from minority ethnic communities with whom LNEh had no previous links, have been contacted. A target has been set to increase this to 300 in 2006/07. This contact provides the opportunity for LNEh to record any special needs the customer may have and to explain the options for resident involvement. LNEh has also succeeded in increasing the number of BME residents involved through residents associations and other groups from five in 2003/04 to 30 in 2005/06.
- 64 Arrangements are in place to ensure contractors are committed to diversity. Contractors and partners bidding to work for LNEh are required to demonstrate that they have appropriate equality and diversity policies in place and that these are implemented. This includes providing diversity training for their employees. Targets are in place for contracts relating to the use of local labour, which are exceeded in some cases. Audits are in progress, carried out by external consultants to confirm whether the new contractors comply with their policies in terms of profile of workforce, delivery of training programmes and service delivery. However, some tenants we spoke to found that the attitude of some contractors or their sub-contractors is inappropriate on occasions. LNEh has responded to this concern by contacting all contractors to re-emphasise the requirements of the customer care policy.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 65 In our previous inspection, we found that LNEh had sound investment plans for meeting the decent homes standard. The principal focus was on meeting the decent homes standard and did not focus on projects which were a priority but fell outside the DHS definition. Options appraisals were used well to ensure the sustainability of improvement schemes. LNEh was making effective progress in diverting money from responsive repairs into planned maintenance. It had formulated a programme of improvement works where tenants had been offered a choice of materials and work was planned to minimise inconvenience to them. Customers were generally satisfied with the work to their homes. The average energy efficiency of the homes was below average but there were improvement programmes underway to improve it. The maintenance of garages was an area for concern and the prevention of the disturbance of asbestos during building work was also weak.
- 66 In this inspection, we found that there were more strengths than weaknesses. The improvement programme addresses customer preferences and is organised efficiently to include the installation of adaptations where needed. The new partnering framework is delivering efficiency gains and closer working relationships. Contract monitoring and information sharing on the specific needs of customers is effective. Good progress has been made to improve thermal insulation and stock condition data and to reduce the levels of properties falling below the decency standard. However, owner occupiers are not actively encouraged to participate in improvement programmes. Data on asbestos is not robust.
- 67 The improvement programme is tailored to customer preferences in specific areas. Customers in the Chapeltown area indicated that they preferred whole house modernisation and programmes were arranged accordingly. On the other hand, most residents in LNEh's other areas requested an elemental approach to improvement. This has been agreed by the ALMO. Although this approach does delay achievement of the decent homes standard, customers are benefiting from greater choice.
- 68 The arrangements to assess the performance of contractors are robust. Key performance indicators developed by the Leeds Partnership Board include those that measure cost predictability, the time spent in a property and customer satisfaction.
- 69 LNEh provides customers with options to improve the heating in their homes. Through the Heatlease scheme, which has been running for over two years, over 2,200 properties have benefited from improved central heating systems. Tenants can opt to install up to seven radiators and a new boiler if necessary. The costs to residents are relatively minimal at up to £3.75 per week, which qualifies for benefit contributions. Research has shown that heating bills have reduced in real terms following the completion of the works.

- 70 Systems to share details of improvement schemes internally are effective. All staff and the repairs contractor can access information on improvements that are still under warranty or where they are planned. This reduces the likelihood of repairs being inappropriately ordered.
- 71 Improvement programmes are organised efficiently to install adaptations where needed by tenants. Before specifications are developed, tenants who have requested adaptations are contacted. In addition, to speed up the assessment process, there is a requirement for the contractor to employ an occupational therapist to carry out the necessary assessments. This is an effective approach that minimises disruption to tenants.
- 72 The new partnering framework has been used as a vehicle to deliver efficiency gains within a short period of time. A reduction in the cost of site set up costs has reduced preliminary costs by three per cent. Discussions have also taken place on the cost and quality of materials. Some specifications have been retained, based on life cycle costs, and others altered resulting in efficiency gains of up to £100 per property in 2006/07. Since the decent homes work started, prices from partnering contractors have been maintained at the same levels despite a rise in materials costs. This has enabled the ALMOs in the area to complete improvement schemes without significant increases in unit costs.
- 73 Information sharing on the specific needs of customers is well organised. The contractors receive a 'risk list' in order to make them aware of any particular access arrangements or the need to arrange works outside normal office hours. This has been used in some instances to arrange joint visits or works to be carried out in the presence of a female tenant liaison officer where appropriate.
- 74 The new partnering framework has encouraged the development of closer working relationships between all stakeholders. Tenants are involved in monitoring the performance of the various contractors and they work closely with LNEh staff to develop and deliver the improvement programmes throughout the area.
- 75 Good progress has been made to improve thermal insulation. Seventy-five per cent of the 5,983 homes managed by LNEh have improved insulation; 4,483 now have adequate loft insulation and 58 per cent have had wall insulation. The SAP rating for LNEh dwellings improved from 53.2 in 2003/04 to 62.1 in 2005/06.
- 76 Stock condition data has been updated to address previous weaknesses. The previous database could not predict the number of homes that would fail the decency standard. Following an updated stock condition survey, which reported in May 2005, programmes and the schedules of rates have been refined. This has resulted in more accurate predictions on costs and targeting of works. Revisions to the Asset Management Strategy have also recently been completed to reflect the new information.

- 77 The significant investment within the last two years has reduced the levels of properties falling below the decency standard in real terms. Because of the elemental approach the percentage of homes meeting the decent homes standard is now only 20.68 per cent. However, over 9,000 elements of improvement have been carried out within the last two years and LNEh expects that all homes will meet the decency standard by 2009/10. Consequently, there has been a 16 per cent improvement in compliance, taking into account those homes that have fallen below the standard in the interim.
- 78 Communal equipment is serviced according to the manufacturers' requirements. The ALMO has a budget over £140,000 to service lifts, lighting and CCTV equipment normally on an annual basis, with contract administration being managed through the property services section.
- 79 Data on the location of asbestos is not robust. As a matter of routine, contractors are expected to survey every home before improvement works are carried out and where appropriate arrange for removal as part of the improvement project. This is due to the fact that the ALMO does not have access to a comprehensive database, which confirms the type of asbestos, its location and the likely costs of its removal. LNEh is currently working with LCC to introduce an enhanced data system, but it currently has limited capacity to plan for the cost effective removal of asbestos.
- 80 Owner occupiers, unlike tenants, are not actively encouraged to participate in improvement programmes. LNEh staff do not encourage their participation in schemes or involve LCC in discussions regarding financial advice. As a result, of Right to Buy, some estates have levels of owner occupation of 40 per cent. Where a significant proportion of those are omitted from re-roofing or external cladding schemes, this can have a negative impact on the estate environment. LNEh plans to review its approach, in consultation with LCC and leaseholders. This would provide the Council with an opportunity to address local authority targets for achieving decent homes standards in the private sector.

Responsive repairs

- 81 In our previous inspection, we found that LNEh provided an effective responsive repair service. It was easy for customers to request a repair and they received a prompt response. The proportion of emergency repairs was reducing, a high proportion of repairs were completed right first time and at convenient times for customers. Customers were satisfied with the service they received and there were robust arrangements for quality control and effective budget monitoring. The process for batched repairs made it difficult for staff to be specific about start dates and customer satisfaction with parts of the service was not monitored.

- 82 In this inspection, we found that there were more strengths than weaknesses. The repairs service is customer-focused, there is a wide range of options to report a repair and returned repairs slips show that service user satisfaction with the service is high. However, the overall satisfaction of all tenants with repairs, measured annually, is much lower than that measured through the returned repair slips, and BME tenant satisfaction is significantly lower than that of white tenants. Local labour targets have been exceeded. The reliability, quality and value for money of the service have improved. Access to the contractor and information sharing has improved. However, information on batched repairs has been imprecise; IT systems cause inefficiencies; some performance data is unavailable; and there is no handyperson service or equivalent.
- 83 The repairs service is customer-focused and professionally delivered. Customers have been involved in developing service standards and reviewing existing policies. In response to customer feedback, LNEh now offers flexible appointments for repairs. Morning, afternoon and late evening appointments are available and customers can request more specific times within those slots, to avoid school times for example. The focus of contact centre staff is to answer all queries whilst the customer is on the phone. This includes arranging appointments for visits, confirming repair requests and giving indicative timescales.
- 84 There is a wide range of options available to report a repair. Customers can request works through area offices, the contact centre, face-to-face with LNEh staff or through the responsive repairs contractor, Mears, making it easy to access the service and encourage tenants to report minor works.
- 85 Service user satisfaction with the repairs service is high. Monthly surveys of tenants who have used the repairs service show that 100 per cent feel that the operative was polite and 99 per cent consider that it as easy to report the defect. On average 96.5 per cent are satisfied with the overall service received. This contrasts with the annual STATUS survey of all tenants (not only users of the repairs service), which shows overall satisfaction with repairs and maintenance at only 70.7 per cent, an improvement of 2.1 per cent since the 2005 survey.
- 86 Staff throughout the organisation are well briefed on targets for the repairs service. The percentage of repairs reported as emergency priority are discussed with officers recording repairs and where any errors are made, training needs are assessed. Contact centre staff have targets that are aimed at maintaining the appropriate levels of repairs in each category. These arrangements have helped achieve improved performance and a reduction in the percentage of emergency repairs from 55 per cent to 30.3 per cent in the six months to March 2006. However, this is still high compared with the Audit Commission's good practice target of 10 per cent.
- 87 Surgeries are used as an opportunity to increase access to the repairs contractor. Fortnightly sessions on the Beckhill estate are offered on a drop-in basis to residents who either wish to meet an LNEh officer or the responsive repairs contractor to raise concerns or request services.

- 88 Targets are in place for contracts relating to the use of local labour, which are exceeded in some instances. Contractors are expected to employ 50 per cent of their workforce using local residents. Over 80 per cent of the responsive repairs contractor's workforce is made up of local people, which includes two female and two male apprentices. Between them, operatives can speak 11 community languages, which has helped to overcome communication issues. Achievement of these targets benefits the local economy and increases the stake residents have in improving their estates.
- 89 Communication between LNEh and the contractor is effective. Since entering into the partnering contract, LNEh and Mears have run joint training sessions. Mears provides technical support to contact centre staff as well as reports, which analyse the most common mistakes made on repairs orders. These measures increase knowledge within the team and reduce the number of variation orders.
- 90 The repairs service has improved in terms of quality and reliability. At the time of our inspection the percentage of appointments made and kept was 97 per cent; 93 per cent of jobs were completed first time and 99 per cent of urgent repairs were completed within the published timescales. Tenants we spoke to thought that the service had improved significantly in the last two years. Tenant representatives confirmed that the repairs freephone together with the repairs handbook made it easier to report any defects.
- 91 Pre and post-inspections have improved to reflect recommended levels. Pre-inspections have been reduced from over 20 per cent 12 months ago to just over five per cent at the time of the inspection. This together with post-inspections of 10 per cent, represents levels recommended by the Audit Commission and increases the potential to robustly assess the quality of the work carried out, and represents an efficient use of resources.
- 92 Communication regarding batched repairs is imprecise. At the time of our inspection the arrangements to manage batched repairs were not mentioned in the Tenant Handbook or the Your Repairs leaflet, nor were timescales mentioned in the standard letter. However, LNEh has now amended the letter and made arrangements to update the other documents.
- 93 LNEh is not providing BME customers with a repairs service that meets their expectations. The 2006 STATUS survey shows 72.5 per cent (71.5 per cent in 2005) of white respondents are satisfied with the repairs service overall compared to only 63 per cent (52 per cent in 2005) of BME respondents. Although the levels for BME respondents show marked improvement on the 2005 levels, the disparity between BME and white tenants is still significant. LNEh plans to hold focus groups with BME tenants in an attempt to understand the reasons for the disparity.
- 94 Systems used to monitor invoices are inefficient. Because of problems with the system used by the contractor to generate invoices, on-costs are sometimes added to the total twice. Invoices are randomly sampled for checking. If those sampled reveal overcharging, the sample size is increased to compensate for those overcharged in error. This process wastes staff time that should be focused on providing service to customers.

- 95 Systems to provide some performance information are also inefficient. The responsive repairs contractor is unable to provide data to LNEh to confirm the percentage of work completed within one visit. There is therefore a reliance on satisfaction surveys and post-inspections, which give only partial information on this aspect of the service.
- 96 A handyman service or its equivalent has not been developed. The partnering contract includes an objective to develop a repairs caravan, which would tour the estates offering to carry out minor repairs. LNEh is also considering the option of extending the role of caretakers to provide a handyman service. But currently the ALMO is using highly trained operatives in some instances to carry out very minor works to homes.

Empty (void) property repairs

- 97 In our previous inspection, we found that LNEh was repairing its empty properties quickly and was using clear procedures and standards. Post-inspection of repairs was comprehensive but quality control on pre-inspections carried out by the contractor was weak in some areas. The quality of the work did not always meet the minimum standard required although tenants were generally satisfied with the service.
- 98 In this inspection, we found that there is a balance of strengths and weaknesses. Void maintenance is improving, spend is effectively managed and LNEh has improved the voids process in response to customer feedback. However, the standard specification for kitchens is not applied to voids. Customer satisfaction with the service is variable and the external appearance of some long-term voids is not satisfactory.
- 99 Void maintenance is improving. The void procedure is clearly articulated and works to voids are prioritised according to demand and the extent of works. Although customer feedback and reality checking by LNEh revealed that the lettable standard is not being consistently applied, all the properties we visited met the standard. Improved performance is having a positive impact on value for money in the voids process.
- 100 The average spend on voids is being effectively managed within the target levels. Within the last year, works have cost on average £1,000 against a target of £2,500. Although the lettable standard is currently being reviewed in consultation with tenants, performance information shows that average spend is considerably less than previous expenditure. This is due to closer control on costs and improved value for money delivered through the new partnering framework.
- 101 Some minor improvements have been made to the voids process in response to customer feedback. The condition of gardens was raised as an issue as the gardening contractor tended to visit after people had moved in. The specification has now been improved to ensure visits are made the day before the property is occupied.

- 102** The standard specification for kitchens is not applied to voids. The decent homes programme specifies a particular brand of kitchen that offers more flexibility in terms of sizes and offers a better visual appearance than that fitted on voids. Consequently, space is not being maximised in some properties and dual standards are being applied.
- 103** Maintenance arrangements for long-term voids increase the likelihood of an adverse impact on the neighbourhood. Under the review of the lettable standard, LNEh is planning to improve some specific areas such as garden clearance, security doors and fencing but currently gardens are not routinely maintained on long-term empty homes. During the growing season in particular, they therefore become unsightly and overgrown.
- 104** The satisfaction levels with void work vary considerably on a monthly basis. In the past year the percentage of customers satisfied with the cleanliness of the property when they moved varied between 90 per cent and 33 per cent, although the latter was only based on the views of nine customers. In terms of the property being of an acceptable standard the results varied between 100 per cent and 55 per cent, indicating concerns about the level of service being delivered.

Gas servicing

- 105** In our previous inspection, we found that LNEh provided effective gas servicing. Virtually all gas appliances were serviced on time, to a high standard and at a time to suit customers. Access difficulties were pursued vigorously and appropriate legal action taken where necessary.
- 106** In this inspection, we found more strengths than weaknesses. Publicity regarding the gas servicing programme has increased. The work carried out during the servicing contract meets the legal requirements and smoke alarms are checked annually. Customers were involved in awarding the contract and there are high levels of satisfaction with the works. Local labour targets have been exceeded and efficiency gains have been delivered. However, at 99.08 per cent the target of 100 per cent for gas servicing is not being met. The process for gaining access has been unduly long and the IT system is not fully utilised to expedite access.
- 107** Publicity for the gas servicing programme has increased to stress the importance of the annual service. The repairs handbook and monthly newsletters outline tenants' responsibility to arrange access with the latter used to confirm the areas in which the contract is operating and the relevant timescales.
- 108** The work carried out during the servicing contract meets the legal requirements and produces high levels of satisfaction. Independent surveys carried out by British gas of 4 per cent of all jobs and by the contractor of 10 per cent confirm that the standard of work is satisfactory. Similarly, post-service customer surveys reveal high average satisfaction levels of 98 per cent.
- 109** Smoke alarms are checked annually. The gas servicing contract specifies that all smoke alarms be tested during the annual service of gas appliances, thus ensuring any faulty smoke alarms are identified.

- 110 Customers were involved in awarding the contract for gas servicing which considered both cost and quality. The three-star contract was awarded In April 2005 to a contractor who also services properties for two other ALMOs in Leeds. Key performance indicators are used to assess performance such as the percentage of no access calls as well as customer satisfaction and the percentage of breakdowns completed during the first visit.
- 111 Targets are in place for contractors to employ local labour. These are exceeded in some instances. Contractors are expected to have 50 per cent of their workforce made up of local residents. The gas servicing contractor has successfully employed over 54 per cent of staff from local areas including 30 per cent from a BME background.
- 112 Efficiency gains have been delivered in gas servicing. Servicing of new boilers has been arranged to reflect the manufacturer's recommendation to carry out combustion checks in some instances rather than a full service. Savings of 4 per cent have been delivered as well as a reduction in the number of breakdowns following a full strip down of the boiler.
- 113 Targets for the gas servicing contract are not being met. The percentage of appliances serviced within the statutory period is improving (99.08 per cent at the time of our inspection) as a result of legal action and more co-ordinated efforts to access properties in the area. However, 42 certificates had expired at the time of our inspection and one property has not been accessed since October 2003. There is no information to confirm whether appliances are still being used in that house. This increases the risk of injury to occupants and damage to property.
- 114 Some timescales within the gas servicing process are unduly long. For example, the property services department should send a quarterly update to the ALMO requesting a visit by an estate officer who then has 28 days to make contact. This could lead to a further period of four months before commencing legal action. Since our inspection LNEh has updated the procedure, but prior to this unnecessary delays in gaining access to homes were built into the process.
- 115 The IT system is not fully utilised to arrange access to service appliances. We checked two properties with outstanding gas certificates and neither was flagged to alert staff to the fact that the certificates had expired. The tenant of one had phoned the ALMO four times in the last month to request various repairs. Also LNEh does not share customer profile information with the gas servicing contractor. Opportunities to access properties and reduce risk are not maximised.

Aids and adaptations

- 116 In our previous inspection, we found that tenants were regularly updated on the progress of their scheme by the adaptations service but were not made aware of any service standards or indicative timescales to have adaptations fitted. The management of information relating to adaptations fitted to LNEh homes was good but communication between the Council and the ALMO could be improved to assist budget monitoring. Poor performance was delaying the installation of adaptations to assist tenants in their homes. More information in the Homefacts booklet would have been of assistance to residents.

- 117** In this inspection, we found more strengths than weaknesses. The information for customers on adaptations reflects best practice; the relationship with Social Services and also the prioritisation of capital resources has improved, and the number of people waiting for assessments has reduced. Other agencies are able to make bids for properties on behalf of their clients and improvement programmes are carried out at times which meet customer preferences. However, performance against ODPM targets is mixed.
- 118** The information available to customers reflects best practice. The section in the Tenant handbook relating to adaptations is in a format that reproduces the social model of disability, encourages self-assessment to identify barriers within the environment and shows how they can be overcome. This encourages tenants to be actively involved in identifying solutions appropriate to them.
- 119** The full range of options is considered before adaptations are installed in properties. The Tenancy Services Manager co-ordinates the service to encourage the assessment of all alternatives before carrying out works to a property and provides ongoing support to new tenants. This has improved both the relationship with Social Services and also the prioritisation of the £500,000 budget allocated by LNEh in the current year.
- 120** Performance in completing the adaptations is mixed. The number of people waiting for an Occupational Therapist (OT) assessment reduced from 2,600 in August 2005 to 1200 in March 2006. In 2005/06, LNEh exceeded the ODPM target times for completion of the works for high, medium and low priority cases. However, the time that customers with high and medium priority needs had to wait for an OT assessment was unacceptably high at 51 days (target 7) and 64 days (target 22) respectively.
- 121** LNEh is working effectively with Social Services to speed up the assessment process. In cases where OTs have comprehensive information on a customer's needs and on the property he or she lives in they are trialling a new approach to assessment. This involves a telephone assessment rather than a home visit. This pragmatic approach is helping to reduce the overall time customers wait for their adaptations.
- 122** Other agencies are able to make bids for properties on behalf of their clients. When adapted, properties are highlighted on the CBL system. Occupational therapists can make bids on behalf of clients who lack the skills or confidence to use the system. This helps to ensure that adapted homes are being used to their full potential.
- 123** Procedures are in place to ensure improvement programmes are delivered at times to suit customers. An induction meeting is used as the first opportunity to meet tenants, explain the process and discuss individual queries. Specific requirements such as holiday arrangements are resolved through the tenant liaison officer who is employed on all contracts. This improves communication and the responsiveness of the service.

Housing income management

- 124** In our previous inspection, we found that LNEh demonstrated good practice in income collection, arrears recovery and its approach to helping tenants to maximise welfare benefits. The positive emphasis on prevention and obtaining money judgements rather than possession orders enabled LNEh and tenants to maximise income. LNEh's strategic approach to increasing income and its work with agencies was a weakness however, as was the reduction in action taken to collect former tenant debts. Rising levels of former tenant debt undermined the overall effectiveness of this approach.
- 125** In this inspection, we found a balance of strengths and weaknesses. Customers have a wide range of options for rent payment, and information about this service is clear and accessible. LNEh reviewed the value for money of rent payment options and removed the cash collection option. It has streamlined arrears recovery procedures and increased enforcement activity. There is a focus on preventing arrears accruing and liaison between LNEh and the benefits service has improved, although there are no formal arrangements for the provision of independent debt advice. There has been some improvement in the recovery of former tenants' arrears, although the total debt outstanding has increased. Customer satisfaction with the service is mixed. Rent collection and arrears recovery performance is also mixed and improvement is hindered by ongoing problems with the administration of direct debit payments. There are concerns about the accuracy of performance information generated by LCC, and IT systems do not support efficient use of staff time.
- 126** Customers have a wide range of options for rent payment. These include direct debit, standing order, personal cheque, payroll deduction (if working for the local authority) rent payment card at Post Offices and other paypoint outlets such as supermarkets, and by telephone for debit card holders. Rent can also be paid on line, although signposting for rent payment on the website could be clearer.
- 127** The information provided to new and existing tenants about rent payment and arrears recovery is clear and accessible. This is included in the tenants' handbook and in leaflets displayed in LNEh offices. Standard letters to tenants about rent and arrears are clear and are translated where appropriate. Quarterly rent statements contain the translation/alternative format strapline.
- 128** Appropriate procedures are in place to monitor rent arrears. Arrears reports are run on a weekly basis and distributed to the customer accounts officers on a patch basis for review and action. A new procedure was implemented on 8 May 2006 rationalising the use of automatically generated standard letters and allowing customer accounts officers to override the automatic issue of letters where appropriate, such as when an agreement to reduce the debt has been made with the customer. The new procedure increases the emphasis on telephone contact rather than home visits as a means of reducing the staff time wasted on abortive visits. Service users with e-mail facilities are contacted in that way to facilitate speed of contact and to keep costs down. These measures increase the team's capacity to tailor action to the particular circumstances of the tenant.

- 129** LNEh has become more proactive at enforcing rent payment obligations in the past 12 months. In 2005/06, 599 Notices of Seeking Possession were served compared to 214 in 2003/04. In 2005/06, 137 Possession Orders were obtained, compared to 16 in 2003/04. However, there has not been a correspondingly high increase in the number of evictions, which rose from 11 to 18 in the same period, indicating that LNEh still uses eviction appropriately as a last resort. This activity is reducing overall arrears and lessens the risk of arrears escalating before legal action is taken.
- 130** Tenants are offered options for repayment. A simple spreadsheet is sent out as an attachment to the standard arrears letters, which offers customers three options to pay off their arrears. The options are spread over varying lengths of time and are straightforward and easy to understand. This simplifies the process of negotiating repayment arrangements by offering the service user a ready-made repayment plan.
- 131** There has been some improvement in the recovery of former tenants' arrears. Following a value for money review, LNEh stopped using external agencies and has delivered the service in house since December 2005. The amount of former tenant arrears recovered in 2005/06 increased to £41,000 from £33,000 in 2004/05 and LNEh achieved its target for the year. However, at 6 per cent LNEh's performance is higher than the average nationally. The total debt outstanding rose significantly from £353,000 in 2004/05 to £508,000 in 2005/06, which reflects historical poor performance in collecting current arrears. Appropriate arrangements are in place for writing off unrecoverable debt. Persistence in the recovery of former tenant debt is acting as an incentive to other debtors to make repayment arrangements.
- 132** LNEh has a range of measures in place to prevent arrears arising, and these focus on maximising benefit entitlement. A benefits co-ordinator works as a member of the customer accounts team and is responsible for calculating Housing Benefit entitlement for new tenants and providing advice to tenants on wider benefits issues. Lettings officers are also being trained to do verification assessments. Officers also have discretion to 'suspend' accounts for up to six weeks pending housing benefit assessment. This discretion may be exercised if staff are confident from benefit entitlement estimates that payment will be received in due course. These measures release time for customer accounts officers to focus recovery effort on debtors who are not entitled to benefit.
- 133** LNEh has carried out a value for money evaluation of payment methods. This led to the removal of the costly cash collection at neighbourhood offices and campaigning to encourage more payment by direct debit, which has the potential to be the most cost effective method. Twenty-five per cent of tenants now pay by direct debit or standing order. LNEh used the savings generated by the closure of the cash facility to refurbish the reception areas of the neighbourhood offices, with customer input into the design.

- 134** LNEh is working well with partners to increase capacity. Joint working with Leeds Benefits Service (LBS) has improved in recent years as a result of the link provided by the benefits co-ordinator in the LNEh customer accounts team. Email contact helps to speed up the flow of information along with joint access to the Academy benefits system. LNEh is an active partner in housing benefit liaison meetings. At a strategic level, LNEh senior managers engage in discussions with LBS about LCC and national benefits policy. However, there are still some gaps in the exchange of information. LBS does not receive information about LNEh's rent collection performance and consider that LNEh could be more proactive in passing on change of circumstance information.
- 135** LNEh has also worked successfully with partners to increase benefit take up. In 2005/06, working with LBS and other agencies, LNEh identified an additional 227 older customers entitled to pension credits of £18.79 per week each. The take up campaign generated around £22,000 additional income for these residents. A similar exercise is planned for 2006/07, targeting young tenants. Helping tenants to maximise their income also increases their capacity to meet rent payments and manage other debt.
- 136** Effective teamwork ensures that workload is distributed evenly. In the customer accounts team, the FTA officer acts as 'sweeper' to deal with accounts in patches that have higher caseloads than others. Also customer accounts patches are coterminous with tenancy management patches which facilitates close liaison about enforcement and tenant support issues.
- 137** Limited priority has been given to improving customer perceptions of this service. Satisfaction with debt/benefit advice stood at 73 per cent when measured in 2004/05. Satisfaction with Post Office/paypoint options was 72 per cent and with overall rent payment services was 61 per cent. LNEh attributes this low level partly to the removal of cash payment at LNEh offices in September 2004, which initially led to dissatisfaction among some tenants. It is also partly due to the difficulties inherent in the Leeds direct debit process. LNEh is now giving priority to resolving the direct debit issue and there are plans to carry out another survey with greater input from the customer accounts team. Currently LNEh has insufficient information on customer expectations to enable it to develop robust improvement plans.
- 138** Rent collection and current arrears recovery performance is mixed. At 3.26 per cent for 2005/06 LNEh performance shows some improvement over the 2004/05 figure of 3.66 per cent. Performance declined in 2004/05 from 2.52 per cent as a result of organisational changes at LNEh and at the Leeds Benefits Service. In 2005/06 LNEh collected 95.93 per cent of the rent due, which represents only a minimal improvement on 2003/04 performance of 95.83 per cent and was below its target of 96.8 per cent in 2005/06. It also fell short of its targets in 2003/04 and 2004/05. However, the trend throughout 2005/06 was one of improvement, which coupled with tighter monitoring and target setting, lays the foundation for sustained improvement.

- 139** Rent account information is not always reliable. This information is generated by two different IT systems and highlights a discrepancy between improving LNEh arrears recovery figures produced by the LNEh housing management package Orchard, and static rent collection performance information produced by LCC's querying package (Discoverer/HMIS), which is designed to meet the best value performance indicator definitions. Also as LCC does not update rent accounts during the four rent free weeks, LNEh does not know what arrears reduction payments have been received during those weeks. Uncertainty about the accuracy of data inhibits effective target setting and performance monitoring.
- 140** Accounting arrangements for direct debit payments are not effective. Although there has been some improvement since the last inspection, the processing of direct debit payments creates a level of technical debt on rent accounts. This affects both the rent collection percentage and the amount of outstanding rent arrears. The way the local performance indicator is calculated is that if an account has been clear in the past five weeks, the direct debit or standing order debt will not show as arrears. The Leeds ALMOs collectively have asked LCC to amend the system for processing direct debit payments which currently only clears the rent account at the end of the financial year. As a consequence, significant technical debt is shown on tenants' rent accounts and within the performance indicator during the financial year. This makes it difficult for staff to focus on true arrears.
- 141** The arrears recovery procedures are not effectively applied in all cases. Checks of tenants' accounts, for both new and long-term tenancies, indicated that letters and notices of seeking possession were not always issued in accordance with the procedure. In one case, failure to take action against an introductory tenant in arrears allowed a secure tenancy to be created despite the breach of the tenancy conditions. This indicates that the use of the override facility is not being effectively managed.
- 142** Arrangements to provide independent debt advice to tenants are not robust. Tenants may approach the CAB or the Law Centre, which may then contact LNEh to arrange a repayment agreement. LNEh practice is to refer tenants to the National Debt Helpline, which provides a prompt service and acts as a portal to specialist debt support agencies. LNEh does not have any formal agreements with any of these organisations and it has not evaluated the effectiveness of their advice.
- 143** There are weaknesses in the computer systems used by customer accounts staff. The time taken to run the weekly report showing rent account information has increased since the system upgrade and reality checks confirm that systems are slow to access information and spool reports. Staff also gave us examples of the shortcomings in the tenant profile information held on Siebel. In one case when a visit was made to an introductory tenant who had accrued significant arrears, it was discovered that she could neither read nor write and had therefore not understood the arrears letters sent to her. Inefficiencies in information systems limit staff capacity to improve rent collection performance.

Resident involvement

- 144** In our previous inspection, we found that LNEh valued and was committed to tenants influencing the way services were delivered. Initiatives had been developed which offered wider involvement for tenants. The ALMO was developing a culture, which emphasised that tenant involvement was the responsibility of all staff. However, it was disappointing that some tenants who indicated a desire to be involved were overlooked. Whilst recognising that LNEh had provided a menu of opportunities for tenant involvement, more work was necessary to ensure that the ALMO had broader representation.
- 145** In this inspection, we found more strengths than weaknesses. LNEh offers a wide range of opportunities for tenant involvement and has a clear strategy to increase participation. There is active engagement with young people and older people, and increasing contact with BME residents, but this is still not comprehensive. Tenant influence is increasing but satisfaction with opportunities to participate remains low.
- 146** LNEh offers a wide range of opportunities for tenant involvement. These include forming tenant groups and entering into formal partnership agreements with LNEh, reader panels, service review groups, neighbourhood forums, estate walkabouts, mystery shopping exercises, neighbourhood forums, tenant inspection programmes and Board membership. These opportunities are widely publicised in the tenants' handbook, in regular newsletters, on the website, in neighbourhood offices and through postal surveys.
- 147** LNEh has a clear strategy to increase participation and improve support to existing groups. The Partnerships Team has a clear remit to work with residents to improve and regenerate their neighbourhoods and it has targets to involve under-represented groups. Support includes facilitating meetings, paying for venues for meetings, training courses for committee members and helping produce newsletters and flyers. New PCs have been installed at neighbourhood offices specifically for use by the tenants who are now able to readily access information on LNEh and about services provided by partner agencies.
- 148** LNEh works to ensure that all tenants have equal opportunity to participate. Questionnaires are available in large print, Braille, and other language formats. When consultation events are held in predominantly BME communities, translators usually attend the meetings. The partnership team has worked with elderly service users to form an over 55s' club and obtained resources to provide transport to facilitate attendance at meetings by Wetherby residents. Team members also travel to the homes of residents who wish to participate but have mobility problems or do not have an existing local residents association. This work has helped to overcome any barriers to communication with LNEh customers.

- 149** There has been some success in engaging with young people. LNEh has provided £2,000 with another matched £2,000 from the youth budget for the 'Payback' scheme, which rewards young people for work they have done in their community. Reward points are earned and can be redeemed on day trips organised by LNEh. In some areas the ALMO holds meetings specifically for young people to discuss their particular needs and to try and involve them in the decision-making process. These initiatives help both to empower young people and to distract them from crime and anti-social behaviour.
- 150** LNEh uses existing community organisations to develop the participation of BME residents. These include the Button Hill Group and the Leeds Black Elderly Project. However, it has yet to develop a strategy to ensure that members of new migrant groups such as Latvians, Lithuanian and Polish residents can also become involved in LNEh activities.
- 151** Residents were actively involved in assessing the suitability of contractors through the partnership framework. The six Leeds ALMOs were represented by officers and by tenant representatives during the selection process. This meant that questions of a technical nature and those from a service users' perspective were put to the candidates and informed decisions on the suitability of contractors.
- 152** Tenant representatives feel their influence is increasing and in some cases consider they have acquired sufficient knowledge of the ALMO's processes to be able to obtain good service on behalf of themselves and the tenants they represented on all occasions. There is also increased dialogue between tenant representatives and additional learning gained from this. Participation in service review groups is regarded by representatives as very positive because they gain insights into what staff do that is not always visible, for example, in relation to tackling and preventing anti-social behaviour. They feel they have been instrumental in changing the way grounds maintenance services were delivered. Increasing influence increases the stake residents have in the organisation and their commitment to working with it.
- 153** LNEh is failing to provide all customers with appropriate opportunities for involvement. Despite the increasingly wide range of options offered, customer satisfaction with opportunities to participate is still low. The 2006 STATUS survey showed a slight increase in the percentage of all respondents who thought that opportunities to participate were satisfactory from 52.7 per cent in 2005 to 54.7 per cent in 2006. However, compared with the best performing ALMOs, this level of satisfaction is low and LNEh did not meet its target of 65 per cent in 2005/06.

Tenancy and estate management

Tenancy management

- 154** In our previous inspection, we found that the Council's Anti-Social Behaviour Unit (ASBU) was a useful resource for LNEh in tackling anti-social behaviour. The ALMO had demonstrated some positive action in dealing with anti-social behaviour and in its work on joint initiatives with other agencies. The introduction of security measures made people feel safer where they lived. However, it was important that performance in anti-social behaviour was consistently monitored and customer feedback used to inform service improvements. Corporately, however, there were considerable concerns about the effectiveness of the ASBU and how it could demonstrate value for money. The monitoring of anti-social behaviour cases and introductory tenancies was under-developed. Limited staff awareness of the racial harassment procedure was a weakness.
- 155** In this inspection, we found a balance of strengths and weaknesses. There is a co-ordinated approach to the delivery of tenancy and estate management services with clear service standards. Working in partnership strategically and operationally, LNEh has attracted match funding and delivered a number of projects that improve resident confidence and reduce incidents of crime and anti-social behaviour. The ALMO has had some success in providing support for disaffected young people. LNEh ensures that consultation arrangements take account of the particular needs of leaseholders. However, the standard for carrying out visits to new tenants is not being met and the use of introductory and demoted tenancies is still ineffective. LNEh's policy for tackling anti-social behaviour is not effectively communicated to tenants and partners.
- 156** There is a co-ordinated approach to the delivery of tenancy and estate management services. Tenancy Management officers are responsible for both services within their geographical areas. Various 'hot spots' have been identified which take priority for the allocation of staff time. With the exception of rural areas, which are covered by a dedicated team member based in Wetherby, tenancy management officers are co-located in the Moortown office, which means that LNEh can react promptly to shift resources to hot spot areas or to tackle fluctuating demand for tenancy support.
- 157** There are clear standards for the delivery of tenancy and estate management services. Where appropriate, for example in respect of caretaking services or estate-based 'surgeries', these standards have been locally determined in consultation with residents. ALMO-wide standards such as those dealing with anti-social behaviour or new tenant visits are clearly set out in the tenants' handbook. Local standards are publicised on posters and in local newsletters.

- 158** LNEh plays an active part in delivering the Leeds Community Safety Strategy. Strategic priorities for tackling anti-social behaviour and crime are determined by the CDRP and cascaded down through the District Partnership, chaired by LNEh's chief executive, and the Anti-Social Behaviour Panel. Responsibility for implementation of the priorities lies with 'tasking' groups, made up of operational staff from all partner agencies. The focus of the tasking groups, which meet fortnightly is through Operation Arrows which concentrates resources in particular hot spot areas and involves, for example clamping down on drug dealing, enforcement of anti-social behaviour orders and improving physical security measures. Residents are consulted about community safety priorities through the neighbourhood forums, which are led by LNEh with attendance from other partners. These initiatives have contributed to a reduction in incidents of crime and anti-social behaviour in the target areas of around 60 per cent.
- 159** LNEh has worked well with partners to tackle environmental problems and enforcement issues in tandem. The Button Hill fencing and lighting project, for example was developed and financed with Care and Repair, Casac (Community Action and Support against Crime) and LCC area management team. Alley gating schemes in priority neighbourhoods have been followed up with community garden projects, for example in Frankland Place in Chapeltown. Ninety per cent of residents surveyed consider the area a better place to live following the works. In areas where community policing is established and wardens and caretakers meet daily with the police, staff and tenants have noticed a reduction in the incidence of anti-social behaviour.
- 160** The ALMO has also had some success in providing support for disaffected young people. In partnership with local youth groups and social services LNEh has arranged sporting activities and outings for young people on its estates. ALMO staff also takes part in the Fire Service's 'Crucial Crew' projects, which provide disadvantaged young people with training in fire fighting and team work skills.
- 161** LNEh ensures that consultation arrangements take account of the particular needs of leaseholders. Leasehold and Right to Buy services continue to be provided by LCC, but LNEh is required to consult with leaseholders about capital programmes and contact occurs from time to time around estate management issues. Since the last inspection LNEh has set up a project group of leaseholders, which meets quarterly with LCC and LNEh. Leaseholder issues are now covered in the ALMO's quarterly newsletter and LNEh has produced a handbook with service standards for consultation on major works, which exceeds the statutory minimum. This work has increased LNEh awareness of issues of specific concern to leaseholders.

- 162 The standard for carrying out visits to new tenants is not being met. Of the 34 new tenants whose tenancies began in March 2006, only 12 received a visit from a Tenancy Management Officer within the target period of 15 days. There is also a standard for tenants to be contacted again after three, six, and eight months. Although these visits are recorded when they take place, performance against the standard is not reported. These visits provide a vital opportunity to pick up on tenant support needs, and take early action to prevent rent arrears or other potential tenancy sustainability problems arising. Currently, LNEh is not taking full advantage of this opportunity.
- 163 LNEh is missing opportunities to enforce tenancy conditions on defaulting tenants. As identified in our earlier inspection it has been slow to use introductory tenancies effectively. So far it has only succeeded in extending one introductory tenancy and in obtaining one demoted tenancy. Some tenants consider LNEh is failing to take appropriate action against perpetrators of anti-social behaviour. Insufficient use of the enforcement tools available has weakened the ALMO's capacity to tackle breaches of tenancy conditions.
- 164 LNEh' strategy for tackling anti-social behaviour is not effectively communicated. Tenants reported ongoing and deteriorating problems with anti-social behaviour. In their view, allocations in recent years were leading to an unbalanced tenant population with too many vulnerable people exhibiting challenging or threatening behaviour. Some frontline staff also expressed a lack of confidence in the measures taken to tackle anti-social behaviour particularly in some tower blocks where there have been a number of burglaries and incidence of criminal damage. Although tenant satisfaction with the handling of anti-social behaviour rose from a very low 34.3 to 57.2 per cent in the last three months of 2005/06 levels of dissatisfaction are still unacceptably high. LNEh is also failing to meet the agreed service standards for dealing with reports from customers of anti-social behaviour. In the current year only 79 per cent of the 137 reports were acknowledged within three days and in only 77 per cent of cases was an agreement completed with the complainant within ten days.
- 165 There are weaknesses in joint working arrangements for tackling anti-social behaviour. Partners consider that LNEh is not proactive in flagging cases of anti-social behaviour. They are also concerned about lettings being made and secure tenancies being granted to introductory tenants who are known perpetrators. It was also evident that not all partners were clear about LNEh's anti-social behaviour policy and the various legal sanction options open to the ALMO. Since our inspection a meeting has been held to resolve some of these issues and new information sharing protocols have been agreed. However, failure to take such steps at an earlier stage has limited progress made by the partners in tackling anti-social behaviour in Leeds North East.

Estate management

- 166** In our previous inspection, we found that LNEh had introduced some positive initiatives to deal with environmental issues on estates. There was a clear commitment to involve tenants in monitoring the condition of the environment. The development of an environmental team was positive and was beginning to deliver results. The lack of commitment from partners undermined the impact of new initiatives. The inconsistent service provided through SLAs and the poorly maintained garages had a detrimental effect on some estates. The absence of service standards was a weakness, as was the fact that actions plans were not used effectively following estate walkabouts.
- 167** In this inspection, we found a balance of strengths and weaknesses. Residents are involved in estate management inspections and in making decisions about how estate improvement budgets are spent. Overall the standard of caretaking is satisfactory. Void and garage management have improved since the last inspection. However, the overall appearance of estates and the quality of grounds maintenance is variable. There has been slippage in regeneration projects involving tenants and budgets allocated to tenants groups have not been fully spent.
- 168** The ALMO actively encourages and supports tenant involvement in estate management. Residents take part in a programme of quarterly walkabouts, which is supported by a budget of £4,000 per estate to be spent on environmental improvements. Tenants are also involved in developing the Estate Standard which covers a wide range of indicators such as external repairs, garden maintenance, road safety and street furniture and against which the newly launched environmental visual audit will be carried out. Tenants and other partners such as LCC neighbourhood wardens and Groundwork carry out the audits and share responsibility for addressing the faults identified. Progress in implementing the audit plan is monitored monthly by the partners. Eighteen tenant inspectors also carried out a series of estate inspections in 2005, which have generated additional items for inclusion in improvement projects. These initiatives help to ensure that estate improvements reflect tenant priorities.
- 169** Overall, the standard of caretaking is satisfactory. Tenants we spoke to were complimentary about the standard of work carried out by their caretakers. However, in one block this was not the case where the staff member is difficult to find and is regularly off sick. Customer feedback surveys reflect high levels of satisfaction.

- 170 Void management has improved since the last inspection. The percentage of empty properties reduced from 1.52 per cent in 2003/04 to 1.05 per cent in 2005/06. Although average turnaround time deteriorated from 33 to 36.7 days in the same period, the definition for the indicator changed last year and the current trend is one of improvement. Rent loss from empty properties has decreased from 1.68 per cent to 1.11 per cent in 2005/06 and LNEh has achieved the target set by LCC in each of the last three years. Although LNEh has a procedure for checking the gardens and external condition of long-term voids, we saw a number of unsightly empty properties showing that this procedure is not applied in all cases. Overall improvement in void management has delivered efficiencies for LNEh and reduced the time that new tenants have to wait to be housed.
- 171 There has been a clear improvement in garage management since the last inspection. The blocks most in need of refurbishment have been improved using capital funds and the garages we saw were generally in a good state of repair. The number of void garages reduced significantly in 2005/06 from 93 to 59 or 8.8 per cent of the total, although LNEh still failed to meet its target of 45.
- 172 The overall appearance of estates is variable. Generally we found that graffiti was negligible on LNEh estates and that LNEh developments in rural areas were clean and tidy. LCC provides a free collection service for large items of refuse, and LNEh employs a 'delitterer' to ensure that priority areas are kept reasonably tidy. However, in some areas we found that the grass was untidily long and the streets were strewn with litter. In one block we visited, damage was being caused to the building by an overflow that had clearly been leaking for a very long time. In another block we found that communal areas were poorly maintained and used for dumping household rubbish. Letters written to residents and repairs ordered for this block had clearly not been effective.
- 173 The quality of grounds maintenance services is variable. Frontline staff and tenants expressed concern about the failure of the grounds maintenance contractor to comply with the contract. Tenants reported that the contractors sometimes cut the grass in the dark or in the rain and that the work is often unsatisfactory. Also some small grassed or planted areas are not covered by the contract. Although in some cases arrangements have been made for these areas to be maintained by caretakers or tenants, it is evident that some are receiving no maintenance. LNEh and other partners to the citywide grounds maintenance contract recognise performance problems, and a service improvement plan was drawn up with the contractor in March 2006. However, in June 2006 the improvements had not yet been fully rolled out either to LNEh estates or to other parts of the city.

- 174** There has been some slippage in the delivery of the estate regeneration programme. LNEh intended to consult and deliver all schemes in this programme within a 12 to 18-month period but now realises that this time scale was unrealistic. Although consultation is almost complete, delivery has been delayed. Priority areas were identified with members of the Beckhill Improvement Group (BIG) for example, over a year ago but there has been little progress in commencing the programme of works. Although residents groups have been informed, the delays have affected their confidence in LNEh's ability to deliver the programme.
- 175** There were significant underspends on regeneration budgets in the past two years. The underspend on the Environmental Works budget in 2005/06 was £16,000, or 18 per cent, an improvement on 2004/05 when it was under spent by 52 per cent. The Estate Investment budget was underspent by £30,000 or 15 per cent in 2005/06. Action has been taken in the current financial year to support increased spending. The quarterly Estate Walkabout has been combined with the Tenancy Management team's Estate Inspection to increase the pool of ideas about where the tenant group (or Village Voice) can spend its specific allocations. At the end of May 2006 24 per cent of budgeted expenditure for the year has already been achieved.

Allocations and lettings

- 176** In our previous inspection, we found that the introduction of a choice-based lettings model had had a positive effect on reducing the number of difficult to let properties and increasing the transparency of the allocation process. The success of the new approach had still to be assessed, particularly the impact on vulnerable groups.
- 177** In this inspection, we found more strengths than weaknesses. Customers have a clear influence in determining service standards and policies for lettings and allocations. Details of vacant homes are widely publicised and satisfaction with the service is routinely monitored. LNEh uses customer feedback to improve the service. Support is offered to vulnerable customers wishing to search for new homes. Customers can apply for homes owned by several landlords at the same time. Decoration vouchers are not administered appropriately.
- 178** Customers have a clear influence in determining service standards and policies for lettings and allocations. Service standards are reviewed by the Lettings Service Review Group, which includes tenants. LNEh has developed a number of local letting policies in response to customer demands. In some blocks of flats where there are large numbers of elderly residents, only people over 50 years old are eligible to apply for vacancies. These policies are evaluated annually with local residents and by the Board. Customer input ensures that LNEh is sensitive to the needs of existing customers as well as providing an effective service for new tenants.

- 179 Details of vacant homes are widely publicised. The newsletter advertising properties outlines how often they become available in specific areas and how many bids are usually received. The information provided helps to manage expectations regarding property availability and helps applicants to make informed decisions.
- 180 LNEh uses customer feedback to improve the service. Satisfaction with the service is routinely monitored and results shared with staff. The results of surveys are discussed at team meetings and used to highlight areas where expectations are not being met. Instructions have recently been given to the contractor, for example, to increase the amount of information on the repairs to be carried out before a tenant signs for a property. This approach is helping to increase the satisfaction of customers with their new homes.
- 181 The allocations process is designed to meet the diverse needs of customers. Support is offered to vulnerable customers wishing to search for new homes. A mailing list is used to ensure customers who may have difficulty in accessing details on the website or through the weekly flyer receive a copy in their home and can if necessary request help in bidding for properties. These measures help remove barriers to accessing the service.
- 182 Customers can apply for homes owned by several landlords at the same time. As the housing register for the city is delivered in partnership with 12 other RSLs, applicants are able to apply to all simultaneously increasing their options without the need for multiple applications.
- 183 However, LCC does not currently maximise nominations to RSLs. The Council has agreements in place with just over half of the RSLs working in the area and is therefore not exploring all opportunities to find suitable homes for its customers.
- 184 Decoration vouchers are not administered appropriately. Although staff have the discretion to award up to £200 of vouchers, there is a lack of formal guidance as to when they should be offered. In addition, checks are not carried out to confirm they have been used in the property for which they were intended. This increases the likelihood of inconsistencies and abuse of the system.

Supported housing

- 185 In our previous inspection, we found that LNEh provided a good estate management service to sheltered schemes in rural areas and had positive day-to-day relationships with wardens. In urban areas, LNEh there were less positive outcomes, and schemes were in poorer condition. Gaps in LNEh's strategic approach to supporting people meant that some tenants with support needs were not identified quickly enough. The lack of a forum to review the effectiveness of provision and joint working across the LNEh area reduced opportunities to manage and improve the service for vulnerable tenants.

- 186** In this inspection, we found a balance of strengths and weaknesses. Since LNEh took over management of the sheltered housing warden service, steps have been taken to improve services to residents. Systems are in place to identify the support needs of new tenants and LNEh works with partners to provide services to vulnerable residents in the general needs stock. The satisfaction of older and disabled people exceeds that of other respondents. However, LNEh tenants do not receive consistent and reliable support services from partner agencies and LNEh does not yet have a robust framework for the provision of support to vulnerable tenants.
- 187** LNEh successfully took over management of the sheltered housing warden service in May 2006. The TUPE transfer project was well managed, and although there was some slippage on the transfer timetable, the staff affected were well briefed. This ensured that services to residents were not disrupted during the transfer.
- 188** Since the transfer, steps have been taken to improve services to residents. Staff have been issued with mobile phones to make communication and contact with residents, colleagues and with other agencies easier. LNEh has produced a handbook specifically for sheltered housing customers. Greater flexibility has been introduced into the programme of warden visits to better accommodate customer requirements without compromising resident safety. The number of customers opting out of the warden service has reduced. With support from the partnerships team, wardens are increasing opportunities for resident involvement. In addition to existing social activities such as coffee mornings, LNEh is holding focus groups to discuss service plan priorities and future stock options.
- 189** Systems are in place to identify the support needs of new tenants. A support assessment is undertaken when new housing applications are logged, needs are identified, priority awarded and support plans put in place prior to the sign up of a new tenancy wherever possible. Visits to new tenants by the tenancy management team after enables LNEh to address support needs not previously identified and to monitor the effectiveness of existing support plans.
- 190** LNEh works with partners to provide services to vulnerable residents in the general needs stock. It is party to the citywide support network agreement between housing providers and the support agencies operating in the area, such as Community Links and CARE (Community Action Roundhay Elderly). LNEh also provides tenant profile information to West Yorkshire Fire and Rescue Service, which carries out home fire safety checks, and fits additional smoke detectors in properties occupied by older and other vulnerable people. In 2005 the fire service carried out 280 checks in Moortown and fitted 460 smoke detectors.
- 191** LNEh tenants do not receive consistent and reliable support services. The quality of the service from some agencies depends on the performance of individual care workers, and this view is supported by front line staff. LNEh does not have any SLAs or formal arrangements with support agencies and is therefore unable to ensure that support workers always adhere to the agreed levels of service.

- 192 LNEh does not yet have a robust framework for the provision of support to vulnerable tenants. The ALMO is in the process of developing a vulnerable persons strategy and it recognises a need to modernise services to older people. A service improvement plan has recently been developed but the performance framework has not yet been extended to include services to older people and there are currently no arrangements to obtain regular service user feedback other than informally through meetings with residents.

Is the service delivering value for money?

- 193 In our previous inspection, we found that LNEh had improved the efficiency of the responsive repairs service following a negotiated tender. It could not, however, demonstrate that value for money was being secured for the services delivered through SLAs. Until the review of SLAs was complete, LNEh was unable to improve service specifications and associated costs.
- 194 In this inspection, we found more strengths than weaknesses. The performance management framework and procurement policies ensure an appropriate balance between cost and quality considerations. LNEh uses cost information effectively to set efficiency targets. Resources and policy are clearly aligned. Value for money considerations are well embedded in the organisation LNEh has been successful in realising significant additional resources for investment. It made significant efficiency gains through procurement and reduced running costs. Business planning is robust. However, there are some inefficiencies resulting from weaknesses in partnership working and there have been significant capital budget underspends.

How do costs compare?

- 195 LNEh has compared its running costs for 2004/05 with other Leeds ALMOs and with Housemark ALMOs. This exercise showed that LNEh's services were generally delivered at a comparable or lower cost. Total employee costs per property were £287 compared with £633 for the Housemark ALMOs and other operating costs per property were £122 compared with £428. The higher revenue repair costs of LNEh (£648 per property) compared with Housemark ALMOs (£599) are due to higher cyclical maintenance costs. A similar exercise is planned for later this year when 2005/06 data is available from Housemark.
- 196 LNEh uses cost information effectively to set efficiency targets. These are based on the potential for increased efficiency in each service area. Generally, teams are expected to contribute a minimum of 2.5 per cent towards the corporate target. The team responsible for capital improvements has a target of 5 per cent, rising to 10 per cent in general housing management services as a result of business process improvements. In the customer accounts team for example, procedures have been streamlined to enable increased contact with tenants and improved rent arrears recovery with no increase in resources. These processes ensure that all parts of the organisation are conscious of the need to deliver value for money to customers.

- 197** The ALMO's performance management framework and procurement policies ensure an appropriate balance between cost and quality considerations. Value for money targets are reflected in service plans and performance baselines are set for each team to ensure that service quality is not compromised. Partnering contracts include measures of cost predictability, the amount of disruption for customers and customer satisfaction.
- 198** Resources and policy are clearly aligned. Zero-based budgeting has been introduced and for the last two years, cost centre managers have been required to justify expenditure for their services. This includes the extension of the Equality and Diversity Officer's contract to address the issue of BME customer dissatisfaction and other elements in the Equality and Diversity action plan. The budgeting process allows an increase in some budgets to reflect new priorities such as the development of the contact centre last year.

How is value for money managed?

- 199** Value for money considerations are well embedded in the organisation. Providing services that deliver value for money is one of LNEh's strategic aims. A value for money strategy with a two-year action plan has recently been approved by the Board and value for money targets are linked to the performance framework and recognition scheme. Procurement partnerships are well developed and construction contracts embrace modern principles of procurement. SLAs were reviewed in 2004 and those that did not offer value for money were discontinued. Further reviews are scheduled for the coming year. The value for money of high spending SLAs such as IT is reviewed annually. These reviews led to the appointment of an IT manager shared with the other Leeds ALMOs enabling a more co-ordinated response to the service provided by LCC.
- 200** LNEh has been successful in realising significant additional resources for investment. In 2004/05 it received £431,000 net additional revenue income as a result of achieving a two-star Audit Commission inspection result. In 2005/06 LNEh received a further £1.8 million net revenue benefit by using LCC's loan arrangements, with lower interest rates than those projected by the former ODPM. These funds have been partly utilised to fund capacity- building such as training and consultancy and to address the lack of capacity in frontline services, partly to invest in new services such as the contact centre and partly to build up reserves. These resources place LNEh in a stronger position to meet unforeseen budget pressures in the future.
- 201** The business planning process is robust. The business plan was originally reviewed to both confirm the sustainability of the organisation and to consider the options for service delivery. Consultants were engaged to support the exercise, which highlighted the fact that by 2007/08 the organisation would cease to be solvent. The review of all the Leeds ALMOs that LCC is currently undertaking addresses this issue.

- 202** Significant efficiency gains have been realised in the past two years. Savings generated by procurement include savings on decent homes works costs of up to £100 per property in 2006/07 and savings of 4 per cent on the cost of the gas servicing contract. In 2004/05 LNEh also made the following specific efficiency gains:
- £112,000 additional funding generated by the newly created Partnerships Team;
 - £127,000 additional management fee income generated by reduction in the percentage of void properties;
 - £2,000 reduction in management fee penalty resulting from improved performance in management of arrears;
 - £3,400 expenditure efficiency arising from cessation of cash collection at Neighbourhood Housing offices; and
 - £48,000 additional income arising from improvements in treasury management.
- 203** Additional resources have been made available through match funding. £70,000 per year on average has been made available for environmental improvements through match funding arrangements with Groundwork.
- 204** There are some areas of inefficiency. There is no policy for charging owner occupiers for fencing works carried out on community safety schemes. After the Operation Arrows community safety projects, resident satisfaction is measured twice, by LNEh and by the Community Safety team. Inconsistencies in information held on different IT systems and the lack of a clear joint approach to tackling anti-social behaviour also inhibit the delivery of value for money.
- 205** Some investment budgets have been significantly underspent. The capital programme budget has been underspent in each of the past three years, although LNEh has ensured that each year SCA allocations have been committed. Spend performance has improved significantly in the same period but current performance of 87 per cent is still below a reasonable target of 95 per cent. The estate investment capital budget achieved spend of only £170,000 against target of £200,000 and the environmental improvement of £88,000 was underspent by £16,000. Opportunities to improve homes and neighbourhoods are not therefore being maximised.

Summary

- 206** Overall LNEh provides a good, two-star service.
- 207** LNEh regularly seeks feedback from customers, which it uses to inform service improvements. It also uses the information it holds on the particular needs and vulnerabilities of customers to tailor services to meet those needs.
- 208** Contact centre staff provide a caring and responsive service and good facilities are provided at LNEh's offices, including arrangements to ensure that all customers are able to access the service.

- 209** Capital programmes are well managed and tailored to provide choice to tenants. LNEh has worked constructively with the contractor to deliver improved performance in responsive and void repair services. There is also a pragmatic approach to providing disabled adaptations.
- 210** Customers have a wide range of options for paying rent and LNEh works constructively with the benefits service to expedite payments and maximise tenants' entitlement to benefits.
- 211** Residents are involved at all levels of LNEh's business and are active in the regeneration partnerships which are delivering clear improvements to the safety and security on their estates.
- 212** Value for money considerations are well embedded in the organisation and through partnership work and effective procurement of repairs and capital works contracts LNEh has secured significant efficiency gains. It has also been successful in realising significant additional resources for investment. The cost of the service compares favourably with other ALMOs.
- 213** There are, however, some weaknesses. Some customers find it difficult to access LNEh services and they are not receiving a prompt telephone answering service. LNEh has failed to improve overall tenant satisfaction and has not adequately addressed the much lower levels of satisfaction among BME tenants and in particular their concerns about racial harassment. The arrangements for handling complaints are also unsatisfactory.
- 214** LNEh' strategy for tackling anti-social behaviour is not effectively communicated to customers and there have been weaknesses in partnership work in this area.
- 215** LNEh is failing to meet its rent collection and arrears recovery targets and there have been significant capital budget underspends.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 216 In our previous inspection, we found that in the short time since the establishment of LNEh, improvements had been introduced of benefit to tenants. Whilst we recognised that further improvements were necessary to deliver services of the highest quality, early indications were that these would be delivered.
- 217 In this inspection, we found a balance of drivers and barriers to improvement. The majority of recommendations from our previous inspection have been implemented and there has been clear improvement in value for money. LNEh's investment in the new contact centre and in resources for obtaining customer feedback has delivered clear improvements to customer service. Although performance against key indicators has improved in the past 12 months, there has not been sustained improvement over the past three years.
- 218 LNEh responded positively to the findings of our 2003 inspection. Our recommendations were incorporated into service improvement plans, and good progress has been made to implement the majority of the recommendations that have a clear impact on customer service. Details are attached at Appendix 5.
- 219 In some areas, progress to implement the inspection recommendations has been slower. Engagement with BME communities and customers LNEh finds hard to hear is still limited. LNEh has yet to develop robust arrangements for providing support to vulnerable residents. Communication with customers about batched repairs still requires improvement and arrangements for handling direct debit rental payments are not yet satisfactory. Little progress has been made to utilise introductory tenancies as a tool to enforce tenancy conditions.
- 220 Improvement against key BVPIs has not been sustained over time. Performance improved between 2004/05 and 2005/06 in eight out of ten key indicators but performance in 2005/06 was better than in 2003/04 against only three indicators - the average SAP rating, the percentage of tenants satisfied with tenant participation and the increase in the percentage of homes meeting the decent homes standard. In 2004/05 LNEh was among the top 25 per cent of performers in respect of the time taken to relet empty properties and the time taken to complete non-urgent repairs. Details of this performance are set out at Appendix 1.

- 221** There has been a clear improvement in value for money. Cross-ALMO working arrangements are effective in procuring services, increasing value for money and knowledge within the organisation. The Leeds ALMOs have appointed an IT co-coordinator to address weaknesses in existing systems and to develop new management reports. Training on the new Siebel system is delivered across the city, increasing opportunities to access courses without undue delays and reducing the average costs of support services. LNEh also received a net gain of £81,000 in management fee incentives for performance improvement between 2003/04 and 2005/06. These and other efficiency gains increase the resources available to develop staff capacity and improve frontline services.
- 222** Reviews of service level agreements have improved service quality in many areas and reduced costs. Seven agreements were reviewed in 2004/05, with some services being exposed to market testing or delivered internally such as the contact centre and the human resources function. This has resulted in a saving of over £250,000, more direct control of services and an increase in service user satisfaction levels.
- 223** The introduction of the LNEh's customer contact centre in 2005 has delivered clear improvement in customer services. The satisfaction of those using the contact centre is continuing to rise and performance in meeting repairs targets has improved since it was opened. However, the speed of telephone answering is still too slow. The contact centre has also enabled the more effective use of frontline housing management and maintenance staff who now spend less time dealing with straightforward telephone queries.

How well does the service manage performance?

- 224** In our previous inspection, we found that LNEh was making good progress to develop a robust performance management framework. The best value improvement action plans were customer-focused, listed the key recommendations from BVRs and offered the opportunity to address key service weaknesses. Reports to the sub-committees and board were more comprehensive. There were clear processes in place for management information to be shared and for individual staff appraisals to be carried out. Tenant involvement in performance monitoring was weak and there were areas of service that were not being regularly monitored by the Board. There were areas for development in terms of collecting sufficient information and effectively monitoring performance.

- 225** In this inspection, we found more drivers than barriers to improvement. LNEh's strategic aims are clear and challenging, and priority is given to areas of poor performance. The Chief Executive and Chair of the Board provide effective leadership to the organisation. Arrangements to share learning are well developed in some teams, although external benchmarking is limited in some areas. Risk management is improving and the performance management framework has been rolled out across the organisation. The relationship with the strategic landlord is appropriately managed and the Board demonstrates its independence from LCC. Service reviews and regular customer feedback monitoring help to create a culture of continuous improvement. However, information provided to the Board is not always accurate. Budgets are not profiled realistically to reflect projected spend and the quality of service improvement plans is variable.
- 226** LNEh's strategic aims are clear and challenging. These are supported by business plan objectives. Each team, including the senior management team, has a service plan linked to business plan objectives, to improvement needs identified in previous inspections and to the Audit Commission's key lines of enquiry. Service plans for 2006/07 have been developed by heads of service with staff and in consultation with tenants through service review groups. The plans are monitored at weekly team meetings and quarterly reports to the board show headline progress in delivering against completion targets.
- 227** Priorities are driven by performance. Although these are not always explicit in service plans, we found that staff and managers were focusing resources on improving poorer performing areas. For example, the most important priority for the Head of Tenancy Management in 2006/07 is rent arrears, whereas in 2005/06 it was voids performance as this was linked to incentive payments under the management agreement with LCC. Each team is set targets for achieving customer satisfaction. High levels of tenant dissatisfaction also prompt a shift of resources, for example tenant concerns about anti-social behaviour performance led to a review of the policy.
- 228** The Chief Executive and Chair of the Board provide effective leadership to the organisation. We found that the majority of staff were clear about and committed to the organisation's aims and objectives and were enthusiastic about their own work and the potential for role development. They were positive about the leadership and support provided by managers. Members of the senior management team attend team meetings on a monthly basis and also carry out 'back to the floor' exercises. The Chief Executive has a high profile externally and has been effective as chair of the District Partnership. Strong leadership has created a culture of openness and commitment internally and a positive image of LNEh to external stakeholders.

- 229** Arrangements to share learning are well developed in some teams. Staff are encouraged to discuss ideas they have identified through training courses or other means such as benchmarking exercises. Examples of best practice, unit costs and process improvements are being identified through the partnership framework. Involvement in the Construction Excellence group has facilitated comparison of national rates on refurbishment as well as various approaches to delivering home improvement schemes. Managers also used learning from the experiences of Carrick and Derby Homes when planning the contact centre and from Kirklees in developing the framework for resident involvement. The 'pay back' scheme replicates the Irwell Valley Housing Association 'dream scheme'.
- 230** Risk management is improving. The Board recently approved a risk management framework and a high level risk register has been compiled. Training for relevant staff on awareness of business risk management and how to draw up their own service risk registers took place in July 2006. Formal risk assessments of job roles are carried out annually and collated centrally, although this was not the case for risks identified by Sheltered Housing wardens. All service plans include a section on risk although in a number of the 2005/06 team plans, performance-related risks were not identified. Senior managers also endeavour to improve risk awareness through the performance framework and through presentations at staff conferences. Increasing risk awareness is helping the Board and staff to develop strategies for mitigating and managing risks to the organisation.
- 231** Systems to manage performance are embedded. There is a robust performance framework, which is reviewed at weekly or fortnightly team meetings and at regular individual supervision sessions. Where appropriate individual targets are set, for example in respect of rent arrears recovery, and performance and development appraisals (PADs) are held at least annually. At the time of our inspection PADs for sheltered wardens were still in development. LNEh gave us examples of how it has addressed poor performance in individuals. Where poor performance is more widespread, LNEh instigates a service review, for example internal auditors have been asked to review the implementation of the rent arrears procedure.
- 232** Arrangements for managing the relationship between the strategic landlord and the ALMO are robust. Regular meetings are held at executive and board/elected member level to review issues. LCC also holds regular meetings with all ALMO chief executives. LNEh is required to provide regular reports of performance against key BVPIs and to submit copies of all board and committee papers. LNEh's business plan is subject to LCC scrutiny and is clearly linked to the delivery of LCC's strategic aims. The management fee includes performance incentives, which have successfully driven improvement, for example in void management. These are regularly reviewed by the strategic landlord with the aim of moving all ALMOs into the top 25 per cent of performers.

- 233** The LNEh board ensures that its decisions are taken in the best interests of customers and independently of the Council where appropriate. The review of all SLAs with LCC has ensured that only those services that offer value for money are still provided by the Council. LNEh's withdrawal from the central LCC contact centre and launch of its own freephone service for customers further demonstrates LNEh's independence.
- 234** A number of processes support the regular review of services. Service review groups, focus groups and other initiatives such as partnering contracts encourage stakeholders and service users to identify more effective means of working and to monitor implementation of the suggested improvements. LNEh routinely uses satisfaction surveys following improvement schemes to identify areas for improvement. Comments on feedback forms are a useful source to confirm customer experience and to outline how it could be improved. The results are shared with the Partnership Team and contractors to enable amendments to existing procedures or processes. These structures help to create a culture of continuous improvement.
- 235** Awareness of and learning from best practice is not embedded throughout the organisation. Some teams were unaware of how other similar organisations deliver services and tackle similar problems to those experienced by LNEh. They were also unaware of how their performance compared with organisations other than the Leeds ALMOs.
- 236** The information provided to the Board is not always accurate. The summary attached to the performance report presented to the board in May indicated that the targets for rent collection and for satisfaction with opportunities to participate had been met, but in fact they had not. The performance figure for tenant satisfaction in the report is misleading since it is not based on the STATUS survey as reported in previous years but on an average of user feedback results for the final quarter of the year. LNEh has also had concerns about the accuracy and integrity of the data supplied by LCC in support of KPIs. An LCC internal audit action plan to address these issues was agreed in June 2006. Inaccurate performance data limits the Board's ability to make informed decisions on the prioritisation of resources.
- 237** The repairs budget is not profiled realistically to reflect projected spend. The responsive repairs budget is simply divided into 12 equal amounts as opposed to predicting the likely spend over the course of the year. This undermines the purpose of the exercise and the effectiveness of the monitoring reports.
- 238** The quality of service improvement plans is variable. Although the plans use a standard template, which requires actions to be SMART, we found that few plans were prioritised and some actions did not clearly specify the desired outcome. LNEh has taken steps to address this since our inspection. The lack of prioritisation limited the usefulness of progress reports to the Board. These showed only the percentage of actions completed rather than delivery against priorities.

Does the service have the capacity to improve?

- 239** In our previous inspection, we found that there was a very strong commitment from board members, managers and staff to delivering quality services to the customer. The Board was effective, willing to challenge existing policies, worked well together and had received training on a comprehensive range of relevant subjects. The relationship between the Council was clear and appropriate.
- 240** In this inspection, we found more drivers than barriers to improvement. LNEh has increased its skill base with the appointment of new staff. Corporate governance has been continuously strengthened. The management of sickness absence is improving, although sickness absence levels are increasing. LNEh works well with partners to increase capacity, although not all partnerships are fully effective. LNEh gives appropriate priority to staff development although it has not yet made a robust assessment of the people resources needed to deliver its objectives. Despite the investment in new systems IT provision is not currently meeting user needs.
- 241** LNEh has increased its skill base with the appointment of new staff. New staff have developed fresh approaches and improved capacity in the asset management team. The appointment of a full-time project support officer has relieved surveyors of some administrative duties and they now spend more time on-site. The new asset manager has introduced a number of new initiatives including the development of a DVD to fully explain the disruption caused by improvement work. In the past year, LNEh has also acquired additional specialist skills in human resources, customer research, equalities and call centre management. These new skills increase the ALMO's capacity to meet its business plan objectives.
- 242** The management of sickness absence is improving. Since the establishment of an in-house HR function, the reporting of sickness levels is more closely monitored both to support the application of the Managing Attendance policy in getting staff back to work, and also to ensure that people managers are consistent in their application of the policy. As a consequence knowledge of staff sickness across the company has improved and line managers are more proactive in tackling attendance problems.
- 243** Corporate governance has been continuously strengthened. Board members' training needs are routinely assessed and delivered in a flexible manner. Self-assessment and individual appraisal are carried out every six months to identify areas for development. Induction programmes for new members are comprehensive. Two or three training sessions are offered to recognise the fact that all members have other responsibilities that impinge on their ability to attend on specific dates. LNEh has invested in improving diversity awareness at Board level through the Diversity Drivers workshop and the Board has selected a champion for equality and diversity.

- 244** The Chair provides effective leadership to the Board, and support and guidance to senior managers. She attends staff events and visits estates to reality check services. Board meetings are well managed and standards of conduct enforced. It was not evident at the meeting we observed or in our focus group with board members who were tenants, who were councillors and who were independent members. This indicates that the Board is operating effectively and that Board members act in the best interests of the ALMO rather than those of their constituencies.
- 245** LNEh has addressed weaknesses in corporate governance identified in an internal audit report. An action plan has been agreed by the Board to address the majority of recommendations in the report by September 2006. Arrangements have been made to set up an Audit and Risk committee and to develop a Code of Corporate Governance. Implementation of the recommendations is further strengthening governance of the ALMO.
- 246** LNEh works well with partners to increase capacity. This includes work with LCC neighbourhood wardens to help achieve the estate standard, with the Leeds Benefits Agency to improve take-up of benefits by tenants and with Groundwork to deliver environmental improvements on priority estates. In addition to the resources brought into the area through decent home and regeneration schemes, LNEh work with RSLs and other partners in the priority action areas has successfully attracted over £9 million Housing Corporation investment in NE Leeds since 2003. Cross-ALMO procurement has increased purchasing capacity. Partnership working has improved LNEh's capacity to deliver improvements to customer services and to asset management.
- 247** Cross ALMO working arrangements are effective in procuring services, increasing value for money and knowledge within the organisation. The ALMOs have established an IT co-ordinator to address weaknesses in existing systems or to develop new management reports. Training on the new Siebel system is delivered across the City increasing opportunities to access courses without undue delays and reducing the average costs of support services.
- 248** LNEh gives appropriate priority to staff development. The ALMO has achieved the Investors in People award. Training programmes are designed to address individual needs and develop management competencies. Training needs are identified during supervision sessions and are monitored until actioned. In addition, the ALMO has organised a management development programme for middle managers to improve their skills in managing change. This focus has enabled LNEh to successfully roll-out the performance management framework across the organisation.
- 249** Sickness absence is reducing organisational capacity. The average number of days lost due to sickness rose from 10.91 per staff member (FTE) in 2004/05 to 11.9 in 2005/06. Although LNEh has provided cover for long-term sickness using both existing and consultancy resources, some staff expressed concern that the requirement to cover for absent colleagues kept them fully occupied with basic tasks and limited opportunities to attend training courses or to improve services to customers. As well as the impact on staff capacity, sickness absence also has a negative affect on staff morale.

- 250** Not all partnerships are fully effective. At the time of our inspection the partnership with the police and LCC to tackle anti-social behaviour on LNEh estates was not effective. LNEh have taken prompt action to address this and new protocols have been agreed. Some aspects of the partnership with Leeds Benefits Agency, in particular the exchange of information on claimant change of circumstances, inhibit LNEh's capacity to improve rent collection performance. Some partnerships with BME organisations are in the early stages of development and LNEh recognises the need to focus on increasing contact and agreeing priorities with those groups.
- 251** IT provision is not currently meeting user needs. It is evident that at times the system is slow due to the number of users and most teams reported difficulties in accessing information. The new Siebel system increases information but is not integrated with existing systems. There is a need to either copy and paste information across or cross-reference details between the systems. The Leeds ALMO IT co-ordinator has been tasked to identify how system can be improved without the need for significant investment in new software. Until these difficulties are resolved there will be a continuing impact on service delivery.
- 252** LNEh has not yet developed a comprehensive workforce development plan. A strategic review of existing skills within the organisation and those that are required to deliver the future business objectives is scheduled for completion this year. The ALMO does have a human resources strategy and a supporting action plan and some services have already used vacancies to change job specification. However, until the skills audit is complete, LNEh will not have a clear picture of the recruitment and staff development needed to meet future business needs.
- 253** The ALMO does not have the financial capacity to sustain the business in the long term. In 2005 LNEh commissioned consultants to evaluate future management options for the company. The financial evaluation shows that by 2009/10 the Supplementary Credit Allocations awarded for the achievement of the Decent Homes Standard will have been used up. The consultants presented a range of options to deliver viability beyond that date. Against this background LCC has reviewed the options for delivery of housing management services across the city in the future. It now plans to ballot tenants on the reduction in the number of ALMOs operating in Leeds.

Summary

- 254** In conclusion we consider that LNEh has promising prospects for improvement.
- 255** It has addressed many of the weaknesses identified in our previous inspection and implemented the majority of our recommendations. Performance has improved against eight out of ten key national indicators in the past year. The increasing focus on customer service and in delivering value for money indicates a clear commitment to continuous improvement.

- 256** LNEh has clear objectives and priorities and effective arrangements for managing and monitoring performance. Risk management is improving and LNEh staff are increasingly seeking out opportunities to benchmark their performance and share learning with other organisations. The arrangements for managing the relationship between the strategic landlord and the ALMO are robust.
- 257** The Chair and Chief Executive provide effective leadership to the organisation. Corporate governance has been continuously strengthened. New staff have improved LNEh's skill base and overall capacity is increased by delivering projects and services in partnership with other organisations.
- 258** Increasing sickness absence levels reduce capacity and despite the investment in new systems IT provision is not currently meeting user needs. The long-term financial viability of LNEh has not yet been secured.

Appendix 1 – Performance indicators

LNEh three-year BVPI performance

	2003/04	2004/05	2005/06 ⁴	Mets top quartile 2004/05
BVPI 63 Average SAP rating	53.2	57.4	62.1	64
BVPI 66a Percentage rent collected	95.83	95.48	95.93	97.69
BVPI 68 Average re-let time(days)	34.13	39.43	36.7	43
BVPI 72 Percentage of urgent repairs completed on time	96.56	78.49	89.72	95
BVPI 73 Average time taken to complete other repairs	7.9	14.48	16.69	17
BVPI 74 Percentage of tenants satisfied with overall service	73	72.1	72.3	81
BVPI 75 Percentage of tenants satisfied with tenant participation	45	52.7	56.8	68
BVPI 184a Percentage of non-decent homes	45.96	52.1	37	43
BVPI 184b Percentage of change in proportion of decent homes	2.04	6.14	15.1	11.3
BVPI 185 Percentage of repairs appointments made and kept	94.64	83.11	86.31	90.4

⁴ Performance indicators for 2005/06 are unvalidated.

Appendix 2 – Documents reviewed

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
 - corporate strategies;
 - policies and procedures;
 - performance reports;
 - service reviews; and
 - publicity material.

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:
 - inspections of estates;
 - visits to the offices;
 - visits to estates;
 - file checks;
 - inspections of empty homes; and
 - interviews and focus groups with tenants and staff.

Appendix 4 – Positive practice

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

Assessments for disabled adaptations

- 1 LNEh requires contractors delivering the estate improvement programme to employ Occupational Therapists to carry out assessments for customers who have requested adaptations. In cases where OTs have comprehensive information on a customer’s needs and on the property he or she lives in they conduct a telephone assessment rather than a home visit. This is helping to reduce the overall time customers wait for their adaptations.

Working in partnership to improve the estate environment.

- 2 Tenants are involved in developing the Estate Standard, which covers a wide range of indicators such as external repairs, garden maintenance, road safety and street furniture. Tenants and other partners such as LCC neighbourhood wardens and Groundwork carry out ‘environmental visual audits’ to check compliance with the standard and share responsibility for addressing the faults identified.

Appendix 5 – Recommendations from previous inspection

Leeds North East Homes, November 2003

Recommendation	Progress
Access, diversity, tenant participation and customer focus	
With customers and stakeholders develop and publicise clear core service standards and agree local flexibilities for all aspects of the service.	Completed.
Review the service provided by the contact centre to ensure it meets customers' expectations and adopts more challenging targets for telephone response times.	Completed.
Ensure that further information about choice-based lettings (CBL) is made available to tenants, other partners and staff without delay and in the relevant community languages.	Completed.
Improve the layout of the property shop to enable a clear distinction to be made between the homelessness service and the choice-based lettings service.	Completed.
Effectively engage a broader group of tenants, particularly from BME communities, in different ways to manage and develop all aspects of the housing service.	Progress in engagement with older and younger people but less progress with BME communities - continuing low levels of satisfaction from BME residents.
By working with customers and stakeholders develop flexible and innovative approaches to involve groups that LNEh finds hard to hear.	As above. These issues will also be addressed in the Vulnerable Person's Strategy, which is in development.

Recommendation	Progress
Access, diversity, tenant participation and customer focus	
Identify the needs of vulnerable clients in sheltered units and ensure wardens have access to partner agencies as well as the necessary training to deliver the appropriate levels of support.	This process is still ongoing. Following the transfer of the warden service to LNEh in May 2006 progress has accelerated and the development of an Older person's strategy is proceeding in tandem with the vulnerable person's strategy.
With customers, registered tenant groups and stakeholders, complete the scheduled review of the tenant involvement framework part 3 and report to the LNEh board on the outcomes and agreed actions. A copy of the report to be made available to the Housing Inspectorate by 2 April 2004.	Completed.
Service delivery	
Implement changes to existing processes to ensure that a diverse range of customers are involved in the budget setting stage for investment programmes.	LNEh now provides all tenants with a range of opportunities to get involved in this process including neighbourhood forums, estate investment bids, capital programme service review group.
Continue to carry out stock condition surveys to enable the capital programme to be accurately targeted at properties falling below the decent homes standard with a view to completing a 33 per cent stratified sample for review by the housing inspectorate by 2 April 2004.	Completed.
Ensure that full information about the batching of repairs is shared promptly with residents affected, and that the initial details clearly specify when a repair is to be carried out.	Some progress but at the time of our inspection timescales were still not mentioned on the standard letter. LNEh has now addressed this.
With customers and stakeholders the Council should develop service standards for the adaptation service which include indicative timescales for installing the range of adaptations provided.	Completed.

Recommendation	Progress
Service delivery	
Improve information to customers on how their rent is set and how rent-restructuring proposals impact on future rent levels.	Completed.
Introduce quarterly rather than annual rent statements to tenants.	Completed.
Conclude as a matter of urgency, negotiations with IT suppliers to allow for rents to be set up on direct debit at times to suit customers.	Some improvements have been made since 2003 but there is still a significant problem.
With customers and stakeholders, agree the most effective means to publicise the environmental caretaking service.	Completed.
Ensure both council and ALMO staff have sufficient knowledge of the supporting people programme to ensure vulnerable clients are effectively supported and available resources accessed.	Robust arrangements for supporting vulnerable clients have yet to be developed.
Performance management	
Review existing monitoring arrangements for voids to address weaknesses in respect of the quality of pre-inspections by the contractor and the failure to ensure all voids meet the minimum lettable standard.	Reviews have taken place and the lettable standard is currently subject to a further review.
Reduce the proportion of repairs undertaken as emergencies or urgent repair in line with Audit Commission positive practice.	Completed.
Develop effective monitoring and review systems to ensure new tenants comply with the requirements of an introductory tenancy and their support needs are identified.	Systems have been improved to identify and record support needs but further work is needed to monitor introductory tenancies effectively.
The Council should improve the performance information to LNEh on anti-social behaviour cases which focus on outcome-based measures to enable a robust evaluation of performance.	Work is still ongoing to improve the two-way flow of information on anti-social behaviour.

Recommendation	Progress
Performance management	
Review all SLAs to challenge the way services are delivered, examine value or money and determine the future approach to be taken in procuring services and submit details of the outcomes to the housing inspectorate by 1 November 2004.	One review of all SLAs completed in 2004. Further reviews are scheduled to address weaker agreements.
Involve staff and customers in developing a service plan with SMART actions and clear outcomes for tenants.	This is largely complete although there is room for further improvement in the clarity and prioritisation of plans.
Governance	
Strengthen the strategic landlord function within the Council to ensure the ALMO's activities are monitored effectively.	Monitoring is regular and focuses on appropriate measures.
Introduce an induction programme for new board members. Ensure that any training needs are identified and addressed by an effective training programme.	Completed.
Complete the review of the existing accountancy arrangements and submit details of the outcome to the housing inspectorate by 2 April 2004.	Completed.
Complete a review of all health and safety procedures, identify risks associated with different posts and update health and safety policies as deemed necessary to minimise the likelihood of injuries to staff and customers. A report on the outcome to be submitted to the Housing Inspectorate by 2 April 2004.	Completed.