

Housing Association Inspection Report

November 2006



Housing Management Services

Equity Housing Group Limited

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

© Audit Commission 2006

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

Contents

Housing Association Inspections	5
Summary	6
Scoring the service	7
Recommendations	9
Report	14
Context	14
The locality	14
The association	14
How good is the service?	16
What has the service aimed to achieve?	16
Is the service meeting the needs of the local community and users?	16
Access and customer care	16
Diversity	19
Stock investment and asset management	22
Capital improvement planned and cyclical maintenance, major repair works	22
Responsive repairs	24
Empty properties	26
Aids and adaptations	27
Gas servicing	28
Income management	30
Tenancy and estate management	32
Home ownership	34
Is the service delivering value for money?	38
How do costs compare?	38
How is value for money managed?	38
Summary	41
What are the prospects for improvement to the service?	42
What is the service track record in delivering improvement?	42
How well does the service manage performance?	43
Does the service have the capacity to improve?	45
Summary	47
Appendix 1 – Performance indicators	49

4 Housing Management Services | Contents

Appendix 2 – Performance indicators for Equity Housing Group	50
Appendix 3 – Documents reviewed	52
Appendix 4 – Reality checks undertaken	53

Housing Association Inspections

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

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

For housing associations our inspection role and remit is set out in sections 41(A) and 41(B) of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003) and is in line with the Audit Commission's strategic regulation principles. In broad terms these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

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

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

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

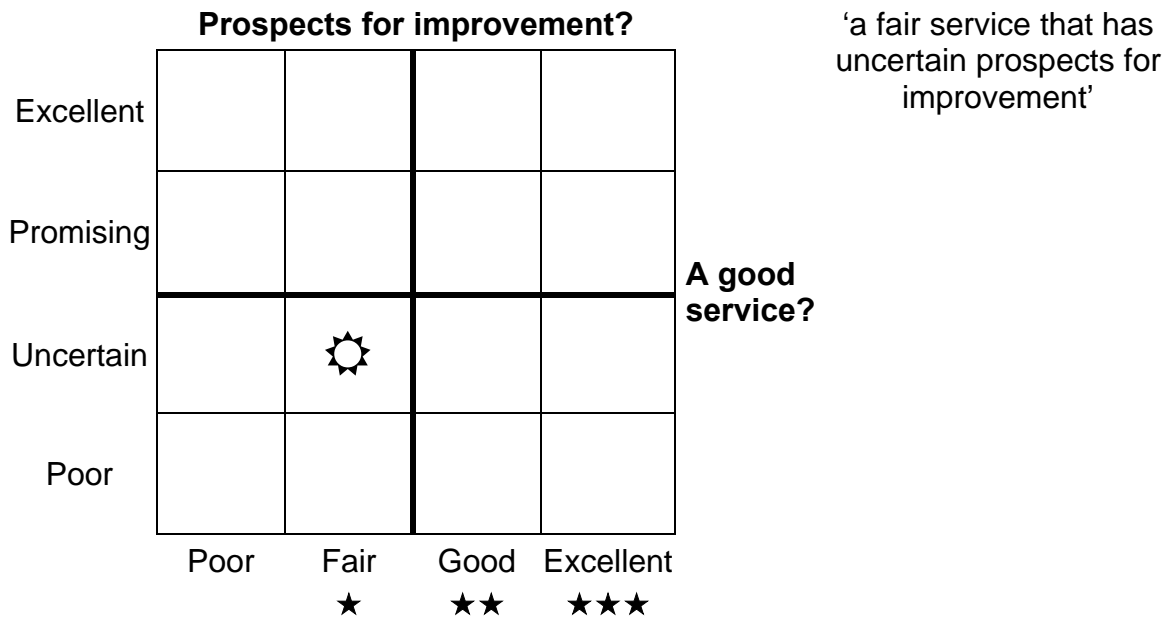
Summary

- 1 Equity Housing Group, (EHG) based in Cheadle Hulme, Stockport and with 4,300 units of rented and leasehold accommodation in 20 local authority areas has been assessed as providing a fair one-star service with uncertain prospects for improvement.
- 2 Delivery of the core services to tenants is fair. There is above average customer satisfaction, an effective resident service centre, and a robust programme of capital improvements. Weaknesses are present in a number of areas including an under-developed approach to value for money, a basic responsive repairs service and poor gas servicing performance.
- 3 EHG has uncertain prospects for improvement because of a mixed track record in service delivery, and because systems for performance management and monitoring are not embedded. There is, however, an impetus for change among staff and management with an increasing focus on the customer.
- 4 The inspection team has made recommendations for action in the areas of diverse needs, customer focus, leasehold management, responsive repairs, value for money and performance management.

Scoring the service

- 5 We have assessed Equity Housing Group Limited as providing a 'fair' one-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 6 We found the service to be fair because it has a range of strengths including:
- a degree of customer focus, with customers involved in shaping services;
 - an effective and responsive contact point for resolving customer enquiries through the resident service centre;
 - a robust complaints system with evidence of learning;
 - good quality stock condition data, and sound performance towards achieving the Decent Homes Standard;
 - a variety of proactive and effective responses to anti-social behaviour;
 - well maintained developments which are clean and regularly monitored; and
 - an equality and diversity strategy which is informing improvements in service.

¹ 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.

7 However, there are a number of areas that require improvement:

- tenants receive an inadequate aids and adaptations service, with poor publicity, lengthy waits and an inadequate budget. EHG are not adequately measuring and monitoring the impact of the service;
- schemes have not been assessed for DDA compliance;
- responsive repairs are not delivered through an appointments system;
- performance on relet times for empty properties is poor;
- performance on the servicing of gas appliances is poor;
- the approach to VFM is recent and not fully embedded;
- services delivered to leaseholders are not sufficiently customer-focused and methods of communication are not comprehensive. There is no current systematic understanding of the condition of leasehold properties;
- there is no understanding of satisfaction levels among diverse groups or information on customers who are not accessing the service; and
- knowledge of the profile of customers is not yet robust enough to allow for tailoring of services.

8 The service has uncertain prospects for improvement. There are a number of drivers for improvement:

- there is visible and effective leadership, from both the board and senior managers;
- there is a corporate vision and strategy and SMART plans at both corporate and operational level in place to achieve this;
- there has been substantial investment in new IT which supports services;
- there is some evidence of learning from customers; and
- the organisation has a sound financial basis.

9 However there are some barriers to improvement. These include:

- performance management systems and value for money are not fully embedded;
- performance indicators show mixed performance, and have not been triggers for improvement actions;
- target setting is inadequate, and does not feed through the improvement framework;
- benchmarking is not used to inform self critical analysis of service delivery; and
- there is a poor record of following through internal improvement plans.

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 costs² 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 association shares the findings of this report with tenants and board members, and addresses all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

Recommendation

R1 Improve the approach towards addressing the diverse needs of the community by:

- *ensuring all actions in the Equality and Diversity Housing Strategy 2006/07 are completed;*
- *collecting comprehensive profile information about tenants and ensuring that this is regularly updated and shared with staff and contractors;*
- *ensuring that tenant representatives are provided with appropriate training and awareness raising of diversity issues;*
- *ensuring alternative format straplines give the subject of leaflets;*
- *ensuring the improvement plan for the adaptations service is delivered on target;*
- *completing the scheme audit for DDA compliance and agreeing a costed programme to complete the required works within a reasonable timescale;*
- *setting and working towards targets for staffing levels to reflect the local communities and the wider population; and*
- *providing appropriate training to contractors and monitoring their commitment to diversity on a regular basis.*

² 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.

The expected benefits of this recommendation are:

- compliance with positive practice and a clear approach towards a service that is provided equitably and sensitively to the needs of customers;
- increased awareness of diversity matters by tenant representatives, contractors and operatives;
- the delivery of an improved adaptations service; and
- accessibility of all developments to all members of the community.

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

This should be implemented by September 2007.

Recommendation

R2 Improve the focus on customers by:

- *consulting residents on access arrangements and opening hours of both offices and the RSC;*
- *introducing an appointments system for day to day repairs, including for work carried out outside normal working hours;*
- *ensuring that the website content is improved to enable greater interaction and feedback from residents;*
- *ensuring the robust application of service standards, together with monitoring to ensure they are complied with; and*
- *offer more opportunities to residents to be involved in service and improvement considerations at an early stage.*

The expected benefits of this recommendation are:

- provision of services which are informed by customer needs;
- clear and comprehensive information for customers; and
- increased opportunities for the association to gain feedback on the quality and effectiveness of the service.

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

Recommendation

R3 Improve the responsive repairs service by:

- *issuing receipts/acknowledgements for repairs ordered, clearly identifying the timescale in which the work will be carried out;*
- *investigating the provision of repairs diagnostic information to customers; and*
- *monitoring pre-inspections to ensure there are no undue delays to the ordering of work.*

The expected benefits of this recommendation are:

- repairs carried out at times to suit customers; and
- clear information to customers on the type of service they can expect.

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

Recommendation

R4 Improve the services offered to leaseholders by:

- *establishing a representative leaseholder group, offering the appropriate training and empowerment to enable it to effectively influence and steer service improvements;*
- *undertaking surveys of leaseholders to identify the issues that cause dissatisfaction and take action to remedy these;*
- *ensuring that actions proposed by the continuous improvement group are acted on in a timely manner; and*
- *ensuring there is up to date stock condition information and that sinking fund calculations are appropriate.*

The expected benefits of this recommendation are:

- an increased ability to respond to the needs of customers and to tailor the service accordingly; and
- reliable stock information on which to base plans for future investment.

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

Recommendation

R5 Strengthen the approach towards value for money by:

- *developing a robust value for money strategy;*
- *establishing targets for efficiency gains;*
- *monitoring and reporting on the costs for key services, and benchmarking against high performing organisations to identify efficiencies; and*
- *pursuing further partnering opportunities.*

The expected benefits of this recommendation are:

- delivery of a more efficient and effective service; and
- increased understanding of costs, identification of costs and how these compare.

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

Recommendation

R6 Strengthen performance management arrangements by:

- *agreeing appropriate targets for repairs (including void properties) gas servicing, income management and leasehold services;*
- *developing individual targets for all staff; and*
- *improving the clarity and presentation of performance reports.*

The expected benefit of this recommendation is:

- the ability to determine if services are being delivered appropriately and as published.

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

This should be implemented by June 2007.

Recommendation

R7 Address all other weaknesses in the report in such a way that the benefits outweigh the costs.

Recommendation

R8 Share the findings of the report with tenants, leaseholders, board members and staff.

- 11 We would like to thank the staff of Equity Housing Group Limited who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: on site dates 21 to 26 August 2006.

Regional contact details

Audit Commission

Kernel House

Killingbeck Drive

Killingbeck

Leeds, LS14 6UF

Telephone: 0113 251 7130

Fax: 0113 251 7131

www.audit-commission.gov.uk

Report

Context

The locality

- 12 Equity Housing Group has the majority (31 per cent) of its stock in Stockport, Greater Manchester. Stockport ranks 159 on the 2004 indices of deprivation, has an unemployment rate of 1.4 per cent, lower than the regional average of 2.1 per cent. In the 2001 census 7.2 per cent of the population were from BME backgrounds, lower than the regional and national figures of 7.83 per cent and 13.01 per cent respectively.
- 13 Operating in more than 20 local authorities, the Group's stock is dispersed over a wide geographical area with the highest concentrations in Stockport and Manchester. The areas of operation range from Yorkshire to Derbyshire, Shropshire and Sefton.

The association

- 14 Equity Housing Group Limited was formed in 1963 (formerly known as North Cheshire Housing Association) to develop and manage social rented housing in the Stockport area. It has charitable status. The Group comprises Equity Housing Association and Provincial Housing Association both formed in 1980, the former to develop and manage shared ownership and the latter, which is unregistered and unregulated by the Housing Corporation to manage co-ownership and other private schemes. The Group encompasses all three associations.
- 15 The Group manages 4,315 homes, of which 95 per cent are social housing. The remainder are market rented properties which are outside the scope of this inspection. There are 2,858 rented properties of which a quarter (747) are for the older people. There are 1,234 leasehold properties, including shared ownership and leasehold schemes for the elderly. The Group is Investor in People accredited.
- 16 The majority of the Group's stock is in developments of purpose built houses and flats on small self contained estates. Estate services are delivered by a combination of estate based staff and contractors.
- 17 The group employs 115 staff, of which 67 are office based in the main office in Cheadle Hulme Stockport. The other staff are site based and are a mix of scheme managers caretakers and cleaners.
- 18 There are ten board members including one tenant member with recruitment in progress for a further two. Meetings are well attended.

- 19 The service is delivered from the main office in Cheadle Hulme with a small office in Penistone, Yorkshire. The structure is headed by a Senior Management Team, and services are delivered by specialised teams within the housing directorate, business and property services directorate and a finance directorate. EHG operate a call centre known as the Resident Service Centre to provide a first point of contact. There is also a central services directorate providing support services.
- 20 The inspection covered the following areas:
- access and customer focus, diversity and value for money;
 - stock investment and asset management including capital improvement, planned and cyclical maintenance, major repair works, responsive repairs, void repairs gas servicing and aids and adaptations;
 - income management;
 - tenancy and estate management with a focus on anti-social behaviour; and
 - home ownership and leasehold management.

How good is the service?

What has the service aimed to achieve?

- 21 Equity Housing Group's vision statement is 'quality affordable housing supported by outstanding service'.
- 22 The 2006-2011 Corporate Plan identifies the following strategic objectives:
 - develop sustainable communities through great management services and support for our residents;
 - place the needs of our stakeholders at the foundation of our working practices;
 - build equality for all into the fabric of our business;
 - construct and maintain affordable, sustainable housing in locations where people want to live;
 - maintain financial strength so we have the money to achieve what we want to do;
 - build a good reputation for value for money homes and efficient services;
 - maintain a goal driven programme of continuous improvements in our work; and
 - value, train and develop ourselves to construct creative, empowered and motivated people.

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

Access and customer care

- 23 There is a balance of strengths and weaknesses in this area. The Resident Service Centre (RSC) a call centre based in the main office in Cheadle Hulme is a customer-focused, effective and efficient contact point for geographically dispersed customers. Satisfaction surveys are carried out on a range of services, and this informs service development. Overall satisfaction levels are above average at 82 per cent. Literature is customer-focused, and customers are involved in the design of further service improvements. However, although there is a stated corporate commitment to customer care, this is not apparent in the work of the association. Service standards have only recently been put in place and are not monitored to ensure they are being met. There is no appointment system for the repairs service. There has been no analysis at this stage of customers who are not accessing services to identify and resolve any barriers to access nor has a detailed customer profile been developed to enable services to be designed around the needs of the individual.

- 24 The Resident Service Centre (RSC) is an effective and efficient contact point for customers. The majority (93 per cent) of initial contact with EHG is via the RSC and there is a 96 per cent satisfaction rate with the service. This is a free phone service. Customers recently reconsidered whether it was still appropriate to offer a freephone service and concluded that this should continue. Given the dispersed nature of the stock this provides a valued customer-focused service.
- 25 Customers receive a comprehensive service from the RSC. There is a target to answer 80 per cent all calls within 20 seconds, and this is exceeded. The number of abandoned calls averages 12 per cent, and the target is to reduce this to 7.5 per cent. There is an emphasis on completing the whole transaction, rather than just the call, and RCS staff have scheduled time following a call to complete actions such as send a letter or order a repair before receiving another call. To respond to increased demand at different times of the week the patterns of staffing have been adjusted although some constraints placed on the periods during which telephone applications for housing are processed. There is no benchmarking in place to compare with industry or private sector highest performers.
- 26 Staff are friendly and knowledgeable and able to take 80 per cent of queries to a conclusion. The telephony system allows for the caller's number to be recognised and a personal greeting given. The Contact Manager software system provides a record of actions taken whenever a customer contacts the RCS and can be used by all staff to record actions taken, letters sent etc. This allows property, tenant and rent account information to be immediately accessed, gives staff the information to complete a transaction to a conclusion, and allows for a consistent service.
- 27 EHG does not know whether it is meeting the expectations of its customers. There is no monitoring or reporting of compliance with service standards, therefore EHG cannot act to improve performance if necessary, and customers cannot be sure of the service quality they receive. Managers and board members will not know how EHG is meeting its targets on customer focus.
- 28 Service standards should have been in place earlier. Challenging and appropriate service standards for core services have recently been distributed to tenants, with the remainder in preparation. These were developed in consultation with tenants and make a service commitment to customers and enable them to assess whether the service received meets these, although some targets are difficult to measure.
- 29 Staff are knowledgeable and approachable. Site based staff are well integrated into The Group. They receive training and support from EHG. Home visits are available to customers on request. This combined with the service from the RSC helps to overcome the challenges caused by the geographic spread of properties.

- 30 The Group's approach to customer care is inconsistent. Contractors have not had any training on EHG's approach to customer care, to ensure they represent the association appropriately in line with service standards and the contractors' code of conduct. There has been no specific customer care training for staff since 2003.
- 31 The website is basic and not transactional. Whilst it carries easy to understand information explaining the services available it is not possible to pay rent, and repairs can only be reported via an email request. EHG recognises these limitations and is re-developing the site. Until it is possible to carry out transactions, the usefulness of the website is limited.
- 32 Customers are aware of services and how to access them. EHG produce a range of leaflets, in easy to read design and format. They include straplining in ten community languages on the back cover. Included are contact details, free phone number and email address. The strapline does not however indicate the subject matter of the leaflet. There are also a range of information sheets that are easy to follow and understand, including 'how to make rent payments' and 'how to apply for housing', etc, a quarterly newsletter is also distributed. This is informative and includes performance information, social news, services information, staff updates, and a feedback section. Tenants are involved in its preparation. This ensures that customers receive up to date and useful information about EHG and service developments within The Group.
- 33 However, there are weaknesses in the quality of information available. Information given to tenants on sign up is not up to date. The current tenants' handbook was produced in 2002 and now carries out of date branding and some outdated information. There is a new handbook in preparation due for circulation later this year.
- 34 Customers may not be able to access services at times that suit them. Office and RSC opening times follow traditional opening hours. An out of hours service is provided by another housing association with whom EHG has close links and as well as arranging for emergency repairs to be carried out, messages will be taken for action by EHG the following day.
- 35 Satisfaction levels with the overall service are above average when compared to similar housing providers. The last STATUS survey (2005) of all tenants showed 82 per cent were satisfied with the overall service, compared to a national average of 80 per cent. Specific actions were identified to improve customer satisfaction, for example monthly visits by staff to schemes to individual schemes and developments.

- 36** EHG have a number of effective mechanisms to obtain feedback from customers. Customer complaints and ASB are monitored by managers for learning points. The board receive a summary report. Talkback meetings are held at the larger schemes. There are regular small surveys carried out by two Resident Survey Officers (RSOs) to feed back valuable information to EHG from a customer perspective, a recent survey was carried out to measure satisfaction with individual service areas with EHG. Other surveys conducted by RSOs identified that contractors were not showing their ID cards and this was raised with contractors and performance in this area improved. The take up of the loyalty scheme was poor and after using a survey to determine the reasons why it was decided to discontinue this. Feedback gained outside formal tenant participation structures is valuable and used to good effect by the association.
- 37** EHG has well established mechanisms for resident participation and offers a range of ways in which residents can become involved. Satisfaction with opportunities to participate in 2004/05 was 48 per cent. This figure was recently updated to 67 per cent which places the performance in the second quartile. There are three regional tenants committees which provide the main focus for discussion, consultation, performance monitoring and approval on policy and practice developments. Clear guidance is provided to tenant committee members about the expectations of the position. An emphasis on promoting Equal Opportunities is included. There is a designated TP budget and support for new groups is promoted and resourced.
- 38** There is a robust customer complaints procedure. Comprehensive information is available to customers via leaflets, newsletters and the website. Timescales for response times are clear and there is provision for compensation to be paid, and this facility has been used in appropriate circumstances. Files are clear, and consistently show actions taken to resolve complaints. Monitoring and reporting is carried out to identify both learning points and to confirm if target times are met. The association shows that it learns from this. Learning from complaints is providing a service that more closely meets tenants' needs and aspirations.

Diversity

- 39** There is a balance of strengths and weaknesses in this area. There is a comprehensive equality and diversity policy, strategy and action plan. Refresher training has recently been provided to staff and board members and is planned for tenant committee members. Staff are aware of the policy and there is an adequate awareness of diversity issues in their day to day work. Translation facilities are available and literature for tenants is available in a range of formats. However the absence of a robust profile of individual tenants is a weakness, satisfaction levels for diverse groups are not systematically monitored and information about the needs of vulnerable tenants is not recorded or shared effectively. In addition, given the high percentage of older tenants the lack of action on both DDA access to schemes and weaknesses in the disabled adaptations service are significant.

- 40 There is a clear and consistent commitment to improve the association's approach to equality and diversity. EHG's commitment is stated in its Equality and Diversity Policy. This includes reference to marginalised groups such as asylum seekers and travellers and the promotion of community cohesion through partnership working. It sets out key objectives and principles and lists the intended outcomes in a detailed action plan. The inclusion of equality and diversity implications is a standard item on board reports. The action plan has made some progress in addressing weaknesses in this area. Staff and board members have received regular training on diversity. Links with hard to reach groups are being established using a variety of approaches and has led to the recruitment of five tenant consultants from BME communities. As a consequence staff are gaining an improved understanding of the views of a wider range of their tenants and residents.
- 41 Efforts are made to communicate with customers according to their needs where this is known and to establish their preferred method of communication where this is not known. For example, through the provision of information in large print format, or by sending information to a third party. Staff have been retrained in the use of the translation service. Written translation facilities can be accessed and the RSC are expanding its use of Type talk by contacting customers who use this method of communication to publicise this facility.
- 42 The availability of information to customers in other languages or formats is consistently signposted. However there is no strapline in community languages to show the subject of individual leaflets. This means that customers who do not read English may not know what information is available to them.
- 43 Positive efforts are in progress to meet lettings targets that ensure the new tenant profile reflects that of the local community. Information has been gathered on community profiles, and appropriate targets set for the letting of properties. Proactive efforts, such as meeting with community groups and providing information within the local community are made ensure those needing housing are aware of the service and this has resulted in movement towards achieving the target.
- 44 Performance in the area of disabled adaptations is weak, with tenants waiting a long time for adaptation works. Resources have been increased to reflect the demand for adapted property. EHG has increased its annual budget from £25,000 in 2005/06 to £40,000 in 2006/07. It also receives matched funding from disabled facilities grant, which resulted in a further £5,200 being available. This recent increase in resources is still inadequate and tenants do not always receive the assistance they need to remain in their homes.
- 45 EHG does not have a clear understanding of the profile of its customers. At this stage efforts are concentrated on obtaining and recording the preferred method of communication for service users, rather than information on age, health and other special needs. There is insufficient detail available at an individual level to tailor services to particular tenants and regular contact with customers is not used as an opportunity to build on the existing data.

- 46 The association does not fully use customer feedback to inform and challenge services. Details of satisfaction levels are not routinely broken down by specific demographics. Regular monitoring information confirms general satisfaction levels but is not broken down to identify if there are any client groups such as older people who feel less satisfied than others. Such detail could be used to investigate the causes for any variations in satisfaction ratings, for example during improvement programmes or debt recovery action.
- 47 Contractors are not monitored to ensure they comply with their policies on diversity. This contravenes HC regulatory guidance. All are expected to provide copies of their policies as a matter of routine before entering into an agreement with EHG, but there are no systems to monitor their actions once they have been contracted. Operatives have not had any training on diversity or the use of language line to ensure they provide accessible services to residents whose first language is not English or to provide culturally sensitive services. Customers may receive an inappropriate service.
- 48 EHG has been slow to set or achieve targets relating to the profile of its staff. Whilst the profile of BME staff broadly represents that of the local community this needs refining, given the geographic spread of properties. There are no targets set for the percentage of staff from BME groups or women in management positions or people with disabilities. Until targets are set and achieved the profiles will not reflect community representation at all levels.
- 49 There is a revised Racial Harassment policy which sets clear responses and timescales that victims can expect from EHG. The new policy outlines both general policy principles and provides procedural guidance to staff. There is no leaflet relating specifically to racial harassment, although there is one available on general harassment, or promotion of EHG's approach in the tenants newsletter. This fails to ensure customers are clear as to how the EHG responds to such incidents.
- 50 The response to victims of domestic violence is underdeveloped. However, positive action is being taken to improve this with a recently developed policy, procedure and information sheet and there are plans to publicise this further. Initial training has been provided to staff. The service is not yet embedded and vulnerable customers will not be aware of the service available to them.
- 51 EHG's main customer access point is Disability Discrimination Act (DDA) compliant, with the exception that hearing loop facilities are not provided. The reception has level access and automatic doors at the entrance, a lift to access other areas of the building, and a lowered section of the counter to serve people using wheelchairs. There is also designated parking for people with disabilities and the interview room has a wide doorway and is of a sufficient size to accommodate people using a wheelchair. Customer access points are therefore fully accessible to wheelchair users but not to customers who are sensory impaired.

- 52 EHG does not have comprehensive arrangements for disabled access to communal areas of estates and homes. Crucially, this is a particular weakness given the high number of older residents the association provides services to. The association has still not identified works required to make sheltered housing schemes fully accessible to people with disabilities, and a survey is currently being commissioned to assess its 20 sheltered schemes. The association has not promptly responded to best practice to ensure its communal areas are fully accessible to people with disabilities.

Stock investment and asset management

Capital improvement planned and cyclical maintenance, major repair works

- 53 There are more strengths than weaknesses in this area. There is reliable stock condition information and programmes to achieve the Decent Homes Standard (DHS) have been in place since 2003. There is a robust mechanism to identify and deal with asbestos. There are contracts in place for annual servicing of mechanical items. However, the property improvement programme plan is not publicised to tenants.
- 54 EHG has an agreed £9.9 million five year DHS programme of property improvements to ensure it complies with the Decent Homes Standard by 2010. Additional improvement programmes are also firmly planned up to 2015. This is beyond the 2010 DCLG deadline to meet the DHS, which positively reflects the association's commitment to continue to meet these standards. This is particularly important since some stock will become non-decent for the first time after 2010 due to aging components. The DHS has been promoted to tenants in the newsletter.
- 55 It is a weakness that the property improvement programme is not publicised adequately to tenants. Unless they are scheduled for works in the current year, tenants have not yet been informed their place in the property improvement programme. This means that they may be unaware of both their landlord's commitments to meeting DHS and of their place in the programme.
- 56 EHG collects accurate information on stock condition to confirm the condition of its properties in relation to the DHS. A 10 per cent survey is conducted over a five year rolling programme. This information is cloned to similar properties to identify property improvement programmes and project financial implications. This enables improvement work to be adequately specified and delivered to tenants. It is however a weakness that the association does not test a sample of stock condition surveys to ensure there is a consistent approach and to ensure quality control.

- 57 There are adequate arrangements to record data on stock condition and this is used to inform property improvement investment and works programmes. Data is inputted manually onto a spreadsheet and assessments of compliance are also calculated manually. This is less efficient than using database systems to analyse data, but since the association manages schemes rather than individual properties this is adequate for its needs. There are some facilities to set up electronic calculations, such as types of works required at schemes. The association has used the data to identify and agree a five year programme of works to meet DHS, and this began in 2006/07. The programme clearly identifies works required and the costs of completing these works, and ensures a robust financial plan is in place.
- 58 Information on stock condition is not integrated in the responsive repair and planned maintenance system. Works carried out are not therefore updated automatically onto the stock condition record to ensure they remain accurate to inform future investment. This means information may not be wholly accurate.
- 59 Tenants are involved in the Decent Homes programme. They meet regularly to discuss the standards to be achieved, the programme and participate in choosing contractors and suppliers for components. However they did not receive any training to assist them to fully understand their role and contribution in EHG's approach to DHS. EHG is missing an opportunity to further tailor the service to fully meet tenants' needs.
- 60 Property improvements are targeted to comply with the decent homes standard. This includes replacement kitchens with specifications reflecting modern designs and standards. Tenants have a choice of four colours, plus two floor coverings. The affected area is decorated in a choice of four wall covering and four colour choices. Bathroom replacements are also taking place and tenants in sheltered accommodation schemes can choose between a bath, walk in shower or shower cubicle, according to which is most suitable for their mobility, and lever taps are provided as aids. In two schemes improvements include replacing electrical heating appliances with gas central heating to improve energy efficiency ratings and reduce utility costs for tenants.
- 61 EHG has agreed a programme of property improvements which exceeds the DHS. Additional elements include the option of a shower, some fuel switch from electric to gas central heating, property insulation and condensing boilers. This has been discussed with residents who have expressed the view that this is the standard that EHG should provide. However, EHG is due to decide in the next few months whether it has the resources to deliver these aspirations for the remainder of the programme. If achieved this will improve the standard of properties to tenants beyond the minimum standard set by government legislation and will improve energy efficiency.
- 62 Electrical systems, communal heating systems, lifts and other plant and mechanical systems, are maintained in accordance with manufacturers' guidelines, statutory requirements and current good practice guidelines. There are annual contracts in place for these. There is a programme for cyclical decorations and associated works which is now let as a five year contract with the Lord Group through the Procurement for All procurement consortium.

- 63 EHG complies with the Asbestos at Work regulations. Surveys for asbestos have been carried out in communal areas and this has been compiled into an asbestos register, which is available on site at all schemes and on the intranet for staff. EHG is including checking for the presence of asbestos in domestic properties as part of its stock condition survey, and this has been identified by the inspection as positive practice, since this will extend the quantity of information available to inform tenants and contractors carrying out work on their homes to ensure their health and safety. The asbestos register scores areas of asbestos identified to assess whether they are high, medium or low risk to inform decision making about remedial action.
- 64 EHG has a range of initiatives to raise awareness regarding this high risk area of work and to ensure the information it holds on the presence of asbestos is kept up to date. It provides asbestos awareness training to contractors and checks that contractors have carried out training for operatives. EHG has also trained its own staff, and asbestos awareness is included in staff induction for new staff working in maintenance services. EHG has five staff qualified to carry out level 1 surveys for the presence of asbestos and has arrangements with a contractor to carry out level 2 surveys if required. This information is updated onto the asbestos database. Operatives are warned to be vigilant for the presence of asbestos on responsive repairs orders, and if they have any concerns referrals are made to the association to investigate. Surveys for the presence of asbestos are carried out on properties scheduled for improvement, and any asbestos works are included in works specification put out to tender to ensure they can be budgeted for and subsequently dealt with.

Responsive repairs

- 65 There are more weaknesses than strengths in this area. Tenants are not informed when repairs will be carried out, acknowledgements are not sent and appointments are not offered. Target times for repairs do not take account of the time taken to inspect a repair when it is first reported. However work is carried out by multi-skilled operatives and tenant satisfaction levels are above average at 82 per cent (STATUS Survey 2005).
- 66 Performance monitoring of the time taken to complete responsive repairs is not robust. While measured performance suggests the association's performance is above average, the calculation of this data is unreliable. The association does not monitor the time taken to complete responsive repairs from the time they are reported by tenants if a pre-inspection is required. In such instances repair orders are raised after the inspection has been completed and monitoring carried out from that time. This gives the association more time to complete the repair and means that performance reporting is not accurate and not directly comparable with other housing associations.

Table 1

	2004/05	2005/06	Q1 2006/07	Quartile position for 2004/05
Emergency	97.60%	94.70%	94.10%	2
Urgent	97.50%	98.5%		1
Routine	96.80%	99.90%	98.67%	1

- 67** The repairs service is provided effectively by a range of small multi-skilled contractors working on an hourly rate plus materials, supplemented by specialist contractors where necessary. Contractors are expected to comply with a code of conduct. The multi-skilling improves the likelihood of responsive repairs to be completed within one visit, providing a more efficient service to tenants. This however is not monitored.
- 68** EHG does not meet with responsive repairs contractors on a sufficiently regular basis to discuss reasons for targets not being met and agree remedial action to improve service delivery. There is an annual meeting to formally assess performance which is also used as an opportunity to discuss complaints. This is inadequate and opportunities to improve the service to customers are missed.
- 69** EHG is not customer-focused in its approach to carrying out repairs. Tenants are not given a time by when repairs will be carried out. No acknowledgement is sent of the order being issued. Appointments are not offered and there is no option to have work carried out in the evening or at the weekend. Appointments reduce the amount of time tenants have to be available to allow access for repair works, and evening and weekend appointments enable repairs to be planned around other commitments tenants may have such as work and childcare. Action is taken to monitor whether repairs have been completed on time, and reminders are sent and updates requested from contractors when deadlines are approaching or have expired.
- 70** Repairs may not be diagnosed and ordered accurately at first report. There is no diagnostic information available to tenants to assist them to report repairs accurately. Although the RSC have diagnostic tools available to assist with identifying repairs, these are paper based and not linked to IT codes needed to automatically and accurately order works. There is insufficient monitoring of the service to establish the volume of variations or the numbers of pre inspections needed. There may be delays to tenants in having works carried out due to wrong diagnosis of the problem.

- 71 Where pre inspection of a repair is needed a tenant may have to wait an undefined time for this. A target has been set for maintenance officer to pre-inspect responsive repairs within seven calendar days, however, there is no information available regarding performance against this target. Tenants do not get an appointment for a pre-inspection at the time they report the repair, this is arranged later by the maintenance officer, which builds an extra stage into service delivery for tenants. There will be delays in tenants having repairs carried out.
- 72 There are appropriate arrangements to identify responsive repairs for post inspection. A sample of 10 per cent of all repairs, plus all repairs over £1,000 are post inspected. This will ensure that a mixture of repair types and values will be assessed, with more costly repairs also being prioritised.
- 73 Tenants have a range of opportunities to give their views on the repairs service. There is a range of tenant feedback methods for responsive repairs. A telephone survey is carried out for every repair carried out where the resident's telephone number is known. In addition resident survey officers carry out monthly surveys, a recent one being on contractor performance. This indicated an average level of over 90 per cent satisfaction with the service provided by contractors.

Empty properties

- 74 There are more weaknesses than strengths in this service area. Performance on relet times is poor. The void standard agreed with tenants is complied with, although satisfaction levels of new tenants are not monitored.
- 75 Performance in this area is poor and insufficient action has been taken to address this. Relet times are consistently in the bottom quartile, and at 63 days for 2005 and 65 days for 2006 are static despite a strategy group that meets monthly to discuss lower demand properties and agree actions to ensure they are let in a timely manner. Actions arising out of concerns raised by the board following performance monitoring reports have been limited.
- 76 Properties available to let reach a consistently good standard. There is a basic lettable standard, which includes cleanliness and external areas, which tenants were involved in setting. This information has recently been added to the information given to prospective tenants so that they can assess whether properties offered meet these service standard commitments. The standard is more likely to reflect their needs and expectations.
- 77 The association has a budget to provide decoration allowances to new tenants. This is £15,900 in 2006/07. There are clear guidelines for adequate decoration allowances available for issue to new residents, and additional sums can be accessed for elderly and/or disabled residents who may need to employ a contractor to carry out the work. Decoration vouchers can be an incentive for tenants to accept a void property with poor condition decoration, and assists tenants to improve the appearance of their home, particularly tenants on low incomes.

- 78 Performance management is weak. Although EHG has set targets to assess void works within three days of a property becoming vacant, with works ordered within 24 hours this is not monitored to ensure that performance has met those standards.
- 79 Performance monitoring of voids is not comprehensive, nor is it informing improvements. There is no breakdown of the stages of the void trail, nor are blockages identified to inform where performance most needs to improve. Monitoring of empty properties is available to all staff on the IT system. This enables staff to easily access data to determine the ready to let status, and advise prospective tenants. Prospective tenants are waiting for longer than necessary to move in to a new property.
- 80 Void costs are controlled. Average void costs are decreasing, representing efficiency savings (2006/07 £794.36, 2005/06 £875.19) and the low cost of security on void properties indicates a prudent approach.

Aids and adaptations

- 81 There are more weaknesses than strengths in this area. There has historically been an inadequate budget and tenants have experienced unreasonable delays for adaptations. A recent action plan has been put in place but has not translated into service improvements.
- 82 The association does not dedicate sufficient funds to meet requests and applicants are not encouraged to contact the association directly to access services. The aids and adaptations service is not adequately promoted and awareness of the service is low. This means vulnerable people find it difficult to access the service.
- 83 The association does not provide major adaptations quickly; applicants need to approach their doctor for a recommendation for minor adaptations, such as grab rails, or to request a referral directly to an occupational therapist for an assessment for major adaptations. EHG then specifies that applicants should initially approach their local authority with a disabled facility grant application. Only if such requests are unsuccessful does the association then consider whether it will fund the aids and adaptations.
- 84 It is a weakness that the association has not formally agreed funding arrangements with the local authorities it works with, except for one area where it match funds disabled facility grant awards. In other locations such grants may not be available and therefore time taken by applicants to submit unsuccessful requests will delay referrals they eventually make to the association. The association has not agreed with health partners whether occupational therapist and doctor referrals for minor aids and adaptations are reasonable requirements in terms of the impact this will have on partner resourcing, or the cost implications of any charges tenants incur.

- 85 The association's aids and adaptations budget is continually overspent, with waiting lists in place towards the end of the year when budgets have been fully committed. Applicants are contacted and informed of this situation, with no commitment given as to when works will be carried out, with reviews taking place in the new financial year. Until April 2006 the Group had not been funding any major adaptations outside of Disabled Facilities Grant and this was limited to one Local authority. Since April 2006 EHG are funding adaptations from their own budgets and across all local authority areas. By August 2006, 11 adaptations were in progress across five local Authority areas with an estimated value of £16,800. There were 29 aids and adaptation requests outstanding at the end of 2005/06 and 5 had been waiting more than five years.
- 86 Positively, the association is aware of the weaknesses in its aids and adaptations service and has agreed an action plan to address these by March 2007. This includes promoting the service more widely to tenants, working in partnership to agree joint working and funding arrangements, setting up an aids and adaptations register, and surveying tenants regarding their satisfaction with the service.
- 87 EHG acknowledges it needs to invest more resources in providing aids and adaptations to vulnerable tenants. Spend in 2005/06 was £30,125 plus match funding of Disabled Facilities Grant of £21,096 giving a total spend of £51,221. The budget in 2006/07 was increased from £25k to £50k. In spite of this increase in resources, the association currently has 21 major aids and adaptation requests outstanding, estimated at £17,000, waiting for OT assessments.
- 88 Currently there are no targets for service delivery for aids and adaptations and tenant satisfaction with the standard of works is not measured. The association is therefore missing an opportunity to get tenant feedback to inform service improvements. There is no aids and adaptations register to ensure that existing works are identified when a tenant gives notice of tenancy termination, to inform lettings so that applicants on the waiting list likely to need and benefit from these works are identified to maximise use of this investment in the long term.
- 89 Systems are not in place to match adapted properties to prospective tenants who need the particular features provided. Currently there is no register of properties where adaptations have been carried out. This does not give prospective tenants the opportunity to move into an already adapted property.

Gas servicing

- 90 There are more weaknesses than strengths. There are clear working arrangements and appropriate monitoring of the service, including procedures to deal with non access. Performance on the completion of servicing is a severe weakness, with only 84 per cent of properties receiving an annual service check in 2005/06.

- 91** The association's performance for gas servicing is a significant weakness. For 2005/06, 84 per cent of properties had been serviced on time, although 98.5 per cent of properties had been serviced. At the end of 2005/06 there were 65 expired CP1s (gas certificates). This is poor performance. The association has taken steps to address this by starting arrangements to gain access two months before the servicing is due, rather than one month used previously. This will provide the association with more time to carry out the scheduled access visits. The association does not offer weekend or evening appointments to provide a convenient service for residents with daytime commitments and to improve the likelihood of access being achieved through its scheduled visits.
- 92** EHG has clear arrangements for managing gas servicing. A policy and procedure is in place and this includes a prompt response to following up no access. The association has been successful at gaining access through injunction proceedings, rather than eviction proceedings, and this approach sustains the tenancy of the resident while ensuring access. Legal action is currently being sought for 16 tenancies, of which eight services are overdue less than six months. Gas servicing is reported in detail to the board at year end and is included on the performance indicators reported on a monthly basis.
- 93** EHG has in place mechanisms to support the arranging of access, although weekend and after hours appointments are not available. The call centre has a list of addresses where the association is attempting to gain access for gas servicing purposes. This enables staff to discuss access with residents should they contact the association regarding other queries. This is currently a manual list and will shortly be flagged up electronically when the new IT system is introduced. The tenancy agreement specifically mentions gas servicing within the general requirement to obtain access.
- 94** The association also services smoke detectors as part of its gas servicing contracts, and there is provision in the budget to fund repairs and replacements of gas appliances if required. Tenants receive a copy of the gas certificate, with a second copy being held centrally by the association. The association meets best practice by ensuring 5 per cent of services are post inspected by an independent body to ensure quality control, 10 per cent is also checked by the contractor.
- 95** The association has effective arrangements to service communal heating in sheltered schemes. In addition to the annual servicing it is legally required to undertake an additional check is carried out before the winter months to ensure systems are running effectively. This ensures residents have adequate heating at the time they are most likely to need it.

Income management

- 96 There is a balance of strengths and weaknesses in this area. A variety of payment methods are available and customers are signposted to welfare benefits advice. Performance by the former tenants' arrears team is positive. However, there is no encouragement to tenants to make payments by the most cost effective manner and there is no mechanism to monitor the recently introduced service standards. Arrears collection performance is below average when compared to peers.
- 97 A range of convenient payment options are offered with additional ones being considered. Customers can pay their rent in a number of ways such as standing order, post office, cash payment at the office, by debit and credit card by telephone. It is a weakness that direct debit payments will only be introduced in April 2007. There is no current facility to take payments over the internet. Given the dispersed nature of the stock additional mechanisms for payment would provide a more convenient service to tenants.
- 98 Whilst EHG knows the costs involved in the different methods of collection, this has not been used to encourage payments by the most cost effective mechanisms. There is currently no use of incentives to encourage prompt payments. A previous loyalty scheme was discontinued following consultation with tenants committees and the savings used for estate improvement budgets. Alternative incentives are being explored.
- 99 Rent accounts are set up promptly and the preferred methods of payment established and implemented at sign up. This ensures rent payments can be credited to the correct accounts.
- 100 Tenants are well informed about the status of their rent accounts and information on methods of payment is readily available. Quarterly rent statements are issued, and these have recently been redesigned with customer input. Queries are initially dealt with by the call centre, who have access to information and correspondence and are able to make payment arrangements to reduce arrears. Specialist staff will be involved following any breakdown in payment arrangements. At a time of a high level of queries for example when rent statements are sent out EHG ensure resources are available to deal with queries. Tenants can easily access information about their rent accounts.
- 101 The staff are knowledgeable and helpful. A recent survey indicated that 75 per cent of tenants felt they received a good/excellent service from the team. Staff have recently received training on some legal issues, including bankruptcy. Tenants receive realistic and helpful advice when arrears accrue.
- 102 Vulnerable tenants receive individual consideration, with mechanisms in place for correspondence to be sent to family members or support workers, with visits to deliver and explain letters where appropriate. Tenants receive the appropriate information and support to allow them to manage their rent accounts.

- 103** Recent service standards are in place, following consultation with tenants committees. There is not yet a mechanism to monitor these and without monitoring neither staff nor tenants will know whether the service is meeting the needs of the customer.
- 104** Communication regarding outstanding payments is in Plain English and is customer friendly. There is a focus on early intervention to prevent debt and a good range of standard letters which are automatically generated when tenants are in arrears. These ensure messages are comprehensible and the offer to provide support and welfare benefits advice is reinforced.
- 105** There is a corporate debt and income collection policy which outlines the principles of pursuing rent debt. Clear procedures are in place for arrears pursuance with the IT system supporting the arrears processes and the targeted response to arrears, prompting the appropriate action. The process is one of escalation, with home visits and personal contact part of that process. Appropriate referrals to LA homelessness services are made when evictions take place, either through a letter or personal referral for vulnerable tenants. Eviction is used as a last resort and the numbers are reducing (58 in 2004/05, 28 in 2005/06) although there have been 12 in the first quarter of 2006/07 which indicates they may be rising again.
- 106** Customers receive effective benefits advice from well trained staff. Front line staff have a knowledge of benefits and are able to access specialist information, either internally or from outside advice agencies. Equity Housing Group have recently funded one day a week for a debt advisor to provide information to staff and to publicise sign posting for customers to local services, ensuring that tenants in all of EHG's geographic areas receive the same service. Basic benefits advice is given at sign up, including completion of HB forms if appropriate and customers are signposted to specialised services within the local area. EHG have highlighted take-up campaigns in newsletters. In some areas such as Macclesfield there are formal arrangements with local agencies for referrals to be made. Service level agreements are in place with HB administering authorities that provide an avenue to resolve any problems. Tenants know the sources of advice and income available to them.
- 107** The impact of income recovery actions is considered and actively managed. There are monthly monitoring meetings between staff and manager and the IT system generates monitoring reports. Income management staff represent EHG in arrears actions and avoid additional legal costs being incurred. Court costs are accounted for separately from the rent debt. This avoids adding additional financial burdens to existing debt.
- 108** EHG is not taking action to recover all the debts due to it. There is no mechanism to recharge existing tenants for repairs carried out that are their liability. EHG may not be maximising its income and all tenants will be penalised for uncollected debts.

- 109** Former tenant arrears are effectively pursued. The service was brought back in house in 2002 with the establishment of a specialist team. Reference is made to the team when court action and eviction are commenced offering agreements and advising tenants of EHG's debt pursuance policy. Whilst remaining customer friendly and offering repayment arrangements and debt advice, the team are clear in their approach. A variety of pursuance methods are used and incentives can be offered where appropriate, for example a discount for repayment in full. The team also focus on positive outcomes, for example the avoidance of a County Court Judgment, where an arrangement is in place they will provide a reference to a new landlord. In total £250,000 has been collected since 2002, with a year on year percentage increase, from 7.45 per cent in 2002/03 to 9.86 per cent in 2005/06. The costs of collection have been analysed and show a collection of 44 per cent above the costs. Write offs of bad debts are decreasing. In 2003/04 these amounted to £238,823, in 2004/05 £167,724 and in 2005/06 £101,289. This provides income maximisation and value for money to EHG.
- 110** There is a clear rent setting policy for both EHG and EHA which complies with HC guidance on rent convergence. However whilst it is a HC requirement that tenants are provided with information about the Rent Policy and the Rent Plan, only information about rent levels across the Association's stock and in the relevant local authority area have been publicised in the tenants newsletter. Tenants are therefore not receiving information about how the rent increase calculation is made.
- 111** Appropriate procedures are in place to confirm service income meets expenditure. Staff receive monthly monitoring information. Tenants are informed of changes in charges on an annual basis, and given opportunities to comment.

Tenancy and estate management

- 112** There are more strengths than weaknesses in this area. Equity Housing Group has developed close strategic and operational relationships with partners and uses a variety of initiatives and responses to deal with Anti-Social Behaviour (ASB). Schemes are well maintained and of clean and tidy appearance. However, no surveys have been carried out to indicate whether tenants are satisfied with EHG's approach to and actions taken to prevent ASB.
- 113** There are appropriate and comprehensive up to date policies and procedures in relation to ASB, racial harassment and domestic violence, supplemented by guidance notes for staff. There was consultation with tenants via the tenants committees about the proposals. Recent training has taken place provided both by in house staff and solicitors. Leaflets and service standards are routinely provided to customers to give tenants an understanding of response times and the action EHG will take, and indicating how to contact EHG. The tenancy agreement sets out EHG's expectations of the behaviour of tenants and this is emphasised in articles and feedback in the quarterly tenants newsletter. Specific reference to ASB is made at sign up and at first visit. Tenants should be aware of the stance EHG take on ASB.

- 114** It is not possible for customers to access ASB services outside office hours. Out of hours information for customers is lacking. Information is not consistently available regarding what complainants should do should they experience ASB at evenings or weekends, making it difficult to access support or advice at the times customers are most likely to need them.
- 115** An appropriate variety of legal remedies and approaches is used, both by EHG and in partnership with other agencies, such as environmental health, Groundwork Trust, police, and neighbourhood wardens. Examples include injunctions, removal of sound equipment, installation of CCTV and other upgrades to security on schemes, use of diaries, use of professional witnesses and eviction (three cases in 2005).
- 116** Files are comprehensive recording timely actions, partnership working, diary notes and prompts from the IT system to support the procedures. Mediation is promoted and there is a service level agreement for this work in one Local Authority area, which has had some success. The needs of vulnerable tenants both as victims and perpetrators are considered and support and referral to other agencies such as social services, is standard. EHG will consider transfers to more appropriate properties, and to different geographic areas where a vulnerable tenant is attracting problems. Cases are formally closed when no further action is needed. Communication regarding progress is maintained until the case is closed.
- 117** Standards are published to tenants on the response they can expect from Equity Housing Group. Initial contact is usually through the call centre, who send a leaflet and information letter followed up by a service officer call within 24 hours. Satisfaction with EHG's response has not yet been measured and they therefore do not know if their responses meet the needs of customers.
- 118** Equity Housing Group do not know which of its ASB responses has shown most success. The outcomes from initiatives are not routinely assessed to establish which mechanisms have been most effective. There is a range of positive measures in place but evaluating each in terms of their benefits and lasting effect is ad-hoc. As a result learning is not systematic and schemes are not being thoroughly evaluated.
- 119** There is effective partnership working despite the broad geographic spread of property. Different working arrangements apply in different areas and EHG have joined in the most appropriate and effective in those areas. For example, in Congleton they work closely with the police community action team and carry out joint visits, in Northwich the Vale Royal community safety warden and the police are the main partners. In Macclesfield they are signatories to a crime and disorder partnership. Equity Housing Group is a member of information sharing protocols in four police authority areas, covering the majority of their stock. Some of these are more effective than others, which can influence their decision on the action to be taken. For example in Manchester where the protocol is very formal EHG obtained an injunction themselves, judging that speedy action was essential. EHG work closely with the ASB teams in Trafford and Northwich.

- 120** Cases are monitored regularly to review progress and the impact of actions. The IT system supports these reviews. This monitoring provides opportunities for practical advice, consideration of alternative actions and a focus on early resolution.
- 121** Communal areas are well maintained. Schemes we visited were free of litter and grass was well maintained, contributing to a pleasant environment in which to live. In the 2005 STATUS survey 91 per cent of residents were satisfied with their local area. EHG use measures to ensure the areas remain well maintained. Rubbish skip campaigns, removal of fly tipping, removal of abandoned vehicles, installation of CCTV cameras, a small budget to deal with repairs/changes to fencing and other environmental repairs have all been used.

Home ownership

- 122** There are more weaknesses than strengths in this area. Customer focus is poor, and nearly half of all leaseholders find staff they contact by phone are unable to resolve their enquiry. Communication with customers is weak with no leasehold handbook or service standards, nor is the profile of customers known. EHG comply with legal requirements and there is comprehensive sales information available.
- 123** The majority of leasehold properties are owned by Equity Housing Association and comprise a mix of shared ownership flats and houses, DIYSO, LSE and SOFTE schemes. For brevity all occupiers are referred to as leaseholders in this section. Services are provided by a dedicated team.
- 124** EHG does not communicate with its customers in a comprehensive and consistent way. There is a standard lease based on the Housing Corporation model. There is no current handbook for leaseholders, although one is in preparation, as are service standards. There is currently no leaseholder participation or focus group although one is planned and leaseholders have been encouraged to express their interest in the recent newsletter. EHG have no information about the profile of their customers or the preferred methods of communication for residents. Customers may not be aware of either their rights and responsibilities or the level of service they can expect from EHG.
- 125** Positively there is clear and useful information available to purchasers and through a newsletter. Sales material is attractive and comprehensive, clearly describing properties available, any eligibility criteria, and outlines the responsibilities of being a leaseholder. The recently reintroduced leaseholder newsletter is attractive, informative, and available in a range of formats and is distributed on a six monthly basis. EHG is also exploring the use of email consultation and e-panels.

- 126** Leaseholders find it hard to access the services. The majority of leaseholders (86.7 per cent) make initial contact via the Residents Service Centre (RSC). However, 44 per cent found it difficult to speak to the staff member who could resolve their queries. This has led to recognition that the knowledge of call centre staff and others in EHG is underdeveloped in this area and there are plans to address this to enable queries to be dealt with at the first point of contact. To support this staff need more training on how to use the IT system contact manager to support the leasehold service, and the awareness of other staff about leasehold matters needs raising. As an interim measure leasehold staff ensure there is someone in the office to deal with queries and have instigated regular scheme visits as indicated in the previous paragraph. Leaseholders find it difficult to progress their concerns and queries.
- 127** Most Leaseholders are satisfied with the service offered. In the 2005 STATUS survey 66.3 per cent were satisfied with the service. This is average among five northern based housing associations with leasehold properties.
- 128** Information is available to leaseholders in compliance with legal and best practice requirements. There is a standard lease in use and on an annual basis leaseholders receive audited accounts, projected budget information to inform service charges, including information on ground rents and insurance.
- 129** EHG has only recently started to respond to the diversity of its community. Initial steps have been to develop a marketing profile for each scheme, and target the marketing accordingly. In some recent schemes developed under Section 106 Agreements there are restrictions on access to the properties. For example in a recent development in Barnsley there are both residency and income criteria that must be met. However, all staff have received diversity training and there is an awareness of issues that need to be addressed.
- 130** Performance on carrying out repairs for which EHG are responsible is satisfactory. Target times for (communal) repairs are the same as for tenants ie 24 hours 7 days and 31 days to assist in monitoring and reporting. In 2004/05 performance on repairs was in the lower mid quartile. Comparator figures are not available yet for 2005/06. In 2005/06, 92.9 per cent of emergencies, 94.6 per cent of urgent and 100 per cent of routine repairs were carried out in the target times. For the first quarter of 2006/07 performance on emergency repairs had increased to 100 per cent but urgents and emergencies had fallen to 93.9 per cent and 93.3 per cent respectively. These response times are monitored but not used to identify issues/performance, nor reported to leaseholders. Leaseholders will not be aware of the performance of the repairs service.

- 131** There are low levels of satisfaction with the repairs and maintenance service. Only 63 per cent of leaseholders were satisfied with the way EHG deals with repairs and maintenance. Leaseholders are not informed of target times or which prioritisation is given to a particular repair and therefore do not know the level of service they can expect. In addition leaseholders feel they do not receive value for money and that more post inspections should be carried out. EHG do not offer the use of their contractors for gas servicing work, although the proposed handbook makes reference to its importance. There is no robust system for dealing with repairs required in the defects period on a new scheme. Due to the variety of procurement methods used for new schemes there is no universally appropriate mechanism. However this is currently dealt with on an ad hoc basis and is an area where official complaints are received. Given that there are a number of schemes under development this needs addressing as a matter of urgency.
- 132** EHG do not have comprehensive information on the stock condition of leasehold properties. There has been no recent external survey of shared ownership properties to ensure homeowners are complying with their repairing obligations and where they are not, to take action to enforce them. A sinking fund working group has recently been established to reassess the model used to calculate this and to establish whether sinking fund contributions need to be amended. There is a rolling programme of a five year stock survey that will be carried out to confirm that assumptions made are still valid. As a prudent measure EHG have set aside an amount from their reserves to buffer any shortfall in sinking funds. Properties in which EHG has an interest may be deteriorating, and there may be insufficient funds to deal with necessary repairs.
- 133** Leaseholders are consulted about changes and improvements in a timely and comprehensive manner. Where there are proposals EHG give clear information about the costs involved and include a voting slip and a prepaid return envelope with the consultation to ensure they are acting on the wishes of the majority. EHG comply with statutory and contractual requirements and enclose an extract from the Commonhold and Leasehold Reform Act 2002 with every stage letter regarding the carrying out of works. Leaseholders are given the option of a scheme meeting to discuss changes and improvements. Leaseholders are able to make informed decisions about expenditure.
- 134** EHG provide a fair service on grounds maintenance and cleaning contracts. These are monitored on a monthly basis during site visits. Staff respond to the concerns of leaseholders, and various actions have been taken. Contracts have been ended for poor performance, leaseholders have been encouraged to nominate contractors to be asked to tender for the works and the use of in house staff has been explored. The dispersed nature of the stock gives particular challenges in this area and they are currently exploring innovative ways to achieve this. There is a clean and tidy environment for customers.

- 135** EHG are efficient and effective at calculating billing and collecting rents and service charges. A variety of methods are available to residents to make payments, and the recent introduction of direct debit has led to a take-up of 48 per cent. Income and expenditure statements are provided for all schemes and service charge calculations are detailed, clear and easy to follow. Arrears at the end of March 2005 stood at 2.27 per cent and at the end of March 2006 at 2.37 per cent. These figures are all top quartile. Leaseholders receive a six monthly statement, in clear format, indicating charges due and payments made. The statement also indicates where payment is by standing order and the leaseholder has overlooked an increase. Arrears are identified at an early stage and pursued within an escalation policy. Letters are clear, firm and fair. Staff are aware of local services that offer welfare benefits advice and referrals are made where appropriate. If arrears are not cleared where possible the mortgage company would be asked to consolidate arrears onto the mortgage account and pay the amount owing to EHG. Leaseholders are enabled to manage their finances in a timely manner.
- 136** EHG have a clear and reasonable service charge setting policy. This is set out in information given to leaseholders and includes how the service charge system works, relevant services and how the charges are calculated. Although this was not developed with leaseholders it complies with legal requirements, and leaseholders have the opportunity to comment on and challenge service charges for their scheme.
- 137** There is no systematic system in place to provide effective benefits advice. However, there are flexible payment options and on an individual basis leaseholders are referred to local and appropriate debt advice agencies.
- 138** EHG do not make use of benchmarking information to measure their performance and identify areas for improvements. Actions are taken to improve the standards of gardening and cleaning services, where possible with no cost implications, and in consultation with leaseholders. In schemes where there are both leasehold and rented properties services are provided jointly and costs apportioned accordingly. Management costs are a set figure with inflation uplift every year and is a unit charge standard across all schemes. There is no analysis of the costs of the provision of the service and therefore whether this charge is a reasonable one. Leaseholders may be paying higher charges than necessary.
- 139** EHG have achieved vfm in the delivery of some outsourced functions. EHG routinely negotiate with valuers and estate agents in connection with sales and typically negotiate a fixed fee below that generated by a percentage of sale price. In addition rates have been negotiated at £82.25 with one firm for valuations and EHG have stopped using a second valuer. This in turn benefits leaseholders who have this fee passed on to them. In addition where leaseholders identify particular service delivery contractors they would like to be given the opportunity to price for work this is welcomed.

Is the service delivering value for money?

- 140 There are more weaknesses than strengths in this area. Value for money is not embedded in Equity Housing Group benchmarking is not used to compare costs and there is no substantial inward investment. There is robust budget management and modern procurement methods through consortia are in progress.

How do costs compare?

- 141 Equity Housing Group's costs are low compared to other service providers. Rent levels charged by EHG are in the lowest-charging quartile of comparable associations. The association's management costs are also low. In 2004/05, the General Needs cost index shows average weekly costs per home at £42.53, which places EHG in the top 25 per cent of comparable housing associations.
- 142 EHG is aware of how its average weekly costs compare with others but recognises a need for a greater understanding of how service activity costs compare with others. This will be assisted by more systematic benchmarking'. EHG know the costs of service activities and how these costs are driven, evidencing sound financial management. However, that information is not fully used to identify areas of concern or opportunities for improvement.
- 143 There are some examples of the association comparing costs and services with others, but this is limited, with outcomes being particularly unclear. The association has attended a benchmarking group which compared void and day to day repair expenditure and levels of services provided, but there has not been any analysis to determine how EHG performs in this context to identify best practice or areas for improvement. Reasons for differences are not fully understood or systematically used to review cost effectiveness for maintenance or other areas of service delivery. Overall, costs were mid range when compared to peers.
- 144 The association is starting to use its consortium arrangements to address its lack of benchmarking information. A consultant has recently been commissioned to agree a business plan for the consortium to confirm aims and objectives and how these will be resourced and delivered. This is being supported by DCLG funding. The business plan is due September 2006 and criteria has been set to develop benchmarking between the partners.

How is value for money managed?

- 145 The group's VFM and procurement principles are not fully embedded, with amended strategies under development. These clearly set out aims and objectives based on best practice which are relevant to the size and operations of the group. An action plan has not yet been agreed for the VFM strategy, and this is a weakness indicating that the group has not yet agreed how it intends to deliver VFM priorities.

- 146** There are external local factors which affect costs, mainly the dispersed nature of some of the stock. EHG has made some enquiries with other associations regarding managing each others stock, but so far proposals have not been taken forward. The group has a solid understanding of its cost base for each scheme, which is being developed as the basis of decision making on the future viability of schemes. This demonstrates that the Group is outward looking at exploring alternative arrangements to manage its property portfolio.
- 147** Equity Housing Group has joined the Accent Group of partnering associations to ensure that the Group continues to act as a developing association. Contracts have been combined to create a joint procurement approach to achieve efficiencies through economies of scale. EHG has also worked with local authorities to negotiate land sales below open market value and successfully bid for Housing Corporation funding to ensure development proposals are financially viable.
- 148** There are effective arrangements to set and manage budgets. Budget holders have a timetable setting out the process for submitting budget proposals for the forthcoming financial year, and with the exception of inflexible expenditure such as building costs, budgets are built up from a zero base. Budget holders receive quarterly monitoring reports, with reporting more frequently, on a monthly basis for directors. This enables expenditure to be closely monitored with any under or over spends identified for reinvestment or remedial action as appropriate.
- 149** The association has set stretching efficiency targets, but has not achieved them. Efficiency savings of £152,000 were achieved in 2005/06, but these were below the target in the annual efficiency statement of £237,000. Performance against the target is regularly monitored and is scheduled to be reported to the board of management under revised key performance information monitoring arrangements. Savings have largely resulted from overhead efficiencies, but also include savings of £16,000 on insurance, £22,000 on legal costs, and £22,000 of VAT recovery. EHG can demonstrate previous efficiencies due to changes in service delivery, particularly introducing the call centre as an alternative to local offices. The high levels of enquiries using this access points and resident satisfaction reflect this has been a success in improving service delivery while reducing costs. The projected savings for 2006/07 are £183k, and EHG are on track to achieve that saving.
- 150** There is no current procurement strategy. This is now being developed and clearly identifies weaknesses in the association's current approach using traditional competitive tendering arrangements through an approved list, and promotes a move towards more modern arrangements with an emphasis on complying with EU regulations through consortium purchasing. This will improve the purchasing power of the association by combining orders with other housing associations to attract discounts and reduce costs incurred during contract appointment processes.

- 151** EHG has used modern procurement methods to test value for money and raise service standards for tenants. Although most contracts are long standing arrangements through traditional tendering using an approved list, it has recently negotiated with a contractor under a partnering charter for a kitchen contract. This involves making joint decisions about the contract and how work will be planned and carried out, with less supervision from the association. EHG is now moving towards consortia procurement, which will enable it to negotiate competitive rates for property improvements by combining purchasing requirements with other associations to attract discounts. It will also enable the cost associated with putting contracts out to tender to be shared with these partners. EHG will be able to draw down these discounted works as and when they are required. Value for money of these contracts is assessed by a consultant using benchmarking data from other contracts it has facilitated. EHG is a member of three consortiums and has so far used these arrangements for planned kitchens and bathrooms replacements to meet DHS and to reduce the cost of its warden call out system by 50 per cent. The programme for cyclical decorations and associated works is now let as a five year contract through a consortium.
- 152** Positively, EHG has recently signed up to a consortium initiative to competitively tender the responsive repairs service, for which tenders have recently been invited and similar arrangements will take place for gas servicing towards the end of the year. This will again attract discounts and set clear standards for customer service using a schedule of rates. There is an incentive for contractors to improve performance by completing void properties early, by retaining a percentage of the rental income saved.
- 153** The IT System was purchased at a significant discount, but the decision to purchase the system was not based on cost alone. The IT strategy document indicates that consideration was given to the ways in which an IT system enables EHG to achieve its objectives in a cost-effective and efficient way. Examples are the implementation of workflow software which pushes tasks through a predetermined process dropping tasks into staff members electronic work trays, and the automation of routine tasks such as the emailing of orders to contractors, releasing savings in both time and materials. Staff were redeployed into customer facing positions and the savings on stationery and postage used to fund newsletter production. The system provides a modern IT infrastructure and the desired flexibility to enable EHG to further improve the way in which it transacts business and delivers its services without having to increase its costs.
- 154** There are financial gains through the way EHG is structured. Surpluses from Equity Housing Association are transferred as gift aid to EHG to minimise taxation, plus increases to revenue reserves improves the gearing ratio and boosts cashflow. Reserves have increased by £11.2 million over the last ten years, £7 million of which have resulted from the gift aid arrangement. EHG has contributed £400,000 a year to this.

- 155** There are some examples within service areas of value for money initiatives. These include:
- the batching of responsive repairs to attract discounts to achieve value for money, although these are limited and not an embedded approach to delivering maintenance;
 - negotiation of discounted fees from valuers and estate agents; and
 - the bringing in house of the collection of former tenants arrears.
- 156** Whilst EHG knows the costs involved in the methods of rent collection this has not been used to encourage payments from tenants by the most cost effective mechanisms.
- 157** There are limited examples of inward investment, and this is a missed opportunity by the group to maximise investment opportunities to develop services. These examples relate mainly to small contributions in both cash and kind to measures to combat ASB.
- 158** EHG is not taking action to recover all the debts due to it. There is no mechanism to recharge existing tenants for repairs carried out that are their liability. EHG may not be maximising its income and all tenants will be penalised for uncollected debts.

Summary

- 159** Overall we have judged the Equity Housing Group's services to be a fair 'one-star' service.
- 160** Performance within EHG is static mixed. Rents arrears are above average and are not reducing, there is poor performance on relet times and gas servicing. Attention to the diverse needs of customers is lacking. There is no detailed customer profile, schemes are not DDA compliant and for tenants requiring disabled adaptations there has historically been an inadequate budget and long waiting times. Communication with leaseholders is inadequate. The responsive repairs service is poor.
- 161** On the positive side there is an increasing customer focus within the Equity Housing Group. Written communications give useful information and the RSC is providing an effective first point of contact for residents. Stock condition information is robust and improvements are being delivered to tenants. Tenant satisfaction with the repairs service is positive and empty properties are repaired to a good standard. Responses to anti-social behaviour demonstrate a range of initiatives and actions.
- 162** Overall we have judged the Equity Housing Group's services to be a fair 'one-star' service.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 163 Overall this is an area where there are more barriers to improvement than drivers. EHG has a poor track record of delivering service improvements. Most performance indicators are in the lower mid quartile and in general are static with few improvements year on year.
- 164 EHG have taken action following previous external inspection reports. EHG were inspected by the Housing Corporation in 2002. All recommendations from that report were signed off in 2004. The Housing Corporation Assessment in 2005 awarded green lights for all categories.
- 165 Consistent follow up to internal improvement reviews has been lacking. There has been a past internal programme of continuous improvement reviews, however these have not been consistently monitored and acted on. For example the leasehold review in 2004 had 57 actions of which 15 were completed and 9 are in progress. The remainder have not received attention. Issues were identified in a mock inspection report that had also been identified in the repairs review of 2004. Not all identified improvements in the service to customers have been delivered. EHG does not therefore demonstrate an effective track record of the delivery of improvement following internal review.
- 166 There is evidence of learning and delivering improvements following feedback from customers. Policies have been updated with an emphasis on customer focus and service standards. There has been a positive response to customer feedback from a variety of sources resulting in the implementation of new initiatives. For example, regular monthly scheme visits, redesign of rent statements, closure of ASB cases. Despite these responses being ad hoc, rather than as part of a comprehensive delivery plan, this demonstrates a commitment to the delivery of priorities for residents.
- 167 There is a mixed picture on performance indicators, with most performance in the lower mid quartile, and with small variations year on year. Performance is particularly weak in the average re-letting of voids, where performance has been around 60 days for the last four years. EHG as part of their performance review have now set internal targets for services which should drive improvements. Many of EHG's performance indicators are not improving, for example, emergency repairs and rent arrears. EHG's performance indicators are shown in Appendix 1.

- 168 EHG has delivered some improvements over the last three years which do provide discernable benefits to service users. These include:
- increasing opportunities for engagement and improved communications through the regular newsletter, policy leaflets and information sheets on a number of topics;
 - scheme visits and improved monitoring of environmental works;
 - a void re-let standard has been produced to inform prospective tenants what condition they can expect properties to be in;
 - expansion of the services able to be delivered through the RSC;
 - an effective complaints procedure;
 - the delivery of planned property improvements; and
 - income from staircasing sales, which are budgeted for conservatively has enabled an additional £1 million to be spent on major repairs over the last four years.
- 169 There is no track record of improving VFM over time. The overall approach towards the delivery of value for money is underdeveloped. The VFM strategy is still in development.

How well does the service manage performance?

- 170 Overall this is an area where there are more barriers to improvement than drivers. Performance management is weak and there are areas such as responsive repairs where information is inaccurate. Issues around performance monitoring raised as part of the inspection have been recognised by EHG and are addressed in the latest set of performance indicators presented to the board. Target setting is inadequate and there is a mixed level of self awareness of performance and outcomes within EHG. There are clear corporate aims and priorities. The SMART work plan 2006-2008 is aligned with these priorities and links to continuous improvement reviews of all the main service areas. The plan is supported by sound review arrangements. The reporting of performance is improving and a robust reporting and monitoring framework has been established at a corporate level. Clear leadership is demonstrated.
- 171 EHG has a corporate plan and strategy that covers the period 2006-2011. This is on detailed analysis of the operating environment and a SWOT (strengths, weaknesses, opportunities and threats) analysis of Equity Housing Group. It clearly sets the vision and strategic objectives and forms the basis for work plans and continuous improvement reviews. It is supported by financial plans to support the activities and also to deliver DHS. EHG use a 30 year model and five year financial plan updated annually, and expenditure has been in line with budget for the last three years.

44 Housing Management Services | What are the prospects for improvement to the service?

- 172** EHG recognise that performance reporting has not been comprehensive in the past, reporting regularly to the board only on development, finance matters and rental performance, and with limited customer facing information. Commentary has not been informative. There is now a new structure in place that clearly demonstrates the cyclical reporting mechanisms to board and senior management. These arrangements are not embedded and performance reporting does not compare EHG to peers. The 2006/08 work plan is robust, SMART and sets out priorities for the service for the years and has also established key targets for their delivery. There is a structured framework within which to monitor and evaluate service improvements.
- 173** An effective approach towards the monitoring of improvement activity is being established. There is an overarching performance and improvement monitoring plan, driven by the work plan. Arising out of continuous improvement reviews there are reports and SMART plans that are monitored by the Excellence Group, made up of members of the board and SMT. There is also a schedule of reporting to the board on performance against KPIs with annual targets set and to be measured against. This approach enables managers to focus on key aims and readily identify progress of key actions.
- 174** Mechanisms for reporting on performance to customers are not adequate. Tenants committees receive regular performance information on housing management services but this does not ensure the information is shared with a wider audience. Statutory requirements are reported in the tenants' newsletter. The nature and content of performance information to a broader audience has still to be established.
- 175** Performance reporting to staff is not consistent. Although information is available on the intranet this is not consistently used to inform for example team meetings. There is limited budget and performance monitoring information available to staff although financial information is presented to budget holders on a monthly basis. The use and availability of monitoring information is inconsistent across service areas. Staff and teams therefore find it difficult to manage performance in their functions.
- 176** Benchmarking information is not used effectively. Whilst they are members of a benchmarking club, EHG do not have or report on performance information that compares performance either with a peer group, best performers or locates them within HC quartiles. Investigation is in progress as to the best way to progress this, to establish the most appropriate comparators as both the board and the SMT and Board recognise the need for more robust data. Benchmarking information has been used in specific service reviews.

- 177 An effective system is in place to drive forward continuous improvement in all service areas. There is a self awareness within EHG of the areas where performance is weak and there is now a programme of continuous improvement reviews for all operational areas, for the year 2006/07. Of those two (asset management and customer focus) which commenced in April 2006 have already reported and the action plans are in progress. Each review has a lead manager, director and staff at all levels are involved. To date tenants have not been formally involved in the groups, which is a weakness, although the outcomes have been reported to the tenants committees for comments and discussion. Tenants have participated in focus groups to inform the reviews. The Excellence Group are responsible for driving and monitoring continuous improvement within EHG.
- 178 The approach towards target setting is not fully developed. Whilst targets are published in the action plan, these do not in the main feed into team and individual plans. Target setting is therefore limited and not challenging for staff to enable the effective improvement of services.

Does the service have the capacity to improve?

- 179 Overall this is an area with more strengths than weaknesses. There are clear aims and objectives for Equity Housing Group. Capacity has been increased through the use of consultants and temporary staff to address skills gaps and drive forward improvement. There are also good communication systems within EHG. The IT system and the associated work flow software maximises the benefits to service delivery staff.
- 180 There has been a recent period of uncertainty within EHG following a change in chief executive during 2005. This has impacted to some extent on the progress made in a number of areas. With the appointment of a new CE in April 2006 and restructuring of the Board, EHG now has a new focus and is entering a period of rapid change.
- 181 There are clear aims and objectives for Equity Housing Group and the Board provide a clear lead. There has been a recent review of governance, facilitated by an external consultant, two new board members have been appointed and a further two advertised for, following the recognition that the board needs strengthening in particular skills areas. The governance handbook has been updated and the board and committee structure reorganised. Both an induction and training plan is in place for board members following a skills and training needs analysis. Board members are clear about strategic and leadership roles. An Excellence Group has been established comprising board members and the senior management team to drive continuous improvement within EHG. The board are encouraging of partnership working and see it as giving added value to the work of EHG.
- 182 Relationships between the senior management team and board members are positive. There is a clear framework supported by clear channels of communication between board members and managers including regular meetings and briefings. The overall approach ensures that there is clarity of roles and a clear understanding of the key service aims.

46 Housing Management Services | What are the prospects for improvement to the service?

- 183** There is a good range of skills and experience amongst managers and staff and the move to a competency based framework for recruitment three years ago has led to the employment of new staff with transferable skills. A revised overarching HR policy is under development. A staff survey is in progress for September 2006 to identify areas of concern and inform future development. The recent period of uncertainty in The Group has led to a number of staff acting up on a temporary basis, resulting in vacancies in some sections. This has impacted to some extent on the rate of progress. There is capacity in the current HR budget for new and additional posts to lead and deliver emerging priorities. Some areas have already been identified where capacity is needed to meet the needs of the service. It is recognised that the SMT needs to take a more strategic role in the running of EHG and a review of operational staff capacity may be required.
- 184** Various options have been pursued to improve capacity within EHG. Temporary staff have been used to both add capacity over the short term and to bring specialist knowledge and experience in key topic areas such as housing management and performance management.
- 185** Staff attitudes are very positive and there is a willingness to embrace change. They were positive about the direction of the association considering that it was modernising the ways in which it was working to be more efficient and effective. They also considered communication with staff was improving and have seen actions taking place which encourages them to make suggestions and fully engage in the process of change. Management and staff responded quickly and positively to suggestions for improvement made while the inspection team were on site, either amending procedures or improving documents.
- 186** EHG use a wide and positive range of methods to communicate with its staff. There are good channels of communication within EHG. Staff benefit from regular briefings, team meetings and one to ones. In addition, policy development, performance and other operations matters are reported promptly on EHG's intranet and this is supported with a regular staff newsletter. The approach towards communications is positive and therefore helps to ensure that staff are aware and understand organisational priorities and how they contribute towards them.
- 187** There is a clear commitment to training within EHG, with a target set for five days training per year for each staff member. Training needs are identified through the annual appraisal system. Performance on the completion of these is however variable. As a result of a recent skills analysis carried out by board members there is both an induction for new board members and a training programme for existing members in place. Whilst a comprehensive assessment of training needs for staff and tenants has not been established to enable the effective targeting of training a number of staff are benefiting from professional development or have attended one off courses to improve knowledge. Corporately a number of courses such as diversity, personal safety, first aid have been delivered to all staff. However there are gaps in this provision in the area of customer care. Change management training for supervisory staff is also under consideration. In the absence of a comprehensive plan EHG is unable to prioritise and maximise training opportunities for all staff in accordance with the needs of the service.

- 188** A procurement strategy is imminently being presented to the board of management. Positively, this clearly identifies weaknesses in the association's current approach using traditional competitive tendering arrangements through an approved list, and promotes a move towards more modern arrangements with an emphasis on complying with EU regulations through consortium purchasing. This will improve the purchasing power of the association by combining orders with other housing associations to attract discounts and reduce costs incurred during contract appointment processes.
- 189** EHG has maximised the use of its IT systems. IT systems and associated software are used to support the business. The introduction of integrated IT software has linked all parts of the business using workflow technology and processes, enabling better use of staff time and the more effective delivery of services. The work flow software pushes processes in a timely manner, delivering electronic prompts to in boxes to remind staff of actions needed. If actions are not completed the prompt is delivered to the line manager. There are plans to introduce an electronic document management system and make further enhancements by December 2006. Staff are appreciative of the way it has recently improved to make their jobs easier.
- 190** There are clear plans in place to change the arrangements to manage stock condition information. An IT system is being introduced which can electronically calculate decency levels, based on the life of various components. Positively, it will also be integrated with the responsive repairs and planned maintenance systems so that works carried out will automatically be updated onto the stock condition record to ensure they remain accurate to inform future investment. It will also inform the call centre of planned works to consider when dealing with residents reporting responsive repairs. The IT system will enable programmes of work to be identified, with cost implications assessed. It also has a project management facility to track deliver progress, invoicing and completion times. This should manage this area of work more efficiently.
- 191** There are limited examples of inward investment, and this is a missed opportunity by the group to maximise investment opportunities to develop services. These examples relate mainly to small contributions in both cash and kind to further measures to combat ASB.

Summary

- 192** We have judged the services provided by Equity Housing Group to have uncertain prospects for improvement.
- 193** Barriers to improvement are the track record that does not consistently demonstrate delivery of identified actions that will lead to improvement. Performance indicators remain static and have not been used to identify areas for improvement. Target setting is underdeveloped and benchmarking not used to effectively drive improvements. Performance management is not systematic throughout EHG, reporting at all levels is basic and the performance ethos is not embedded.

48 Housing Management Services | What are the prospects for improvement to the service?

- 194** There are however clear corporate aims and objectives. Comprehensive improvement planning is now in place with linkages to a new and robust monitoring and evaluation system for all levels in Equity Housing Group Leadership is focused and staff are enthusiastic about the envisaged changes and improvements. The investment in IT supports this change in focus and will expand the capacity as this is further rolled out.

Appendix 1 – Performance indicators

- 1 Performance Indicators are included for Equity Housing Group which owns the majority of the rented stock and for Equity Housing Association which owns the majority of the leasehold stock. The associations report separately to the housing corporation. Due to some cross over of stock ownership it is not possible to say that all data for EHA applies only to leasehold schemes. Figures are Housing Corporation statistics unless otherwise stated.

Appendix 2 – Performance indicators for Equity Housing Group

Performance indicator	2002/03	2003/04	2004/05	2005/06	Quartile 2004/05 ³
1. General needs rent					
1.1 Average weekly gross rent (£)	57.99	57.93	61.21	63.96	1
2. Vacant dwellings and lettings					
2.1 Dwellings vacant and available to let (%)	3.2	3.1	1.8	1.7	4
2.2 Dwellings vacant and not available to let (%)	0.6	0.7	0.1	0.2	1
2.3 Re-let times (days)	59	72	63	65	4
3. Stock condition and repairs performance					
3.1 Average SAP rating	76	75	65	67	3
3.2 Failing decent homes standard (%)	7.1	9	15.6	15	1
3.3 Emergency repairs completed in target (%)	98	97	97.6	94.7	2
3.4 Urgent repairs completed in target (%)	95	96	97.5	98.5	1
3.5 Routine repairs completed in target (%)	96	94	96.8	99.9	1
4. Services to tenants					
4.1 Tenant satisfaction overall (%)			78	82	3
4.2 Tenant satisfaction with participation (%)			48	68	4

³ Quartile positions are reflected in the report as: 1. top performing, 2. top half, 3. lower/bottom half, 4. worst performing. Quartile positions relate to 2004/05 as they are not yet available for 2005/06.

Performance indicator	2002/03	2003/04	2004/05	2005/06	Quartile 2004/05 ⁴
5. Financial performance					
5.1 Average GN weekly operating cost (£)	38.76	44.21	42.53		1
5.2 GN operating cost as a percentage of turnover (%)	68.4	76.8	70		1
5.3 Weekly investment per GN unit (£)	19.19	22.44	19.88		
5.4 Rent collected for GN (%)	99.9	96.6	99.5	98.3	2
5.5 Current tenant rent arrears (%)			5.6	5.68	3
5.6 Rent lost due to GN voids (%)	4.4	4.4	3.4	4.36	4
Performance indicator	2002/3	2003/4	2004/5	2005/6	Quartile 2004/5
6. Services to leaseholders (Equity Housing Association)					
6.1 Emergency repairs completed in target (%)	99	99	95.2	92.9	3
6.2 Urgent repairs completed in target (%)	97	96	97.6	94.6	1
6.3 Routine repairs completed in target (%)	-	-	92	100	4
6.4 Leaseholder satisfaction overall (%)			61.7	66.1	
6.5 Leaseholder satisfaction with participation (%)			46.3	46.3	
6.6 Current leaseholders arrears at year-end (%)			2.84	2.37	-

⁴ Quartile positions are reflected in the report as: 1. top performing, 2. top half, 3. lower/bottom half, 4. worst performing. Quartile positions relate to 2004/05 as they are not yet available for 2005/06.

Appendix 3 – Documents reviewed

- 1 Before going on site and during our visit, we reviewed various documents that were provided for us. These included:
 - Equity Housing Group's self assessment;
 - performance data produced by the Equity Housing Group and the Housing Corporation;
 - housing service plan;
 - various leaflets;
 - stock condition survey executive summary;
 - capital programme;
 - procurement toolkit and strategy;
 - sample of workforce development reviews; and
 - various established procedures.

Appendix 4 – 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:
 - focus groups with frontline staff, tenants and leaseholders;
 - interviews with staff and board members;
 - mystery shopping visits and telephone calls;
 - shadowing staff;
 - visits to both offices;
 - viewing property improvements and inspection of vacant ready to let homes;
 - review of leaflets and other publicity material;
 - review of complaint files;
 - review of completed gas safety certificates;
 - review of the stock database;
 - review of ASB files; and
 - observation of the RSC and visits to tenants.