

Carrick Housing (ALMO)

Carrick District Council

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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

Arms Length Management Organisation (ALMO) Inspections	5
Summary	6
Scoring the service	7
Recommendations	10
Report	12
Context	12
The locality	12
The Council	12
The Service	12
How good is the service?	14
What has the service aimed to achieve?	14
Is the service meeting the needs of the local community and users?	15
Access and customer care	15
Diversity	17
Stock investment and asset management	18
Capital improvement, planned and cyclical maintenance, major repair works	18
Responsive repairs	20
Repairing and letting empty (void) property	21
Gas servicing	22
Aids and adaptations	23
Housing income management	24
Resident involvement	26
Tenancy and estate management	28
Tenancy management	28
Estate management	29
Leasehold management and Right to Buy	30
Supported housing	31
Is the service delivering value for money?	32
How do costs compare?	32
How is value for money managed?	33
Summary	34
What are the prospects for improvement to the service?	36

4 Carrick Housing (ALMO) | Contents

What is the service track record in delivering improvement?	36
How well does the service manage performance?	37
Does the service have the capacity to improve?	39
Summary	41
Appendix 1 – Performance indicators	43
Appendix 2 – Reality checks undertaken	46
Appendix 3 – Positive practice	47

Arms Length Management Organisation (ALMO) Inspections

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

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

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

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

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

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

The Housing Inspectorate has published additional guidance for ALMO inspections:

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

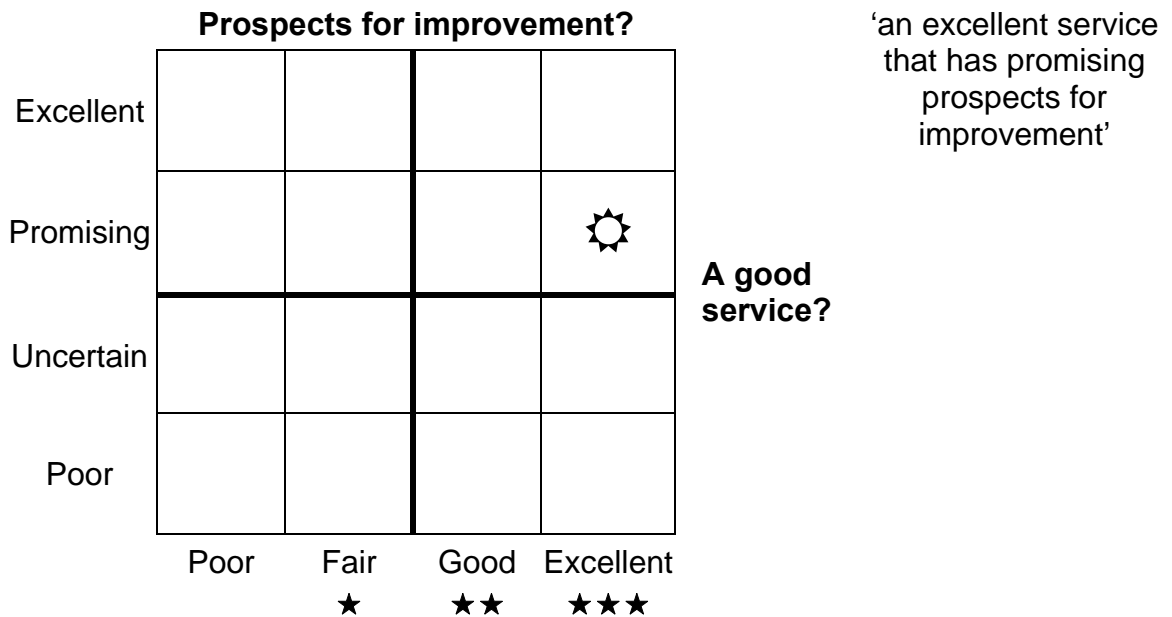
Summary

- 1 Carrick Housing Limited (CHL) provides excellent housing services and has promising prospects for improvement.
- 2 Overall satisfaction with the service is very high and there is a customer-focused culture and strong commitment to equality and diversity. Performance on repairs, maintenance and improvement work to tenants' homes is strong with some examples of service innovation. The Decent Homes Programme has had a positive impact on tenants with for example, almost 1,600 homes having new central heating systems. CHL's approach to housing income management is integrated with welfare benefits and debt advice and rent collection and arrears recovery are both above average. Tenant participation is well developed and both tenancy and estate management are good.
- 3 CHL is delivering services that represent good value for money. Costs compare well and there is a positive relationship between costs and satisfaction and the quality of services. Value for money is well managed and there are high levels of understanding and awareness of value for money across the organisation. Resources have moved to priority areas, there is a focus on high cost and procurement and more effective service delivery have increased value for money.
- 4 But there are some weaknesses - the approach to safety checks is not comprehensive, there are inadequate controls in place on systems and processes to ensure CHL meets its duty to service gas appliances each year. CHL has not yet demonstrated that it is providing value for money in all service areas and procurement could be improved.
- 5 CHL has a strong track record of improving performance, value for money, implementing change and responding to external challenge. There is a clear vision for the organisation, strong leadership and strong high level arrangements in place to manage performance. Staff are enthusiastic and committed to improving services. There is a high level of self-awareness about the strengths and areas for improvement and capacity has been increased through for example, restructuring services and investment in ICT. Procurement has been used to increase its capacity but this remains an area for improvement.
- 6 However, there are some important areas where improvements have been slow or where progress does not match that of the best performing providers. Performance management arrangements are not effective in all areas and there are weaknesses in the systems to ensure reliable and accurate information is provided to decision-makers. The capacity of middle managers has not been systematically enhanced and long term sickness levels are a cause for concern. There are significant financial pressures that may impact on services and the challenging agenda for improvement set by CHL could result in a loss of focus on delivering high quality day-to-day services.

Scoring the service

- 7 We have assessed Carrick Housing Limited as providing an ‘excellent’, three-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 8 We found the service to be excellent because it has a range of strengths including:
- overall satisfaction with the service is very high and there is strong commitment to equality and diversity and a customer-focused culture across the organisation demonstrated in its investment plans;
 - performance on reletting of empty homes, repairs, maintenance and improvement work to tenants' homes is strong with some examples of service innovation such as the Homefix service;
 - the Decent Homes Programme has had a positive impact on tenants with for example, almost 1,600 homes having new central heating systems;
 - there are good delivery systems in place for gas servicing and performance is generally strong;

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.

8 Carrick Housing (ALMO) | Scoring the service?

- there is a proactive and well resourced aids and adaptations service that has high levels of satisfaction among users;
- performance on rent collection and arrears recovery are both above average. CHL works well with partners and has robust processes that are integrated with welfare benefits and debt advice;
- tenant participation is well developed and embedded across the organisation, with a range of opportunities for tenants to influence services at strategic and operational levels;
- estates are generally clean and tidy and there is an effective approach to tenancy management including anti-social behaviour;
- CHL is delivering services that represent good value for money. Costs compare well and there is a positive relationship between costs and satisfaction and the quality of services; and
- value for money is well managed with a strong corporate lead and high levels of understanding and awareness of value for money across the organisation.

9 However, there are some areas which require improvement. These include:

- CHL has not yet demonstrated that it is providing value for money in all service areas;
- there remain some important areas for improvement in CHL's approach to procurement; and
- the approach to safety checks to tenants' homes and communal areas is not comprehensive and there are inadequate controls in place on systems and processes to ensure CHL meets its duty to service gas appliances each year.

10 The service has promising prospects for improvement because:

- CHL has a strong track record of sustaining high levels of performance and improving performance in some key areas;
- value for money is improving and there have been improvements in key areas identified by tenants;
- there is a positive track record of responding to external challenge and of implementing change;
- there is a clear vision and challenging aims for the organisation that link well to the Council's corporate objectives;
- there is strong leadership from the Board and senior management team and strong high-level arrangements in place to manage performance;
- there is a high level of self-awareness about the strengths and areas for improvement and CHL is open to learning and innovation;
- staff are enthusiastic and committed to improving services;

- capacity has been increased through restructuring services, closer working with tenants and other partners, investment in ICT and through attracting external investment; and
- procurement has been used to increase its capacity but this remains an area for improvement.

11 However, there are a number of barriers to improvement. These include:

- there are some important areas where progress has been slow or where progress does not match that of the best performing providers including building contractor capacity to ensure the delivery of current work programmes and value for money in the longer-term and procuring services using Egan principles;
- performance management arrangements are not effective in all areas and there are weaknesses in the systems to ensure reliable and accurate information is provided to decision-makers;
- the capacity of middle managers has not been enhanced through training and development and long term sickness levels are a cause for concern;
- there are significant financial pressures that may impact on services - the £400,000 potential operational losses identified by Carrick Services, CHL's largest contractor; and
- the challenging agenda for improvement set by CHL could result in a loss of focus on delivering high quality day-to-day services.

Recommendations

- 12 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 organisation shares the findings of this report with the ALMO Board, the local authority and customers; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Improve capacity, cost effectiveness and value for money by:

- *regularly testing the service's value for money;*
- *supporting initiatives with partners and other stakeholders to help build contractor capacity in the region;*
- *enhancing the capacity of middle managers through a bespoke training and development programme;*
- *improving the approach to procurement using Egan principles;*
- *modelling robust business plans for both Carrick Housing and Carrick Services; and*
- *developing a clear strategy for improving collection of rechargeable work costs and reducing rent collection costs.*

The expected benefits of this recommendation are:

- improved cost effectiveness, value for money and achievement of efficiency gains; and
- better outcomes for residents.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by December 2008.

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.

Recommendation

R2 Effectively manage risks to the organisation, by:

- *ensuring that there are adequate controls in place on systems and processes to ensure CHL meets its duty to service gas appliances each year;*
- *ensuring that there are effective systems in place to carry out safety checks to tenant's homes and communal areas; and*
- *ensuring that there are robust financial, performance and risk management arrangements in place to support CHL's key strategic changes and improvement plans.*

The expected benefit of this recommendation is:

- a reduction in the risks to contractors, tenants and to the organisation.

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

- 13 We would like to thank the staff of Carrick Housing Limited and Carrick District Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 6 to 10 November 2006

Regional contact details

Audit Commission

3-6 Blenheim Court

Lustleigh Close

Matford Business Park

Exeter, EX2 8PW

Telephone: 01392 315600

Fax: 01392 428383

www.audit-commission.gov.uk

Report

Context

The locality

- 14 Carrick District Council is one of six district councils that make up the county of Cornwall in the south-west of England. Carrick has a population of 90,100³ of which 21 per cent are over 65. Carrick's population grew by 19 per cent between 1981 and 2001 and a further 17 per cent increase is predicted by 2021, mainly because of in-migration.
- 15 The black and minority ethnic population is relatively small at only 1.3 per cent of the population, although a further 2.1 per cent are from Irish or other white groups.
- 16 Income levels in 2003 are below the national average particularly in some communities such as Penrhyn near Falmouth. Retail, health, and nursery/primary/secondary education are the major employers in the area. Carrick is rated as the 132nd most deprived local authority area in England⁴.
- 17 Carrick includes the Fal Estuary Special Area of Conservation (candidate), part of the Cornwall Area of Outstanding Natural Beauty, Heritage Coast, Sites of Special Scientific Interest, Areas of Great Landscape Value, historic gardens and sites of industrial heritage.

The Council

- 18 The Council comprises 45 councillors and is led by the Liberal Democrats, with 27 seats. The business of the Council is governed by the cabinet style of governance consisting of leader and five cabinet members.
- 19 The 2004 comprehensive performance assessment (CPA) assessed Carrick as a 'good' Council that is delivering well-regarded services and is developing its management systems to support further improvement.

The Service

- 20 The Council set up Carrick Housing Limited (CHL) as an arms length management organisation (ALMO) in April 2003 to carry out its landlord role for its housing stock. The initial agreement with the ALMO runs for ten years, with options to renew for further five-year periods. The functions delegated to CHL can be summarised as:
 - stock investment and repairs ordering;
 - rent collection, dealing with arrears and debt counselling;

³ Office of National Statistics 2004

⁴ Index of Multiple Deprivation 2004 (rank of average rank)

- estate management, caretaking, managing homeless and temporary accommodation;
 - managing lettings, voids and under-occupation;
 - enforcement of tenancy conditions;
 - similar functions for leaseholders; and
 - tenant participation, information and consultation.
- 21** The functions retained by the Council are managed by the Chief Housing Officer and include:
- housing strategy and enabling;
 - homelessness, housing advice and money advice;
 - support services in sheltered housing and older person housing schemes; and
 - administration of the Housing Register, and allocations.
- 22** Although there is no legal requirement to ballot tenants before establishing an ALMO, Carrick District Council did so in January 2003. The result was that 96 per cent voted in favour of the ALMO on a turnout of 61 per cent.
- 23** Carrick Housing is managed by a board that is made up of five tenants or leaseholders, five council nominees and five independents. The day-to-day running of the company is delegated to a senior management team, headed by an Executive Director. The ALMO is a small organisation that currently employs 59.6 full time equivalent staff.
- 24** In February 2004, the Audit Commission inspected CHL and judged it to provide an excellent, three-star service, with uncertain prospects for improvement. That assessment enabled Carrick to receive an initial £7.3 million, rising to a total £23.1 million, to bring its homes up to the Decent Homes Standard.

How good is the service?

What has the service aimed to achieve?

- 25 The Council's vision is best described in the Local Strategic Partnership aims identified in the Community Strategy⁵. It has three main aspirations for quality of life.
- Individual well being - Everyone will have a decent home, the best chance of good health, and opportunities for personal development.
 - Strong communities - We will have strong communities, providing affordable homes for people of different ages and backgrounds who get on well together and actively participate in community life. They will be safe, well-maintained and well-connected to the services they need.
 - A quality living environment - An attractive and distinctive, high quality environment to live in which is safe, healthy and well-maintained. Use of renewable energy sources and efficient use of fuel help sustain that quality and reduce risks from future climate change.
- 26 The goals of Carrick Housing Limited (CHL) are aligned to the Council's overall objectives. The achievements of CHL in delivering high quality services contribute directly to the priorities of the Council and wider community. The goals are:
- excellent housing services;
 - integrity and better government;
 - efficient management of public money;
 - Decent Homes; and
 - more rented properties.

⁵ 'Carrick communities 2020'

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

Access and customer care

- 27** In our previous inspection, we found that the housing services provided by CHL were accessible and customer-focused. A wide range of information was provided, and tenants were satisfied with the services and the way CHL provides them. Now, strengths significantly outweigh weaknesses in this area of service. Overall satisfaction with the service is very high and there is a strong customer-focused culture across the organisation.
- 28** Overall satisfaction with the landlord service is very high; the STATUS survey in 2004 recorded 91 per cent satisfaction with CHL. There is a strong corporate approach to access and customer care including comprehensive training for board members and staff on customer focus, including temporary staff.
- 29** There are clear challenging service standards across the majority of services and these have been developed and agreed with customers. A comprehensive set of leaflets has been produced which are clear and informative setting out the standards that the customer can expect in each service area. Each leaflet details how to make a complaint if the standard is not achieved. The use of CHL's own tenant inspectors since 2006 to evaluate access and compliance with service standards has enhanced the measuring of user's experience.
- 30** A tenants' guide provides more details on customer's rights and obligations and has been revised by an editorial team of tenants. The guide includes the new conditions of tenancy and promotes CHL's neighbourhood enforcement team and the Homefix service. The revised tenants guide has recently been distributed to all tenants in a variety of appropriate formats.
- 31** The customer service team provides a high quality customer-focused service. There are clear standards on the range of ways that customers access services including telephone calls, letters, e-mail, fax and text messaging, as well as by personal visit. They deal with all incoming calls to CHL and have the knowledge and experience to signpost customers to other council or external services. The majority of customers access the service using the free phone service. Performance is strong with 90 per cent of calls answered within 25 seconds. CHL has a clear understanding of the patterns and volume of calls and has taken steps to ensure calls are answered quickly at peak times. The organisation is now reviewing the capacity of the call centre team to provide consistent service throughout the week. The most recent STATUS survey in 2004 demonstrated 87 per cent of customers' enquiries were successfully answered.

- 32 Opening hours for offices have been designed to meet the needs of service users as well as delivering value for money. Following consultation with customers CHL has now introduced more flexible customer-focused opening times. Opening has been extended to 8am on a Monday and until 6pm on a Wednesday, as well as standard office opening hours.
- 33 There is strong performance against a number of access service standards. Letters are acknowledged in three working days and performance against this target in 2005/06 was 100 per cent. A full reply to correspondence has a target of ten working days and this was met for 98 per cent of letters in 2005/06. Customers confirmed to us that CHL always replied to their letters and correspondence.
- 34 CHL's offices are well located within an easy walk of the town centres of Falmouth and Truro. The reception areas are family friendly and welcoming with range of aids and adaptation to meet the needs of a range of customers for example, there are lowered counters and automated doors to assist access for wheelchair users and others with mobility requirements. There are facilities for private interviews and free access to Carrick's website and news extracts on a large screen facility.
- 35 Services outside of usual business hours are only offered for repair emergencies. However, since April 2006 there is an emergency officer for tenants experiencing tenancy problems on call accessed via the out of hours telephone number. The lack of services offered at more flexible customer-focused times may mean that arranging access for customers who work is difficult. CHL is reviewing the issue with partners to see whether appointments for repairs and servicing may be offered during the evening or at weekends.
- 36 Documents and other information produced for service users are of a high standard. They are well produced and written in plain English. Key documents such as the tenants' guide and tenancy agreement have recently been updated. The documents are produced by an editorial team led by tenants. However, there is some inconsistency in the format of information such as the rent payment leaflet the font size is small and the letter introducing the Homefix service does not include the strap line on alternative formats.
- 37 CHL has invested in its website as the most cost effective way of communicating, consulting and transacting with its tenants. The website is accessible and contains a comprehensive range of useful information. The site is easy to navigate and allows tenants to report a repair, make a rent payment and make a complaint. A further enhancement in development is the ability to track a repair which is due to go live by July 2007.
- 38 The website is being used to promote tenant participation. There is on-line information on how to get involved and information on grants and other support to tenants. The website is further enhanced by providing information on the board including minutes of meetings and future meeting dates, times and locations.

- 39 There are clear service standards and procedures in place for dealing with and monitoring complaints. Complaints are generally dealt with quickly and responses are customer-focused. All complaints are monitored centrally and positively the Board receives a six-monthly performance report identifying key trends and information. Learning from complaints is shared widely in the organisation but at present, there is no mechanism in place to measure satisfaction with the complaints service itself. This means that CHL cannot be sure how far users are satisfied with the service being provided.
- 40 Satisfaction surveys are in place in a majority of service areas but are not yet comprehensive. Satisfaction is monitored in a variety of ways to enable the organisation to track performance. The customer services team telephones 100 tenants each calendar month to measure contact with the landlord and satisfaction with the service received. This survey is carried out by using an agreed script. In addition most service teams send out a written satisfaction survey following a request for a service, the card asks a number of standard questions and gives the opportunity for the customer to make free text comments on their experience. This feedback is shared at team meetings to develop services further.

Diversity

- 41 In our previous inspection, we found that CHL understood the diversity of the residents of the district and of its tenants. A review of its approach had led to changes, and this represented a strong area for the organisation, which would soon meet the amended criteria for the Commission for Racial Equality (CRE) code of guidance for rented housing. Strengths continue to outweigh weaknesses in this area. CHL demonstrates a strong commitment to equality and diversity and is developing its understanding of the needs/requirements of the entire community.
- 42 The corporate commitment to promoting diversity is strong, CHL meets the Commission for Racial Equality revised code and endorses the Council's Disability Equality Scheme; there is engagement with a range of groups from different sections of the community. Translation and interpreting services are effective. There are many examples of adjusting the service to suit the needs of the customer. However, data on customer profiles has only very recently been collected and related service analysis is under developed. CHL requires partner organisations to have a suitable diversity policy and needs to develop contractor's engagement with diversity issues beyond the initial application process.

- 43 CHL demonstrates a strong commitment to promoting equality and diversity. A lead director acts as a diversity 'champion' and there is a Board working group on equalities issues who are leading on equality impact assessments. A number of key policies and mechanisms are in place including policies and procedures to deal with hate crime and domestic violence. The organisation has invested in diversity training for all staff and board members and is taking steps to improve its understanding of the needs/requirements of the entire community. For example, CHL is engaging with a minority ethnic advisory group, an older persons group and a young persons group. It responded to the feedback that many tenants declared themselves housebound through a customer survey in September 2006 by increasing the repairs response time for heating breakdowns for these customers.
- 44 CHL has systems in place to share information held by services on specific customer needs across the organisation. For example, it has a comprehensive database of people who require communication in non-standard formats. However, while CHL has information on the age, gender, disability and ethnicity of approximately 77 per cent of tenants following a survey in 2006 and through its 'sign-up' procedures it does not collect information on other diversity issues such as sexuality or faith. This means that CHL may be missing opportunities to shape and target services to meet the needs of all residents.
- 45 CHL requires contractors and suppliers to have an appropriate policy on diversity in order to be considered to provide work or services. However, the approach to diversity beyond the initial application stage is under-developed. This may mean that partners are not promoting or dealing with diversity issues appropriately. Customers with a range of needs may experience an inappropriate response from CHL's agents due to a lack of awareness or action on diversity.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 46 In our previous inspection, we found that there were positive aspects to this area of the service, particularly the approach to investment planning and the new partnering contracts for kitchens and bathrooms. However, opportunities to work more closely with contractors had not been taken, and the stock data was not being updated. In this inspection we found generally robust stock condition information that is used to develop customer-focused investment plans and there are examples of innovation such as the Homefix service. The Decent Homes Programme has had a positive impact on tenants with for example, almost 1,600 homes having new central heating systems. But there are some weaknesses - the asset management strategy is out-of-date and the approach to safety checks is not comprehensive.

- 47 CHL has generally robust stock condition information that is used to develop its investment plans. The asset database is held on a new ICT system that should be updated as part of routine work on relets and repairs inspections as well as a rolling programme of detailed surveys. The property assessment does not include the use of the Housing Health and Safety Rating System.
- 48 CHL's approach to its investment plans is customer-focussed. The investment programme looks at the longer-term use of the home rather than simply meeting the minimum Decent Homes Standard. For example, over bath showers are offered in all bathroom upgrades. Plans have been communicated well to tenants - all tenants have been given detailed information about plans up to 2010. Tenants have also had the opportunity to influence these plans for example; the District Forum of Tenants agreed that each tenant should be offered either a bathroom or a kitchen during the first few years of the programme. Tenants have a range of choices in terms of the work carried out in their home and can choose to purchase themselves higher specification products which CHL will install.
- 49 Works completed as part of the Decent Homes Programme have had a positive impact on tenants and high levels of satisfaction. Approximately 95 per cent of the 1265 tenants who received a new kitchen were satisfied and 90 per cent of 1,517 tenants who received new bathrooms.
- 50 CHL is targeting homes improving with low levels of energy efficiency. The average SAP rating, a measure of energy efficiency for homes, is currently 68 against a rating for all Local Authority properties of 63.5. Almost 1,600 homes have received new central heating systems and approximately 1,300 have had thermal insulation work such as wall cladding, loft and cavity or uPVC windows and doors. CHL has installed 95 ground source heat pumps and six air source heat pumps. These have a marked effect on tenants' fuel costs where gas heating is not available and support the Council's wider environmental aims.
- 51 Tenants have been involved in defining investment priorities. Tenant representatives through community panels have defined priorities for spending the £145,000 budget allocated for environmental improvements over the last year. For example, residents at Glen View, Penrhyn created a community play space from a piece of waste land. This has improved the appearance of the area and provided facilities for young people. Tenants have also influenced the decision to carry out the external painting programme on a five yearly basis so that it complements other programmes such as the replacement of windows and doors.
- 52 There are robust contract management and quality checking procedures in place for the delivery of major works to ensure value for money and tenant satisfaction. There are regular meetings held with contractors involving tenant representatives and CHL inspects approximately 10 per cent of all completed work rising to 100 per cent where there have been problems with the quality of the work.

- 53 There are examples of service innovation for example, the Homefix service that started in May 2006. This service will deliver an annual property health check to each home focussing on identifying necessary repairs that have not been reported. Staff will carry out minor repairs and identify other work that is then included as part of a planned programme. Staff from Carrick Services carry out the work and can be easily identified by clear corporate branding. Initial responses for the first three months of the service indicate very high satisfaction at 99 per cent. However, there are risks associated with this approach that CHL need to manage effectively.
- 54 There are some weaknesses in CHL's approach in this area. Its asset management strategy is out-of-date and reflects the Council's historic intelligence on the condition of the housing stock. There are also weaknesses in its systems to ensure accurate information is held on its asset database for example, following completion of planned programme work.
- 55 CHL's approach to safety checks to tenant's homes and communal areas is not comprehensive. Positively there is a programme of regular safety checks for electrical and solid fuel appliances and smoke alarms are checked before properties are relet. There is also testing and remedial work for radon and limited mapping of asbestos and potential legionella in water supplies. Safety checks also include playgrounds and garage sites. However, little information about the presence of asbestos is shared with tenants and information shared with contractors is limited and importantly there is no current cyclical programme of testing for legionella. These issues could present a risk to residents and CHL.

Responsive repairs

- 56 In our previous inspection, we found that this service was provided to a good quality, and tenants were very satisfied. In this inspection, we found that strengths significantly outweigh weaknesses. Information provided to tenants on repairs is of a high quality, repairs are carried out promptly and satisfaction levels are high. The number of appointments has also increased significantly for routine repairs.
- 57 Repairs are carried out promptly and satisfaction levels are high. All urgent repairs are being completed on time and non-urgent repairs are being completed within six days. There are very high levels of satisfaction with the response repairs service with 98 per cent of customers satisfied.
- 58 There are a number of factors that contribute to this strong performance and high levels of satisfaction. Information for tenants on how to report repairs is of a high quality and includes clear diagrams to help tenants accurately order repairs, which helps keep the level of pre-inspections of repairs below 10 per cent. All repair requests are confirmed by a letter that includes target timescales for the repair and appointments where these have been made. Jobs can generally be completed in one visit because of an increasingly multi-skilled workforce and efficient stocking system that ensures the availability of parts. There is also a good degree of flexibility for operatives to vary works on site- up to a value of £100. However, the level of variation orders is high and it is unclear how CHL is tackling this issue.

- 59 CHL has significantly increased the number of repairs that are carried out by appointment. Currently morning or afternoon appointments slots are available, although specific arrangements are made on request. The numbers of appointments made for routine repairs has increased from 20 per cent in 2003/04 to 80 per cent in 2005/06. However, because the current system of appointments does not provide access to services at more flexible customer-focused times it does not yet fully meet the needs of service users.

Repairing and letting empty (void) property

- 60 In our previous inspection, we found that performance had improved and sustained and new tenants were satisfied with their homes. This was an area of strength for CHL. Strengths now strongly outweigh weaknesses in void management - the reletting of empty homes is managed well.
- 61 There are effective pre-termination processes in place and empty properties are repaired according to timescales and to an acceptable standard. Monitoring of the quality of work and the tenants' experience prior to accepting the tenancy is robust. In appropriate circumstances some minor works are deferred until the new tenant has accepted the tenancy and moved in. This practice reduces the loss of rental income still further.
- 62 Empty property inspections and works ordering are carried out promptly. There is clear guidance on carrying out inspections and the standard to be achieved is clear to CHL staff and contractors. All empty properties are inspected prior to handover this includes a tenant inspector. This is positive as the tenant inspector brings a customer perspective to the quality of accommodation about to be offered to a new household.
- 63 Performance on reletting empty property quickly and customer satisfaction is strong. The average relet time is 18 days and the quality of properties is good. CHL is proactive at seeking out customer feedback and information such as the reasons for refusal are analysed to identify any particular issues or trends. Satisfaction levels currently stand at 97 per cent.
- 64 The procedure for supporting new tenancies is customer-focused. All new tenants are given a copy of the gas and electrical safety certificate and are shown how to use all the appliances again during within the first six weeks of the tenancy. A further enquiry is made to ensure all repairs have been carried out and completed and that no defects remain to the property.
- 65 The allocation and selection of tenants is undertaken by the Council as part of the choice based lettings system. CHL contributes to the strategic needs of the Council through the efficient use of the housing stock with a fast turn around time and a number of other initiatives, such as temporary accommodation, to provide housing in the area.

- 66 CHL works with the Council on the effective allocation of each property. The Council is facing a growing demand from homeless and vulnerable households for permanent housing. CHL has consulted with tenants during 2005 and released 316 designated older person units for letting to a younger client group. CHL and CDC identify any vulnerable applicants through a robust assessment process prior to an offer being made and provide a multi-agency response to support and sustain the tenancy.
- 67 The partnership with the Council extends to a rural lettings policy; this enables 50 per cent of lettings in rural areas to be offered to people with a local connection. This has enabled small villages and parishes to retain local people who previously may not have sufficient priority for housing through the housing register.
- 68 CHL has recently improved its incentive scheme for tenants to encourage people to consider moving to smaller accommodation. CHL is marketing this approach and in particular matching couples or single people who may consider moving to the former older person accommodation and release family sized accommodation.

Gas servicing

- 69 In our previous inspection, we found that this was an area of strength for CHL, with high levels of performance and effective mechanisms in place to ensure all gas appliances were serviced annually. Performance in this area continues to be strong. There are good delivery systems in place for gas servicing and performance is generally strong. However, there are inadequate controls in place on systems and processes to ensure CHL meets its duty to service gas appliances each year.
- 70 In the last two years the majority of properties have received a gas safety service. A clear no access procedure is in place that uses a number of methods to gain entry. Phone calls, letters, visits and, in extreme circumstances, the time limited capping off supplies are used appropriately to gain access. The promotion of gas safety is a regular article in the tenant's newsletter and positive messages encourage tenants to give access for this essential maintenance.
- 71 Appointments for gas servicing are available in the morning or afternoon on Monday to Friday with out-of-hours appointments only offered in exceptional circumstances. If tenants do not allow access, CHL considers installing a timed shut off valve to the gas supply to encourage tenants to provide access. This valve limits the hours that gas is supplied to the home and provides an incentive for the tenant to contact the company. Currently 80 valves have been installed as part of the procedure to ensure gas safety. CHL also carries out repairs at the time of servicing and services solid fuel appliances where these are in place.

- 72 There are inadequate controls in place on systems and processes to ensure CHL meets its duty to service gas appliances each year. Currently the process to carry out servicing does not start early enough to ensure that every home has a valid gas safety certificate within one year of the previous certificate expiring. While on site, CHL agreed to start the process within 11 months to ensure compliance with the required timescale. Importantly there are inadequate controls in place to ensure that property attributes are updated following the completion of improvement work to homes. This means that properties have been missed from the annual servicing schedule exposing tenants and CHL to unnecessary risk.

Aids and adaptations

- 73 In our previous inspection, we found that adaptations to tenants' homes were of good quality, and tenants were satisfied. CHL performed well in this service area. In this inspection, we found that strengths outweigh weaknesses in this service area. There is a proactive and well resourced aids and adaptations service that has high levels of satisfaction among users. However, procurement practice is an area for improvement.
- 74 CHL provides an effective and proactive provision of aids and adaptations. Overall, tenant's satisfaction with the adaptations service is high. There are sufficient resources currently in place to meet demand and a further £250,000 has been identified to replace steps in all designated older person accommodation to ease access. Adaptations are carried out quickly (average time from Occupational Therapist referral is 20 calendar days) and as part of their planned programme CHL is proactive in ensuring that any necessary kitchen or bathroom adaptations are carried out as part of the work using their own Occupational Therapists.
- 75 CHL has good information on the adaptations carried out to its property that is used strategically to match applicants to suitably modified homes. The new ICT housing management system is kept up to date when new adaptations are carried out. This means that resources are used effectively and that applicants do not have to wait for a property to be modified before they can move home.
- 76 CHL works with a limited number of contractors to deliver the adaptations service. There has been no competitive procurement process for small scale adaptations. There is no transparent mechanism for demonstrating value for money. The ALMO uses Carrick Services for adaptations, as the main contractor, using a schedule of rates. Carrick Services use one preferred sub-contractor to deliver this work within the agreed price. CHL will need to plan resources to deliver more and larger adaptations as the volume of adaptations is predicted to rise given the client profile.
- 77 Larger adaptations such as stair lifts or extensions have not been procured using modern methods but sourced on an individual contract basis. This awarding of individual contracts may lead to longer lead times to supply equipment. CHL has not yet explored the possibility of awarding contracts on a longer time scale and volume and is not building contractor capacity in this area.

- 78 There are no specific publicised service standards in place for aids and adaptations. This means that tenants cannot be clear as to what standards to expect. This is important in enabling tenants to judge the service and to complain if service standards are not being achieved.

Housing income management

- 79 In our previous inspection, we found that performance in this area was very strong. Rent collection levels were very high; rent arrears of current tenants and former tenants were very low. CHL's approach to dealing with rent arrears was proportionate and fair and took account of tenants' personal circumstances. In this inspection, we found that this is a strong service area where strengths significantly outweigh weaknesses. Performance on rent collection and arrears recovery are both above average. CHL works well with partners and has robust processes that are integrated with welfare benefits and debt advice. However, the use of the most cost effective way to make payment is not effectively promoted and there are no incentives offered to tenants on frequency and choice of payment method to encourage take up.
- 80 Performance in this area is strong. Performance on rent collection and arrears recovery are both above average despite challenges posed by the implementation of a new IT system, which meant that for a period two systems were running in parallel.
- 81 There is a wide variety of ways that tenants can pay their rent. These include telephone, internet, by standing order and at the Council offices in Truro and Falmouth. Payments can also be made at post offices. In addition, from April 2007 tenants will be able to pay through 13 banks in rural areas and by Direct Debit.
- 82 There is clear information provided to tenants on their rent and their rent account. There is a rent payment leaflet identifying the range of ways to pay the property or garage rent. The annual rent increase letter and the quarterly rent statements are clear and easy to follow. Tenants in arrears with rent payments are sent a statement each month to ensure that they are clear about the status of their rent account. However, CHL has not yet introduced an incentive scheme to encourage rent payment.
- 83 Service charges are clearly separated from the rent and identified on the rent increase letter so that tenants are clear as to the services they can expect and the weekly charge for each item. This ensures tenants are aware of these services and are more able to assess value for money.
- 84 CHL supports tenants in paying their rent, with eviction seen as the last resort. The performance management system supports this approach and complies with best practice on the prevention of debt. For example, targets for eviction are set deliberately low with the emphasis being that the lower percentage achieved the better the performance. Two evictions were carried out in 2005/06 and in the first seven months of 2006/07 only one.

- 85 There are a number of mechanisms to maximise income and prevent arrears. Staff provide clear advice to tenants who require money advice or debt counselling and have positive working relationships with the local Citizens Advice Bureau. CHL has promoted the local Credit Union and challenged commercial loan companies who seek to exploit debt problems. CHL recently set up its own specialist welfare advice service. Since April 2006 this service has levered £35,000 of Housing Benefit and £51,000 of welfare benefits for Carrick tenants.
- 86 There are clear and effective policies and procedures for rent recovery. The new ICT system links to the arrears procedure and automatically prompts actions at different stages of the arrears process. A series of standard letters is produced or individual letters to reflect personal circumstances. All letters have a standard statement advising tenants of welfare rights and how to get further help and advice.
- 87 Regular and appropriate action is taken to recover arrears. This includes early action to try and prevent arrears. Staff take prompt action in line with procedures and comply with best practice. Letters, phone calls, text messaging and visits (including out-of-hours) are used to make contact. The Housing Services Director monitors accounts regularly and takes appropriate action. The monitoring of casework includes compliance with carrying out a human rights assessment at key stages in the process.
- 88 CHL works well in partnership with the housing benefit service. Staff are able to support tenants by tracking claims on the housing benefit IT system. The welfare advice officer can also verify claims for Benefit. This means that benefit queries can be dealt with more quickly. CHL also promotes benefit take-up campaigns for example, the most recent was to encourage claims for Pension Credits which involved a road show at various locations such as day centres for older people.
- 89 There is an informal agreement in place with the Council agreeing a common approach to debt recovery. However, there is no corporate debt policy agreed between the Council and the ALMO. This absence of formal procedure could lead resources being wasted in chasing tenants for payments and competing demands for payment.
- 90 Profiling of arrears cases and subsequent targeting of recovery and advice activity is limited. The ICT system has the ability to run reports profiling debts and tenants but at the time of the inspection this capacity had not been fully explored. This limits the ability of the organisation to target activity effectively.
- 91 CHL has dedicated more resources to the tracing and collection of former tenant arrears. Since June 2006 a part time officer has responsibility for former tenant arrears. A new process of using a tracing agency has been trialled with a one to four success rate. The cost of using the agent is 90 pence per trace and is low cost. CHL is now considering using a collection agency on a trial basis to evaluate cost and success in recovering this type of debt. Reduction of debt has improved with more consistent action to trace and chase debtors. Targets have now been set to improve the collection rate from £107,000 in June 2006 to £85,000 by March 2007.

- 92 CHL has missed the opportunity to publicise to current tenants its stance on debt collection once tenants have moved away. This approach could have a deterrent effect on people considering leaving the landlord still owing money.

Resident involvement

- 93 In our previous inspection, we found that CHL had a genuine desire to engage with tenants in the decision-making process and consequently resident involvement was an area of strength for CHL. But more work was still needed to involve a wider group of tenants outside of formal structures. In this inspection, we found that CHL has a very strong approach to tenant participation with few significant weaknesses. Tenant participation is well developed and embedded across the organisation, with a range of opportunities to influence services at strategic and operational levels.
- 94 Tenant participation is well resourced. There is a specific tenant involvement team and all staff have tenant involvement identified as a key competency in their job description. In addition, an independent tenant advisor is available to assist on large-scale consultation exercises such as the older person accommodation review. There is also a range of training opportunities for tenants and there are plans developing expertise in areas such as the management of vulnerable adults and effective risk assessment. The Beacon Award for the involvement of tenants gained in March 2006 has presented many opportunities for Carrick tenants to liaise with other tenants across the country to share good practice and ideas. These measures contribute to the high level of satisfaction with opportunities for participation, which in 2004 was among the best performing 25 per cent of all councils.
- 95 There is a comprehensive tenant involvement agreement in place. This is up to date and was developed in partnership with tenant representatives. It sets out the strategy for tenant involvement and proposed developments for the next three years. This helps guide the action plans and work programme of tenant representatives and the specialist staff team.
- 96 Tenant involvement is well promoted. There are separate leaflets, audio tapes, information in the tenants handbook, tenant newsletter and displays in local offices. It is also promoted in the sign up process. There has been a recent survey of tenants asking them from a menu of options how they would like to be involved. This register of interest is being drawn up to identify individuals who can be used in future tenant involvement initiatives.
- 97 There are clear resident involvement structures. The District Forum of Tenants (DFT) is open to tenant and area representatives across the District up to a maximum of 25 people. This group is the focus for consultation on policy, budget, business planning and performance management. Performance management reports go to both the DFT and local tenant and resident associations (TARAs). An annual report is sent to all tenants and the regular newsletter is used to report performance issues. This information includes the costs of services and comparison with similar organisations on costs and performance. Overall CHL is providing sufficient information to allow tenants to judge the performance of the organisation.

- 98 There are now nine TARAs. The TARAs play an active role in larger neighbourhoods including the development of neighbourhood plans. These plans support the neighbourhood strategy and contribute directly to the improvement of the quality of life for residents. One example is the New Beginning Tenants and Residents Association that has worked with CHL to develop a community centre on a former school site in their area.
- 99 CHL has made some progress in improving consultation with hard to reach groups. Targeted consultation has been undertaken with young people on issues such as the development of play facilities and providing diversionary activities during the school holidays as part of a campaign to tackle anti-social behaviour. CHL was also involved in the joint promotion of the anti-racism conference in Cornwall and has been working with community groups to help build links with the minority community in the area.
- 100 CHL also held an older person conference held in October 2006 and plans to have a specific tenant publication for older people ready for the summer of 2007. Training for older people, who wish to be involved in the production of the newsletter, will further engage with this group.
- 101 CHL's approach to home based involvement has been an area of improvement. The approach to resident involvement in sheltered schemes has been formal and structured, including face-to-face work. This has resulted in a number of outcomes for tenants such as access to the internet through personal computers, accompanied by formal training being made available by a key community partner. Most home based consultation has been door knocking by tenants and officers concerning specific consultation on policy reviews such as service charges or changes to the age designation on new lettings.
- 102 CHL has made progress in addressing an over-reliance on a limited range of active tenant who did not reflect the diversity of the tenant population. The specific issues groups, conferences, large scale consultation and the development of neighbourhood planning, together with a greater variety of methods has widened involvement. This is important to ensure that tenant involvement and views on services is representative of the wider community.
- 103 CHL is using a wide range of mechanisms for involving people who do not wish to participate in the more formal structures. These have included fun days, coffee mornings, door knocking, and focus groups. These events help to access views from a wider group of tenants. The fun day held in Falmouth in June 2006 attracted over 600 local residents and over 100 children and young people participated in a five a side football tournament. At the event there was consultation on a number of policy proposals including opportunities for participation.
- 104 CHL has taken a wider approach to community engagement and there is a sophisticated approach to this area of work. There has been success in encouraging wider participation by residents at a local community level. CHL has funded community workers as part of its partnership working in the Malpass area. A service level agreement has been negotiated and a clear set of outcomes agreed.

- 105 Tenants are actively involved in the repairs and maintenance service. This ranges from a key role in the procurement process to selecting choices for internal fixtures and fittings. Tenants also have control over how the environmental improvements budget is spent. The success of engagement with tenants on the small estate improvements has been extended further into the development in 2006 of neighbourhood plans.
- 106 During our inspection the first neighbourhood plan was agreed for the Malabar estate in Truro. The neighbourhood plans are part of a two year programme looking to improve local areas and facilities beyond traditional housing management boundaries. The over arching themes have been agreed with tenant representatives and are intended to build community cohesion. The five themes are: safer, cleaner, greener, friendlier and better. The extensive consultation culminated in a presentation to the board by the Chair of the Tenants and Residents association on the plans for the area and demonstrated that the priorities had been led by residents.

Tenancy and estate management

Tenancy management

- 107 In our previous inspection, we found that tenancy management was effective, although reactive rather than proactive. In this inspection, we found that there are significant strengths in this service area which outweigh weaknesses. CHL has an effective approach to tenancy management including anti-social behaviour (ASB). CHL's approach to effective tenancy management extends to the provision of diversionary activities. CHL is a signatory to the Government's Respect Standard for housing management, an initiative to counter anti-social behaviour and ensures appropriate victim support is in places where incidents do occur.
- 108 Comprehensive information is provided to tenants on their rights and responsibilities. This is provided through up-to-date tenancy agreements that were reviewed in spring 2006, including introductory tenancies in use since April 2006. The revised conditions of tenancy reflect accurately the relationship between the landlord and tenant. The revised tenants guide sets out landlord rights and responsibilities and the services that tenants can expect. Tenancy sign up meetings are used well to clarify the landlord and tenant relationship and the services available.
- 109 Initial tenancy visits are used as a tool to further emphasise rights and responsibilities. These are also used to ensure tenants are settling in effectively and can be used to identify if any additional support is required. This element of service can help to reduce early tenancy failure and is further evidence of general customer care. However, at the time of the inspection the initial tenancy visit was not being offered to tenants who had moved in through a mutual exchange.

- 110** CHL has an effective approach to tenancy management including anti-social behaviour (ASB). Service standards, a robust policy and procedure for dealing with ASB are in place. CHL uses various measures to tackle ASB using its new neighbourhood enforcement team. Recently, CHL has sponsored diversionary activities during the school holidays in particular areas to decrease the incidence of ASB by young people. CHL uses introductory tenancies, mediation, support for Neighbourhood Watch schemes and effective promotion of actions taken. Performance is also reported to tenants, the Board and multi-agency groups. Some areas for improvement exist. IT is not currently used well to track progress and while closure letters are sent when it is felt that the problem is resolved there is no mechanism for capturing customer satisfaction with the service.
- 111** There is strong and effective partnership working in tackling ASB and criminal activity. At a strategic level CHL is seen as key players in the Crime and Disorder Reduction Partnership. At a local level there are regular meetings with community beat officers and effective liaison with the police for example, in securing a closure order on a problem property. The neighbourhood enforcement team are effectively involved in ASB where it occurs outside of estates, for example in the town centre and involves tenants or dependants.
- 112** There is robust management of cases of hate crime or domestic violence including access to a neighbourhood enforcement officer 24 hours a day in appropriate circumstances. The approach taken is sensitive to the needs of the victim and appropriate support is offered in each case.
- 113** It is a weakness that CHL is not carrying out regular satisfaction surveys of people who have been victims of ASB. At the time of the inspection a draft survey was being drawn up which will help CHL assess the quality of services and respond to dissatisfaction.

Estate management

- 114** In our previous inspection, we found that estate management was effective. In this inspection, we found that strengths outweigh weaknesses. Estates are generally clean and tidy. CHL has invested in its caretaking service and there are regular estate inspections. However, the process for publicising estate inspections and informing residents of actions taken is under-developed.
- 115** Overall housing estates in Carrick are tidy and well maintained. Estates are pleasant and there is clear evidence of CHL activity for example, through grounds maintenance work and the cleaning of communal areas. CHL has moved resources to support this work. A mobile caretaker post has been created to carry out regular inspections and responds to requests to remove dumped rubbish.
- 116** There is a proportionate response to estate inspections with a minimum annual inspection of each neighbourhood and walkabouts on larger estates every three months with CHL officers, tenant representatives. Invitations are also sent to the local councillor, police officer and other stakeholders. However, CHL is not using these inspections proactively as a tool for engaging with tenants who may have very limited contact with the landlord, particularly in small or rural communities.

- 117 Environmental improvements have been delivered in close consultation with residents and other stakeholders. There is access to a capital budget each year and smaller grants of up to £1,000 to improve estates. The environmental improvements budget has funded the provision of a communal skip as part of a rubbish amnesty, a woodland trail, gating of communal areas, and rebuilding paths. The initiatives have come from residents and other stakeholders to improve the quality of the area.
- 118 CHL has made some positive steps to widen its approach to estate management to include property owners and other social housing tenants. CHL has worked with the Beacon Regeneration Project in Falmouth to provide a handyman and gardening service to low income households. CHL has also run gardening competitions during the summer to encourage people to take pride in their garden and have started sending reminder letters to people where the lack of garden maintenance is causing an eyesore.

Leasehold management and Right to Buy

- 119 In our previous inspection, we found that services to leaseholders were adequate, and performance in recovery charges was effective. In this inspection, we found that strengths outweigh weaknesses. Information to leaseholders is of a high quality, service charges are dealt with effectively and applications for the Right to Buy processed correctly.
- 120 CHL meets the statutory deadlines for dealing with Right to Buy (RTB) applications and provides a high quality service to the 161 leaseholders. Information for leaseholders is of a high standard. The leaseholder handbook is easy to read and sets out the services available and the leaseholders' obligations. CHL has invested in a new leasehold officer post as a single point of contact for leaseholder enquiries.
- 121 CHL is effectively collecting leaseholder service charges. The performance measure for 2004/05 show 97.5 per cent of charges was collected. Where leaseholders are faced with a large invoice there is a discretionary loan available. Thirty leaseholders have taken advantage of this facility to date. Consultation on major works is well planned and there are currently no disputes with leaseholders over charges.
- 122 It is positive that leasehold properties in rural area are subject to a buy back agreement. This covenant has been in place since September 2005 and allows for the Council or a local registered social landlord to have first refusal on the re-sale of a property, to retain the home in the social housing sector.
- 123 CHL carry out satisfaction surveys with leaseholders on the major works programme but there has not been a general survey on satisfaction with leasehold services or on the customer's experience of the Right to Buy process. Following our inspection a one off survey of leaseholders was about to commence. There is no recognised leaseholder group although home owners can be members of the recognised tenants and residents associations throughout the district and are consulted using this mechanism on general services and improvements.

- 124 Leaseholders are not given the opportunity to buy repairs and home improvement services from CHL. CHL would not object to an individual contract being agreed between a contractor and the homeowner but, at this time, its priority is to deliver the Decent Homes Programme to tenants. This is a missed opportunity for CHL to contribute to the Council's wider aims to improve the condition of all homes in the area.

Supported housing

- 125 In our previous inspection, we found positive practice in the Council's cross-tenure approach to the provision of support services. In this inspection, we found that strengths outweigh weaknesses in this service area. CHL has taken a strategic approach to older persons housing and provide good advice, assistance and support to its tenants.
- 126 CHL has taken a strategic approach to older persons housing. The 2005 review led to the re-designation of 312 homes to a younger age group. This will mean more homes available to people on the housing register that are in need of housing. The consultation on the change of allocations with existing residents was robust. Although some tenants expressed on going concern about the prospect of a younger person moving into the block. CHL has been aware of these concerns and responded with sensitivity. For example, when a letting to a younger client has occurred officers have proactively contacted neighbours to seek out their views on the conduct of the new tenancy. Initial indications are that the first lettings have gone well with few problems. The neighbourhood enforcement team have responded quickly where problems have occurred such as noise nuisance and have been seen to be dealing with the issue.
- 127 CHL is proactive in providing advice and assistance to help support vulnerable people in order to sustain tenancies. There is a common assessment framework used to assess people for the appropriate range of support. The assessment includes a risk assessment and a protocol is in place for the sharing of information among agents. The assessment occurs before the start of the tenancy and during the course of the tenancy if problems emerge.
- 128 The floating support service has been used to address the behaviour of a perpetrator of ASB where the breach of tenancy was due to mental health issues. In appropriate circumstances there is a fast track system to obtain immediate support from a service provider. At present there is sufficient floating support services available, currently 90 tenants receive housing support from an appropriate provider. However, future plans are under developed to address growing demand, as the client profile of CHL changes with more vulnerable people accessing Council housing in the district.

Is the service delivering value for money?

- 129 In our previous inspection, we found that CHL provided services that were broadly value for money. The way in which some elements of the overall service were provided was not cost-effective, and scope for further economies existed. In this inspection, we found that strengths outweigh weaknesses. CHL is delivering services that represent good value for money. Costs compare well and there is a positive relationship between costs and satisfaction and the quality of services. Value for money is well managed with a strong corporate lead and high levels of understanding and awareness of value for money across the organisation. Resources have been moved to priority areas, areas of high cost have been addressed and procurement and more effective service delivery have been used to increase value for money. However, CHL has not yet demonstrated that it is providing value for money in all service areas and there remain some important areas for improvement in CHL's approach to procurement.

How do costs compare?

- 130 In this inspection we found that costs compare well and there is a positive relationship between costs and satisfaction and the quality of services. CHL has good quality comparative information on its costs and uses these to identify areas of high cost.
- 131 CHL actively uses benchmarking information to compare costs and quality to challenge value for money. It is a member of a national benchmarking group made up of 48 ALMOs and has drawn information from this group to analyse progress on the efficiency strategy. It has scrutinised high cost services and can account for why it is more expensive on costs compared to its peers.
- 132 Costs compare well with others and there is a positive relationship between costs and satisfaction. Comparative information suggests lower comparative costs and high levels of customer satisfaction. Carrick ranks second lowest on cost which is good compared with other high performing ALMOs. The peer group have total core costs of £521 per property compared to CHL costs of £478 per property. High performing ALMOs had customer satisfaction of 84 per cent compared with CHL overall tenant satisfaction of 91 per cent. CHL has the highest tenant satisfaction of all ALMOs.
- 133 CHL has good quality comparative information on its costs and uses these to identify areas of high cost. CHL has information on both its overall costs and unit costs for example, support service and overhead costs. ICT, legal and accommodation costs. Its comparisons with other ALMOs suggest that these costs are high CHL has taken steps to address these areas. For example, each of these services has been subject to a best value review and the new arrangements have resulted in reduced cost and enhanced service. For example ICT services, CHL has negotiated a higher specification contract with CDC at a reduced cost moving from £143,000 in 2004/05 to £127,000 in 2005/06.

134 CHL has managed its costs while also maintaining the quality of services. The information gathered from benchmarking work shows improving results for 2004/05 and 2005/06. Overall costs for CHL increased by 0.5 per cent including inflation, between 2004/05 and 2005/06 compared to the average in the sector of 12 per cent. Comparison with other organisations demonstrates that CHL has contained costs and improved performance. The cost per property at CHL in 2004/05 was £476 increasing to £478 in 2005/06. The cost per property in the peer group was £405 in 2004/05 increasing to £425 in 2005/06. CHL is aware of the difference in the make up of these costs and where its costs appear higher the reasons for this. CHL has used this information to target reviews of high cost services and has contained expenditure while improving services.

How is value for money managed?

- 135** In this inspection, we found that there is a strong corporate lead on efficiency and high levels of understanding and awareness of value for money across the organisation. Value for money is well managed. Resources have been moved to priority areas, areas of high cost have been addressed and procurement and more effective service delivery have been used to increase value for money. However, CHL has not yet demonstrated that it is providing value for money in all service areas and there remain some important areas for improvement in CHL's approach to procurement.
- 136** There is a strong corporate lead on efficiency and high levels of understanding and awareness of value for money across the organisation. Achieving and improving value for money is integrated into the roles of both managers and the Board. There are clear efficiency targets that focus on both quality and cost. Budgets are well managed and high quality information is regularly provided to managers and the Board and there is evidence that management action is taken to address issues identified by performance information.
- 137** CHL is shifting its resources to match its priority areas. For example, service improvements in tenancy involvement and managing ASB have led to an increase in costs from £83 in 2003/04 to £103 in 2004/05 and to £111 in 2005/06. Importantly, these investments have been achieved through overall efficiency savings in the organisation.
- 138** CHL aim to have high quality services at low cost. This approach is demonstrated in a number of ways including:
- there is a clear financial strategy which identifies the future savings required;
 - there is a comprehensive business plan which links with the financial strategy; and
 - an overarching procurement strategy that provides clear guidance to staff on achieving value for money through procurement.

- 139 CHL has successfully used procurement to improve value for money from its major programme and address areas of high cost. An overarching procurement strategy is in place that provides clear guidance to staff on achieving value for money through procurement. The Decent Homes contracts were let according to EU procurement rules with three contracts using open book accounting, which allows CHL a better understanding of costs. CHL has reviewed several areas of high cost and successfully renegotiated arrangements in areas such as support services. This has led to a drop in costs from £403,000 in 2004/05 to £355,000 in 2005/06. CHL has also used the economies of scale offered by joint procurement to buy materials through a large-scale purchasing group.
- 140 Value for money is improving through more effective service delivery. For example, increasing the number of responsive repairs jobs that are completed in one visit, reporting gas repairs direct to the contractor and integrating adaptation work into the Decent Homes programme. The Homefix service also offers the potential for further efficiencies.
- 141 CHL has not yet demonstrated that it is providing value for money in all service areas. For example, although a review was undertaken in 2003 grounds maintenance has not been competitively tendered since 1996 and the installation cost of double glazing units has not been tested. In addition, while consultants' reports suggest that the services the ALMO receives from Carrick Services are of good quality there have been no formal comparison with other market providers. This is important in ensuring that CHL continues to get value for money in the longer-term.
- 142 There remain some important areas for improvement in CHL's approach to procurement. For example, approximately 50 per cent of contracts over £100,000 have not been procured using Egan principles such as partnering and CHL is not using incentives to encourage contractors to complete work early.
- 143 CHL is missing opportunities to reduce costs and maximise income in some areas. The organisation has been slow in offering tenants the facility to pay rent by Direct Debit. For existing methods of rent payment no incentive is offered for tenants to pay by the cheapest method or to pay rent in advance. The recovery of debt associated with rechargeable repairs is very limited. This is compounded by the Homefix service providing a first year amnesty of rechargeable work up to £300 in value as part of the launch of the new service and to encourage tenants to allow access.

Summary

- 144 Carrick Housing Limited provides an excellent service. Overall satisfaction with the service is very high and there is a customer-focused culture and strong commitment to equality and diversity. Performance on repairs, maintenance and improvement work to tenants' homes is strong with some examples of service innovation. CHL's approach to housing income management is integrated with welfare benefits and debt advice and rent collection and arrears recovery are both above average. Tenant participation is well developed and both tenancy and estate management are good.

- 145** CHL is delivering services that represent good value for money. Costs compare well and there is a positive relationship between costs and satisfaction and the quality of services. Value for money is well managed with a strong corporate lead and high levels of understanding and awareness of value for money across the organisation. Resources have been moved to priority areas, areas of high cost have been addressed and procurement and more effective service delivery have been used to increase value for money.
- 146** But there are some weaknesses - the approach to safety checks is not comprehensive, there are inadequate controls in place on systems and processes to ensure CHL meets its duty to service gas appliances each year. CHL has not yet demonstrated that it is providing value for money in all service areas and procurement could be improved.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 147** In our previous inspection, we found that CHL had established a short track record and acted upon many of the recommendations of previous inspections. In this inspection, we found that strengths outweigh weaknesses in the track record of delivering improvements. CHL continues to have a strong track record of sustaining high levels of performance and improving performance in some key areas. Value for money is improving and there have been improvements in key areas identified by tenants. There is a positive track record of service innovation, responding to external challenge and of implementing change. However, there are some important areas where progress has been slow or where progress does not match that of the best performing providers. CHL has a strong track record of sustaining high levels of performance and improving performance in some key areas. For example, performance indicators covering rent collection, repairs, relets and tenant satisfaction all show a positive direction of travel since our last inspection. Appointments made and kept for routine repairs have increased significantly from 20 per cent in 2003/04 to 80 per cent in 2005/06.
- 148** CHL has made improvements in key areas identified by tenants. For example, enhanced estate management including an ongoing programme of environmental works and a new mobile caretaker post and improvements in supported housing through the neighbourhood enforcement team. CHL has also directed more resources to support tenant involvement and introduced a new welfare rights service has levered in £51,000 of additional income for tenants. CHL has made improvements in customer access for example, by introducing a free phone service and extended office opening hours at no additional cost. These improvements have contributed to an overall improvement in customer satisfaction across services.
- 149** There is a positive track record of responding to external challenge. Following our previous inspection, CHL responded well to our recommendations with the majority of them achieved as shown in the appendix to this report.
- 150** There is a strong track record of implementing change and service innovation. The 2005 review of older persons housing has increased efficiency in allocations and lettings following the re-designation of 312 homes. CHL has successfully introduced a new ICT system and asset management system and have been innovative in developing the Homefix service to provide an annual property health check to each home.
- 151** Value for money is improving through more effective service delivery and effective procurement particularly targeting areas of high cost. CHL can demonstrate evidence of the delivery of efficiency gains obtained without a reduction in services. However, CHL has not yet demonstrated that it is providing value for money in all service areas.

- 152 There are some areas where progress has been slow or where further improvements should have been made. Importantly this includes building contractor capacity to ensure the delivery of current work programmes and value for money in the longer-term and procuring services using Egan principles. Progress in some areas does not match that of the best performing providers for example, introducing Direct Debit payments for rent, providing services at more flexible customer-focused times and developing a clear understanding of different levels of access by and satisfaction among different groups within the local community.

How well does the service manage performance?

- 153 In our previous inspection, we found that the system in place was reliant on the commitment, diligence and local knowledge of the organisation's staff. CHL's plans were undermined because they were not SMART⁶ and therefore might not be achievable. We recommended a more comprehensive framework for performance management and reporting.
- 154 In this inspection, we found that strengths outweigh weaknesses in the management of performance. There is a clear vision and challenging aims for the organisation that link well to the Council's corporate objectives. There is strong leadership from the Board and senior management team and strong high-level arrangements in place to manage performance. There is a high level of self-awareness about the strengths and areas for improvement and CHL is open to learning and innovation. However, performance management arrangements are not effective in all areas and there are weaknesses in the systems to ensure reliable and accurate information is provided to decision-makers.
- 155 There is a clear vision and challenging aims for the organisation that link well to the Council's corporate objectives. The short to medium term goals are identified in the delivery plans agreed with the Council for the next five years while the longer-term plans are set out in the 30 year business plan. There is a cascade of objectives down through improvement plans to individual service plans. Improvement plans SMART with proposals clear and measurable, with target dates and clear responsibilities. Resources required either financial or staffing are identified and depending on its complexity, a sponsor may be assigned.
- 156 The Council is supportive of CHL's longer-term vision beyond the current management agreement which runs until 2013. This linked approach to service improvements is evidenced by the recent inclusion of the aim to develop more affordable housing in the area which is a joint priority for CHL and the Council.
- 157 There is an effective formal annual appraisal for staff and Board members with a review every six months. There is the ability to hold more frequent meetings with staff if there is an issue of under-performance which needs to be addressed. However, the frequency and recording of general progress meetings between staff is inconsistent.

⁶ specific, measurable, agreed, realistic and time-bound

38 Carrick Housing (ALMO) | What are the prospects for improvement to the service?

- 158** There are strong high-level arrangements in place to manage performance. The performance monitoring committee (made up of tenants and Board members) meets quarterly and reviews performance on improvement plans. CHL has four balanced scorecards linked to its corporate aims made up of both local and national performance indicators. This information is reported to the Board and the Council and is shared at staff team meetings. This helps ensure problems with services are easily identified and that improvements are delivered.
- 159** There are robust mechanisms in place which enable the Council to monitor the ALMO performance. These include real time access to the IT system on the balanced scorecard for the Director of Housing at CDC, effective quarterly monitoring meetings and reports to Cabinet on performance. There is monthly monitoring and six weekly meetings on the Housing Revenue Account capital programme to ensure spend is in line with budgets.
- 160** There is strong leadership from the Board and senior management team and evidence of tackling difficult issues and a willingness to take 'tough' decisions for example, on older persons housing. Both the Board and the senior management team have been strengthened through recruitment and training and they are working together effectively with a common purpose. Senior managers are both capable and credible as individuals. This is recognised by staff and partners.
- 161** There is a high level of self-awareness about the strengths and areas for improvement. Current work programme tasks address the key priorities identified and the majority of improvements identified during this inspection. Key elements of the improvement plans include: reviewing the capacity of contractors, change management and business planning with Carrick Services, compiling a Business plan utilising the pilot to opt out of HRA subsidy, rolling out the ICT modules for planned maintenance and reports, review of the adaptations service, and acting on the recommendations of the diversity review.
- 162** CHL is open to learning and innovation. CHL proactively uses the Audit Commission's Key Lines of Enquiry to measure and drive up performance. There are many examples of comparing performance and ways of working with other ALMOs. CHL is open to external challenge - for example Kirklees ALMO carried out a peer review in preparation for this inspection, acting as a 'critical' friend to identify areas for improvement. Carrick has also been selected to pilot a new approach to the Housing Revenue Account Subsidy system. CHL is carrying out a robust assessment of the opportunities and risks that this approach may provide before proceeding further.
- 163** CHL has put in place arrangements to manage its significant business risks. A comprehensive risk register identifies strategic and operational risks. This is reviewed by the audit committee of the Board and to the Cabinet of the Council every quarter. More immediate risks are reported to the portfolio holder through 1:1s with the Director of Housing. The risk register is updated as new issues are identified for example Cornwall County Council is seeking unitary status this was placed on the risk register in September 2006 as this may effect the relationship for the ALMO and the local council.

- 164 There are a number of quality controls in service areas with regular checks on processes to ensure compliance with policy and procedures and the published service standards. The quality controls now include tenant inspectors and mystery shopping by trained tenants. This helps ensure a consistent and customer-focused quality of service.
- 165 Performance management arrangements are not effective in all areas. The reporting module on the new IT housing management system is not yet operational. This means that some manual systems remain in place such as for the management of ASB. This means that managers, staff and decision makers do not always have access to high quality and timely performance information to track performance and identify trends.
- 166 There are weaknesses in the systems to ensure reliable and accurate information is held on its asset database for example, following completion of planned programme work. Controls to ensure that property attributes are updated following the completion of improvement work to homes are inadequate. This means that decision-makers have not been given reliable performance information and critically properties have been missed from the annual gas servicing schedule exposing tenants and CHL to unnecessary risk.

Does the service have the capacity to improve?

- 167 In our previous inspection, we found that overall this was not an area of strength for CHL. Capacity had been increased but not in key areas, performance and risk management were weak, and the effectiveness of Board governance was still to develop. The council's monitoring of the ALMO was developing, although it was robust in terms of finance, and there was strong commitment from all to the organisation and its plans.
- 168 In this inspection, we found that there is a balance of strengths and weaknesses in the capacity to improve. Staff are enthusiastic and committed to improving services. Capacity has been increased through restructuring services, closer working with tenants and other partners, investment in ICT and through attracting external investment. The capacity of the Board has been strengthened and procurement has been used to increase its capacity but this remains an area for improvement. However, the capacity of middle managers has not been enhanced through training and development and sickness levels remain high. There are significant financial pressures that may impact on services and the challenging agenda for improvement set by CHL could result in a loss of focus on delivering high quality day-to-day services.
- 169 Staff are enthusiastic and committed to improving services for residents. Internal communication is effective - there are regular team meetings, operational management meetings and staff briefings. There are effective relationships at all levels in the organisation and with the Council. Positively, staff identify a distinct culture separate from that of the Council but focussed on working as partners for the benefit of the community generally.

40 Carrick Housing (ALMO) | What are the prospects for improvement to the service?

- 170** CHL has structured itself to ensure that it is focussing its resources on key local issues. The recent re-structure of the housing services teams has led to increased capacity and resources in specialist areas such as ASB and enabled senior managers to concentrate on strategic objectives.
- 171** The capacity of the Board has been strengthened by recent recruitment and training and development. Annual appraisals and skills assessment are carried out for the Board and a comprehensive training and development programme delivered. Board and committee meetings are effective and members have a clear understanding of key issues facing the organisation. There are the necessary experience and skills on the Board to drive forward further improvements. However, succession planning for the Board and tenant members, through the District Forum of Tenants, is under developed.
- 172** The investment in ICT offers a solid base from which to deliver improvements. CHL has introduced a new housing management system, call management and asset management system which are beginning to increase capacity for example, through better performance management information and greater functionality. There are improved links between the housing management and the property data and this is now shared with Carrick Services as the main responsive contractor. CHL also plans to use new technology to facilitate remote working to allow other partner contractors to access directly property information.
- 173** CHL is making positive steps to enhance its capacity through closer working with tenants and other partners. Involved tenants, epitomised by the DFT, add real value to the organisation in all service areas. There is clear evidence of working with the voluntary, statutory and business sectors to drive forward the aims and objectives of the company. This includes joint working in dealing with ASB, debt and welfare advice, sheltered housing services and co-location of local offices with the Council. CHL recognises the value of working in partnership to deliver its aims. During our inspection we spoke to a range of different partners who all commented on the 'can do' approach adopted by CHL and the impact of joint working for the benefit of customers.
- 174** CHL has been successful in attracting external investment to support service delivery. These include £81,000 big lottery funding and £52,900 from Cornwall's Objective 1 funding to support the Beacon Community regeneration partnership Penwerris. Several TARAs also received lottery funding for example, New Beginning TARA received £5,000 funding for a youth room in the new community centre.
- 175** Procurement has been used to increase its capacity but this remains an area for improvement. An overarching procurement strategy is in place and the Decent Homes programme is delivered on a partnership basis with contractors. CHL has formed a strategic alliance with Carrick Services and is developing a long term partnering approach. CHL has benefited from the economies of scale offered by joint procurement to purchase materials through a large-scale purchasing group. However, procurement remains an area for improvement for example, approximately 50 per cent of contracts over £100,000 have not been procured using Egan principles such as partnering.

- 176** CHL is not using human resources (HR) consistently to enhance capacity. Management and staff capacity has increased through training. A training budget equivalent to 2.5 per cent of the overall salaries budget is used to deliver the annual training plan based on the annual appraisals, mandatory training courses and company priorities. However, the organisation has not taken steps to increase the capacity of middle managers in line with our previous recommendation, who have a key role in supporting change and the staff competency framework is under-developed. Sickness levels have increased to 10.9 days in 2005/6. This level of long term sickness in a small organisation can have a disproportionate impact on the service and reduces its cost effectiveness.
- 177** There are significant financial pressures that may impact on services. CHL has a comprehensive and sustainable business plan demonstrating that the organisation and the Council's HRA is viable over a 30 year period. However, Carrick Services, CHL's largest contractor, is forecasting operational losses of £400,000 over the next three years. Slow progress in developing building contractor capacity in the area means that CHL is reliant to a large degree on Carrick Services. At the present time it is unclear how these financial issues will impact on CHL's future plans.
- 178** CHL has an extremely challenging agenda for improvement which makes sustained focus more difficult. Their work programme includes the delivery of the Decent Homes programme and challenging plans such as implementing the Homefix service and delivering the new neighbourhood plans. CHL is also embarking on key strategic changes such as forming a strategic alliance with Carrick Services and carrying out work looking at the option to leave the HRA subsidy system. Inevitably there are risks and uncertainties associated with the delivery of changes of this scale and nature which could in a small organisation result in a loss of focus on delivering high quality day-to-day services.

Summary

- 179** Overall, we judge that there are promising prospects for further improvement in services. CHL has a strong track record of improving performance, value for money, implementing change and responding to external challenge. There is a clear vision for the organisation, strong leadership and strong high-level arrangements in place to manage performance. Staff are enthusiastic and committed to improving services. There is a high level of self-awareness about the strengths and areas for improvement and capacity has been increased through for example, restructuring services and investment in ICT. Procurement has been used to increase its capacity but this remains an area for improvement.

42 Carrick Housing (ALMO) | What are the prospects for improvement to the service?

- 180** However, there are some important areas where improvements have been slow or where progress does not match that of the best performing providers. Performance management arrangements are not effective in all areas and there are weaknesses in the systems to ensure reliable and accurate information is provided to decision-makers. The capacity of middle managers has not been enhanced and long term sickness levels are a cause for concern. There are significant financial pressures that may impact on services and the challenging agenda for improvement set by CHL could result in a loss of focus on delivering high-quality day-to-day services.

Appendix 1 – Performance indicators

Table 1 Carrick performance 2002/03 to 2004/05

Performance indicator	Carrick 2002/03	Carrick 2003/04	Carrick 2004/05	Districts top quartile 2004/05
BVPI 63 Average SAP rating	54	60	65	67
BVPI 66a Percentage rent collected	98.6	98.78	98.65	98.74
BVPI 74 Percentage tenants satisfied with overall service	89	-	91	85
BVPI 75 Percentage tenants satisfied with TP	-	-	83	70
BV184a LA homes which were non-decent at start of year	78	67	61	17
BV184b Change in proportion of non-decent homes	14.1	9.8	17.9	25
BV185 Percentage repairs appointments made and kept	20.6	50.4	75.9	n/a

Source: Audit Commission

Table 2 Progress with recommendations from previous inspection

Recommendation	Progress
Prepare and implement robust action plans to accompany recent strategies such as the tenant participation and ICT strategies (April 2004).	Achieved
Develop a rolling programme to update the stock condition database from new surveys and replacement works undertaken as part of responsive and planned works (April 2004).	Achieved
Further develop the organisation's approach to quality assurance to ensure that policies and procedures are followed and tenants and leaseholder receive a consistent high standard of service (July 2004).	Achieved
Review with response repairs contractors the resources and systems needed, in the short term, to achieve best 25 per cent performance for appointments while sustaining performance in other areas; revise the contract management meetings to focus on all aspects of performance as well as focusing on service developments and cost-effectiveness (April 2004).	Achieved
Implement a thorough evaluation of all contractors undertaking both planned and responsive works; use the evaluation criteria adopted for the partnering contracts and develop this further to ensure that corporate objectives and best construction practice are fully incorporated (July 2004).	Partially achieved
Undertake a thorough review of the working arrangements between CHL and its contractors to improve efficiency and cost-effectiveness; the review should include ICT, quality assurance and the specification of works (October 2004).	Almost complete
Engage more fully with contractors in the region to assist CHL in understanding the capacity of the building market to undertake works over the coming years; assess the risk to the business plan assumptions based on the findings of the research with contractors (July 2004).	Partially achieved

Recommendation	Progress
Prepare a more realistic timetable for the ICT strategy developments, bearing in mind its importance of future improvements (June 2004).	Achieved
Undertake an assessment of the management capacity of all managers to determine the management development training appropriate (May 2004).	Partially achieved through individual appraisal and performance review
Develop a more comprehensive framework for performance measurement and reporting that identifies the key indicators needed for the board, the council, management team and operational managers (July 2004).	Achieved
Work with the ALMO board, officer and tenant representatives to develop long-term aims and objectives to give direction for the organisation in the future; linked to the aims should be measures of success and clear and challenging targets (August 2004).	Achieved
Review the delegation arrangements for directors and managers to create capacity for service planning, development and improvement (April 2005).	Achieved
Undertake training for board members to equip them with the core skills they need in relation to financial, performance and risk management; develop and implement a system of appraisals for board members to ensure their skills and abilities remain current (January 2005).	Achieved
Undertake a robust assessment of the key risks facing CHL in the operation of its business and in the delivery of housing services (June 2004).	Achieved

Appendix 2 – 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 the Board, staff and residents;
 - interviews with key partners and stakeholders;
 - file checks on ASB reports, arrears cases, complaints and adaptation requests;
 - observation of the call handling team on a Monday morning, a Board meeting, a sign up of a new tenant and a settling in visit;
 - visits to estates and by invitation to tenants homes;
 - checking gas servicing records;
 - meetings with involved tenants;
 - observing the home fix service; and
 - inspection of empty properties and telephone conversations with new tenants.

Appendix 3 – Positive practice

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

Annual visit to all tenants to carry out minor repairs and assess property condition

- 1 The Arms Length Management Organisation (ALMO) has introduced an annual property inspection. Each year the ALMO makes an appointment with the tenant to visit each property and carry out a maintenance inspection. This programme of visits provides the Company with the opportunity to assess the condition of the property and carry out minor repairs, previously unreported. During the course of the inspection small scale repairs are carried out. If major work is required it is logged on a planned maintenance system for future attention within the designated timescale according to the type of repair.
- 2 The annual property health check is also used to identify any vulnerability or communication needs of the tenants. The information collected on the property visit is then added to the tenancy and property records for future use.

Neighbourhood improvement plans

- 3 The Arms Length Management Organisation has developed its first neighbourhood plan. The Company has identified a significant budget for investment in neighbourhood and communal improvements. The development of each neighbourhood plan is led by residents and other stakeholders, facilitated by the community engagement team. There are five broad themes to assess each plan with links to the overall objectives of Carrick Housing and the District Council. The themes are greener, friendlier, cleaner, better and safer. A range of proposals to improve the overall quality of life for residents are considered under the neighbourhood plan and contribute to community cohesion. There is further potential to develop the ‘homefix’ service to an ‘estatefix’ service, as part of a proactive approach to neighbourhood improvement.