

Homes in Sedgemoor (ALMO)

Sedgemoor District Council

June 2010



Contents

Arm's Length Management Organisation (ALMO) Inspections	3
Summary	4
Scoring the service	5
Recommendations	8
Report	11
How good is the service?	13
What are the prospects for improvement to the service?	41
Appendix 1 – Performance indicators	48
Appendix 2 – Previous recommendations	49
Appendix 3 – Reality checks undertaken	53
Appendix 4 – Positive practice	54

Arm's 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, arm's 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 and 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 arm's 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 arm's 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).

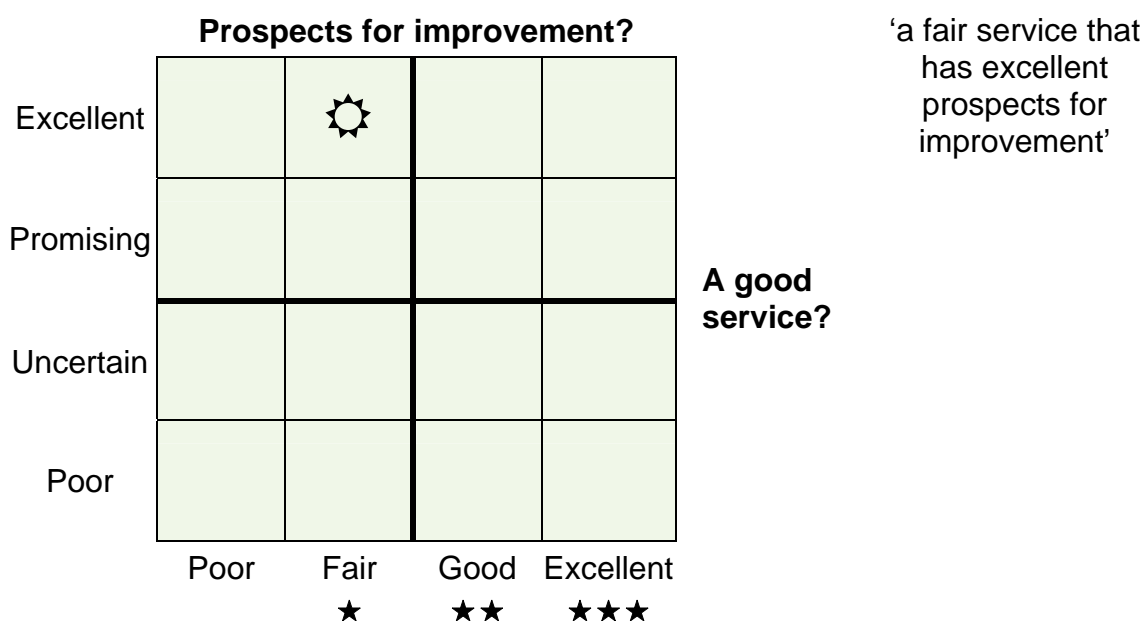
Summary

- 1 Homes in Sedgemoor (HiS) is an increasingly customer-focused organisation that is working effectively with its tenants to deliver better services leading to higher levels of satisfaction. HiS is delivering significant improvement to tenants' homes, provides adaptations for disabled tenants quickly and carries out annual gas servicing promptly. Rent collection performance is strong, sheltered housing schemes are well kept, estates are generally well maintained and there is good partnership work to address antisocial behaviour. The organisation has a strong focus on value for money and there are several examples where better value for money is being delivered for example, through procurement.
- 2 However, not all aspects of service delivery are customer-focused for example, complaints answering. Performance on completing repairs on time and reletting empty homes quickly is weak. HiS is not achieving value for money in some areas and is not maximising all sources of income. In addition, the approach to ensuring good value for money from repairs and improvement work is not sufficiently robust.
- 3 HiS has ambitious and capable leaders who have taken tough decisions in order to deliver improvements. The organisation is self-aware and open to learning. Capacity is improving for example, through effective partnership working and training and development of staff. Value for money and the quality of services for tenants is improving and HiS has a strong track record of responding to external challenge.
- 4 However, performance in some important areas still does not match the best performing providers and there are some weaknesses in performance management arrangements. There is some uncertainty facing the service because of financial pressures although active steps have been taken to plan for the longer-term.

Scoring the service

- 5 We have assessed Homes in Sedgemoor as providing a ‘fair’, one star service that has excellent prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 6 We found the service to be fair because it has a range of strengths including:
- a clear strategic focus on improving customer services. Office access arrangements are broadly customer-focused, contact by telephone is satisfactory and tenants can access a reasonable range of information including through the website;
 - a clear corporate commitment to equality and diversity and is making positive progress in meeting diverse needs;
 - HiS is delivering significant improvement to tenants' homes with high levels of tenant satisfaction;
 - annual gas servicing is carried out promptly and satisfaction is high;

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.

- performance on aids and adaptations is reasonable with most provided quickly including through improvement works;
- overall performance in current rent collection is strong and clear policies and procedures place an appropriate balance between support and enforcement;
- HiS is investing resources to support resident involvement. A clear strategic framework for resident involvement is supported by a robust tenant participation structure;
- clear procedures are in place for dealing with antisocial behaviour and partnership working is producing some positive outcomes;
- sheltered housing schemes are well kept and tenants receive satisfactory housing related support;
- estates and common areas are generally well maintained; and
- the organisation has a good understanding of its costs and a strong focus on value for money and there are a number of examples where better value for money is being delivered for example, through procurement.

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

- the response to complaints is not always timely and while good quality service standards are in place for most services there remain some areas for improvement;
- HiS does not currently hold comprehensive tenant profile data but is taking active steps to improve the information it holds;
- the diversity of residents is not fully represented in HiS's formal tenant structures;
- significant future investment will require a more strategic approach to asset planning;
- the quality assurance of repairs and improvement work is not sufficiently robust;
- performance on completing repairs on time is weak and the appointments system is not sufficiently customer-focused;
- performance on reletting empty homes quickly is weak;
- tenant involvement in value for money is still at an early stage and there are some areas where value for money is not being achieved; and
- not all sources of income are being maximised.

8 The service has excellent prospects for improvement because:

- HiS has ambitious and capable leaders who have taken tough decisions in order to deliver improvements;
- capacity is being increased through effective partnership working (particularly with the Council), investment in ICT, procurement and success in attracting external funding;
- training and development and human resources management are contributing to enhanced staff capacity;

Scoring the service

- value for money is improving and HiS has a strong track record of responding to external challenge;
 - HiS has made some significant improvements that are delivering clear benefits to residents and performance indicators show a positive direction of travel;
 - there are effective planning and risk management processes in place and performance management arrangements are generally satisfactory; and
 - the organisation is self-aware and open to learning from its customers and others.
- 9 However, there are some barriers to improvement. These include:
- there are some weaknesses in performance reporting and target-setting;
 - performance as yet does not match the best performing providers in important areas such as repairs and reletting empty homes; and
 - there is some uncertainty facing the service because of financial pressures although active steps have been taken to plan for the longer-term.

Recommendations

- 10 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs¹ 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 Strengthen the focus on customer care and diversity by:

- continuing to develop new methods of involvement to engage a wider range of residents in the management of their homes and ensuring that resident involvement structures are representative of the population;
- reviewing with customers the operation of the appointment system and the quality and choice offered as part of improvement works;
- improving the information held on all residents; and
- improving the response to complaints.

The expected benefits of this recommendation are:

- increased accountability to customers;
- a more responsive service; and
- increased tenant satisfaction.

Implementing this recommendation will have high impact with low costs. This should be in place by November 2010.

¹ 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.

Recommendations

Recommendation

R2 Improve the approach to income collection by:

- ensuring the approach to former tenants' arrears and recharges is robust and that policies and procedures support the efficient collection of debt;
- improving the collection rate of service charges;
- ensuring the approach to the collecting garage arrears is robust and that debt is minimised;
- measuring the outcomes of financial inclusion activities to demonstrate their value for money; and
- evaluating incentives to encourage residents to pay rent and other charges by the most cost-efficient means.

The expected benefits of this recommendation are:

- better services for residents; and
- improved income for the organisation.

Implementing this recommendation will have high impact with low costs. This should be in place by November 2010.

Recommendation

R3 Improve the management of antisocial behaviour (ASB) and estates by:

- ensuring the service delivered is responsive the needs of residents suffering ASB and consistently meets their expectations; and
- providing residents with better information about the outcomes of estate walkabouts.

The expected benefits of this recommendation are:

- improved condition of estates;
- a more responsive service; and
- increased tenant satisfaction.

Implementing this recommendation will have high impact with low costs. This should be in place by November 2010.

Recommendation

R4 the approach repairs and maintenance by:

- reviewing the quality assurance systems for planned and responsive repairs; developing a more strategic approach to asset planning;
- longer-term strategy approach to asset management;
- having in place a robust programme of electrical safety testing;
- improving the information given to tenants about the planned improvement programme;
- improving the information about and access to the aids and adaptations service;
- ensuring performance about aids and adaptations is reported effectively; and
- improving the speed of reletting empty homes.

The expected benefits of this recommendation are:

- better use of assets;
- ensuring the quality and value for money of repairs service;
- tenants will have better access to information and services; and
- the safety of tenants will be improved.

Implementing this recommendation will have high impact with low costs. This should be in place by November 2010.

- 11** We would like to thank the staff and residents of Homes in Sedgemoor and Sedgemoor District Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 8 February to 19 February 2010.

Report

Context

The locality

- 12 Sedgemoor is a rural district in Somerset. Due to the rural nature of the district its population is dispersed. More than half of its 112,200 residents live in the towns of Bridgwater, Burnham-on-Sea, Highbridge, Cheddar and North Petherton. It has two Areas of Outstanding Natural Beauty and several coastal conservation sites. Its low-lying wetlands are being put forward as World Heritage Sites. Much of the area is at risk of flooding.
- 13 The number of older people is high compared with the working population. The population is mainly white, with only small numbers from ethnic groups. Unemployment is high for the South-West but below the national average. Wages tend to be low. Most people work in the service industry or manufacturing. Tourists boost the population to over five times its normal size in the holiday season.
- 14 There are pockets of high deprivation particularly around Bridgwater. Hamp, Victoria and Highbridge wards are in the top 20 per cent most deprived wards nationally.

The Council

- 15 The Council has predominantly been under Conservative control since 1974. The Conservatives have 35 seats, with Labour holding 11 seats and the Liberal Democrats four. The Council has adopted a cabinet system of governance and has five Committees to oversee executive business. These include the Corporate Scrutiny, Community Scrutiny, Standards, Development Control and Licensing and General Purposes Committees.
- 16 The Audit Commission assessed Sedgemoor District Council as 'performing adequately' in the Comprehensive Area Assessment (CAA) published in December 2009.

The service

- 17 Homes in Sedgemoor (HiS) is a not-for-profit arm's length management company that manages and maintains Sedgemoor District Council's homes. It was formally set up on 1 April 2007 to manage approximately 4,200 homes of which 120 are leasehold and 81 are in shared ownership.
- 18 The HiS Board consists of five tenants, five councillors and five independents. The Board has established four committees to which it delegates operational responsibilities. The committees cover customer services, corporate services, audit and remuneration. It employs 75 staff to deliver the service and holds Investors in People accreditation.

19 The functions delegated to HiS can be summarised as follows:

- capital and revenue stock investment including repairs ordering;
- rent collection including dealing with arrears;
- estate management including caretaking and support services funded by Supporting People, empty property repairs, lettings and managing under occupation, enforcement of tenancy conditions and similar functions for leaseholders;
- management of home ownership schemes; and
- resident involvement.

20 The Council established HiS to deliver the Decent Homes Standard by achieving its funding bid which is dependent on receiving a two-star rating from the Audit Commission. In 2007 the Audit Commission inspected the service to assess its standard of service and to identify the issues that HiS needed to address in advance of this formal inspection. We assessed it at that time as a poor, no-star service, with uncertain prospects for improvement.

How good is the service?

What has the service aimed to achieve?

- 21 The Council's vision for the future is: Working together we will make Sedgemoor a safer, cleaner, more pleasant and vibrant district in which to live, learn, work, invest or visit.
- 22 Its priorities are:
- Housing: provide decent and affordable homes for all.
 - Efficiency: Lowering costs by delivering the right services in the right way.
 - Regeneration: Shaping and delivering investment to achieve a prosperous economy and sustainable communities.
 - Environment: Providing a sustainable environment and communities maintaining a high quality local environment.
- 23 Homes in Sedgemoor's Vision is:
- We aspire to be the best landlord and the best employer in Somerset.**
- 24 Its mission is 'to provide high-quality homes and services for this generation and ready for the next', which it will achieve by:
- Delivering a decent home for each and every tenant by 2015.
 - Achieving a two star service delivery in 2010 and improve services thereafter to three stars.
 - Ensuring the long term financial viability and sustainability of Homes in Sedgemoor.
 - By providing a superb environment in which staff are motivated, valued, properly resourced and developed to their full potential.
 - By communicating effectively with our stakeholders, to ensure that we are influenced by their views.
 - By working in partnership to create safe and secure neighbourhoods and sustainable, mixed communities.

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

Access and customer care

- 25** In 2007, we found that weaknesses outweighed strengths. The service lacked key elements of a customer-focused culture. HiS had not developed a strategic approach to access. Accessing services through the office or by telephone could be difficult. Information about the service and access online were poor. Complaints were not dealt with quickly and feedback had identified staff communication with customers as an area for improvement. Overall satisfaction was around the national average. Positively, the service had taken some steps to improve its accessibility and customer focus and had developed service standards in consultation with customers.
- 26** In this inspection, we found that strengths and weaknesses are in balance in this area. HiS has a clear strategic focus on improving customer services leading to improvements in tenant satisfaction. Office access arrangements are broadly customer-focused and there is a reasonable range of information available for residents. The website provides useful access to services and information although it's potential is not fully maximised and contact by telephone is satisfactory. Good quality service standards are in place for most services but there remain some areas for improvement. The response to complaints is not always timely, though there are some positive examples of learning from complaints.
- 27** HiS has a strong focus on customer service. HiS has a clear customer access strategy and a service improvement plan that sets out an effective approach for improving the overall approach to customer access. Staff and managers have been on mandatory customer care training. Tenants we spoke to during the inspection commented on the increasing customer focus of staff and the 2009 STATUS survey reported that 85 per cent of tenants found staff friendly and helpful. HiS also has a programme of mystery shopping in place to test service standards which has a number of outcomes including additional staff training. A culture of customer care across the organisation contributes to resident satisfaction.
- 28** Services are accessed easily through a conveniently located office and local surgeries. Standard office opening hours have been agreed in consultation with customers as 8:45am to 5:00pm. The main office is modern and welcoming and meets the requirements of the Disability Discrimination Act (DDA). The reception area has useful information on display; interview rooms with phone and computer access are available and play equipment for children. HiS also holds two weekly surgeries in outlying areas which offer advice on rent and housing management issues. However, these are poorly attended. All the venues are DDA compliant although more could be done to improve signage at the surgeries. This offers tenants easy access to services.

How good is the service?

- 29** Customer experience of contacting HiS by phone is satisfactory. A single number free-phone service is in place which operates 24 hours per day for repairs with a local rate number for residents calling in using a mobile phone. Tenants also have access to a dedicated 24-hour hotline to report antisocial behaviour. Current performance is satisfactory with 70 per cent of calls answered within 20 seconds and 2.8 per cent of calls abandoned after 20 seconds in 2009/10. HiS has taken steps to improve performance. A new one stop shop customer services team was set up in June 2009 and extra staff have been assigned. HiS are increasing their focus on the quality of the customer experience for example, by monitoring of calls to ensure customer focus. Performance is now nearer the targets the organisation has set itself. Easy access by telephone is an important feature for customers.
- 30** Tenants have access to a good range of information about services. HiS has produced a comprehensive suite of good quality leaflets written in plain English that cover most of the key information tenants would want. A quarterly newsletter also provides useful information and is used to publicise the importance of gas servicing, learning from complaints and general performance information. The newsletter and many leaflets have been checked for readability by a residents' panel. HiS has recently issued a new handbook to all residents that gives useful information in an accessible format. Good quality information enables residents to access services and be aware of their rights and responsibilities.
- 31** Good quality service standards are in place for most services but some areas are not covered and there remain some areas for improvement. For example, there are no comprehensive standards covering the aids and adaptations service, or targets for replying to text messages. Where there are set targets they are not always challenging for example, the target of ten days to reply to letters and in some cases performance is not recorded such as responses to letters and emails. This means tenants are not well-placed to assess and challenge service performance.
- 32** HiS makes effective use of the internet to improve access to services although it's potential is not fully maximised. The website provides reasonable information about the organisation and includes some positive features such as help for people with visual impairment, basic translation and some links to other useful websites such as the Citizen's Advice Bureaux and 'OnePlace'. However, it lacks information on planned and cyclical repairs and tenants cannot order repairs online using diagnostic software. The website generally provides an effective method for tenants to access information and services.
- 33** Performance in the handling of complaints is not always timely and customer-focused. The complaints process is readily accessible and well-promoted. Complaints can be made in a variety of ways, including through the website. However, HiS has not met its own targets in this area with less than 77 per cent of complaints fully answered within its ten day target although tenants are contacted to explain delays. Responses to complaints are not always customer-focused and satisfaction is low at 59 per cent. There is no comprehensive compensation policy in place although one is due to be implemented soon. Weaknesses in complaints management can reduce overall satisfaction with the service.

- 34 There are examples of HiS actively learning from complaints. A log of learning from complaints is kept and a number of improvements have been delivered as a result of feedback. These include improving the information given to residents about outstanding repairs and improving the consultation with people who have disabilities during decent homes work. Learning from complaints is helping to drive improvement.
- 35 Tenant satisfaction with the service overall is reasonable and is improving. Overall satisfaction with HiS has increased from 77 per cent in 2008/09 to 79 per cent in 2009/10. This places HiS below the average performers nationally. However, positively in other areas satisfaction is higher with 85 per cent of tenants reporting that they find staff helpful and there were high ratings for repairs at 78 per cent. These figures are in the best 25 per cent of benchmarked organisations.

Diversity

- 36 In 2007, we found that weaknesses significantly outweighed strengths. Progress on equality and diversity had been poor, and had no strategic approach. The service had limited understanding of the needs or requirements of its tenants to help it tailor services. It had not provided training for staff or undertaken equality impact assessments on its key policies and procedures. It did not comply with the CRE code of practice for rented housing and did not reflect the diversity of its local community.
- 37 In this inspection, we found strengths outweigh weaknesses. HiS has a clear corporate commitment to equality and diversity and there has been some positive progress on meeting good practice requirements. The programme of equality impact assessment is nearly complete and has delivered some positive outcomes. Access to services and information takes reasonable account of diverse needs and there are some examples of engaging with the diverse community that HiS serves. The workforce and Board reasonably reflect the profile of their customers and community they serve and there is an effective response to hate crimes. However, the diversity of residents is not fully represented in HiS's formal tenant structures and HiS does not currently hold comprehensive tenant profile data but is taking active steps to improve the information it holds. Positively, HiS have taken active steps to improve its information and to use the data it has to tailor services.
- 38 HiS has a clear corporate leadership commitment to equality and diversity. The organisation's equality and diversity strategy provides a broad framework and a clear vision. The strategy was informed by an overall equality and diversity assessment of HiS and is underpinned by a diversity improvement plan. All staff and Board members have received compulsory comprehensive diversity training and attend bi-monthly equality and diversity 'twilight' training sessions on equality and diversity issues. The Board has nominated a diversity 'champion' who ensures that diversity issues are considered as during discussions. However, although appraisals should include setting equality and diversity objectives for all staff this does not always happen in practice. This helps to embed diversity and ensure services routinely address tenants' diverse needs in a joined-up way although HiS cannot be sure that this learning is embedded.

How good is the service?

- 39 HiS has made positive use of meeting good practice guidance to shape its services. HiS has reviewed its compliance with the (former) Commission for Racial Equality's code of practice on racial equality in housing. This review identified gaps that it included in its equality action plans. A recent external evaluation against the Equality Framework for Local Government^I has assessed HiS as currently operating well at the 'Developing Level' and on course to reach 'Achievement Level' by March 2011. This is helping HiS to deliver services in a fair and equitable fashion.
- 40 HiS is ensuring equality of access to its services. When tenants' meetings are held, sign language and hearing loops are made available. Free transport and childcare allowances are made available and a crèche facility is available at conferences. A comprehensive access audit of the office has been undertaken to ensure it is DDA^{II} compliant and it features hearing loops and staff have access to a translation service although in practice they have not used this facility. The website includes information about translations and contains some features that make it more accessible such as the ability to increase text sizes and provide an audio format. All leaflets contain translation panels. As a result tenants are can access the services they need.
- 41 HiS has taken action to meet identified diversity needs and concerns. For example, residents in sheltered housing and people with certain support needs receive an enhanced repairs service, although the eligibility criteria are not clear. The organisation has also recently introduced a handyperson service for older people living in sheltered housing. HiS has provided opportunities for residents to access employment and training. Partnership working has allowed the creation of a learning gateway for residents and provides employment opportunities for apprentices. Department of Work and Pension funding has been obtained to help recruit additional resident caretakers. This shows that HiS is providing practical help to meet the diverse needs of its residents.
- 42 HiS is actively ensuring that its staff and Board members fully reflect the community that it serves. The organisation is recruiting a workforce that broadly reflects the ethnicity of the community HiS serves. Workforce monitoring shows that about 4 per cent of staff are from black and minority ethnic backgrounds that closely matches the proportion of BME residents who are economically active. In addition, the majority of the workforce are women and 4 per cent classify themselves as disabled. The Board is broadly representative in terms of gender and disability with 13 per cent of members coming from BME communities and approximately a quarter with a disability. Having a representative workforce and Board helps ensure the organisation reflects the needs of its residents in decision-making and service delivery.

^I The Equality Framework for Local Government (EFLG) is a performance improvement and benchmarking tool that helps councils to improve there approach to equality and diversity

^{II} Disability Discrimination Act

- 43 Support for people experiencing domestic violence and harassment is strong. HiS provides useful information for tenants including a specific leaflet, a section in the handbook and advice on the website. New ASB procedures, covering harassment, domestic violence and reflecting the Respect standard, were issued to staff in 2009. While reported cases have been low, domestic violence referrals can be made to a local specialist support service and to a police mobile service to provide improved security. There are also examples of HiS working with tenants experiencing domestic violence to re-house them in areas of safety. This is helping victims to get effective advice and practical support when they experience hate crime.
- 44 The assurance framework for diversity is strong. The programme to undertake formal assessments on the impact of policies on equality and diversity is nearly complete. The impact assessment of the equality and diversity strategy has led to some positive outcomes. For example HiS is better targeting its advertising to encourage the recruitment of staff from BME communities and is working with SDC to address low levels of allocations to people from BME communities. The formal review of policies means that HiS is better placed to know how equitable services are.
- 45 HiS has completed disability audits of communal areas in flats. HiS has completed a comprehensive survey of common areas in flats and is undertaking adaptations as required using a risk-based approach. Work on the highest risk areas such as sheltered housing is complete and HiS estimates that all relevant improvements will be completed by 2011/12. This is helping HiS comply with the law and offering equality of access for all its residents.
- 46 HiS does not currently hold comprehensive tenant profile data but has taken active steps to improve its information and to use the data it has to tailor services. IT weaknesses identified in our previous inspection delayed work on profiling because HiS could not store and use information collected. At present HiS has some understanding of the age, gender and ethnic profile of tenants. However, it has more limited information to enable it to monitor the full range of diversity strands such as religion and sexual orientation where just over 3 per cent of data is held. Positively, the information that HiS currently holds has been used to tailor some services. For example information held on communication and other needs is used to provide information in large print or to involve support services where a resident is vulnerable. In addition during 2009 HiS visited half its tenants as part of an 'Out and About' campaign. Following this they produced a report called 'Who Lives in Our Homes' which it has used to shape services to meet tenants' diverse needs. HiS is responding to identified needs of its tenants.
- 47 The diversity of residents is not fully represented in HiS's formal tenant structures. HiS accepts that the formal tenant groups are not reflective of the community it serves across most of the seven diversity strands and needs more work to understand where its groups are unrepresentative. Positively, HiS has worked with the Somerset Access and Inclusion Network to identify and engage with organisations representing minority groups. This means that HiS not able to shape its services around the needs of all its residents.

How good is the service?

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 48 In 2007, we found that weaknesses significantly outweighed strengths. Investment decisions were not based on a comprehensive understanding of the condition of the stock, and the asset management strategy was not comprehensive. The level of non-decent homes was rising and progress in improving energy efficiency was limited. The approach to procurement was weak and was affecting the service's ability to spend budgets on time. The management of asbestos was not robust and the delivery of capital improvements was not tenant-focused. However, tenants were more involved in the design and delivery of works and satisfaction with completed work was generally good.
- 49 In this inspection, we found that this is an area where strengths and weaknesses are in balance. The organisation has robust and up-to-date information on its stock. Planned works are delivering significant improvement to tenants' homes with high satisfaction. Cyclical maintenance programmes are effective and health and safety issues including asbestos are managed well. However, significant future investment will require a more strategic approach to asset planning. Tenant choice is limited and quality assurance measures are not sufficiently robust and systems to check the safety of electrical installations in tenants' homes are underdeveloped.
- 50 The organisation has good information about its housing stock. Baseline information was obtained from a 20 per cent sample undertaken in 2004 updated by another 20 per cent survey in 2008. This has been updated as improvements have been completed and has been revised to reflect the HHSRS¹. There are effective arrangements to deal with 600 properties of a non-traditional build. Stock condition surveys have shown that the large numbers of non-traditional homes are in good condition due to previous investment and need no special investment outside that being delivered as part of the decent homes programme. This gives a robust foundation to plan future investment in the organisation's homes.
- 51 HiS is investing appropriately in its planned maintenance programmes. A regular external maintenance programme carried out to all properties every eight years including garages. This programme comprises external painting if required and includes gutter clearing, cleaning fascia boards, roof cleaning and repairs and the painting of communal areas in flats. However, HiS has limited understanding of the whole life costs of their cyclical programme. For example, when cyclical decorating takes place and scaffolding is required there has been no robust consideration of replacing items or durable finishes such as PVC which may provide better value over the medium to longer term. More detailed consideration may help HiS reduce costs and future maintenance as well as reduce inconvenience for tenants. This ensures most properties are generally in good condition and reduces the need for reactive repairs and ongoing maintenance costs.

¹ HHSRS - The Housing Health and Safety Rating System is the risk assessment procedure for residential properties.

- 52** HiS has generally positive approach to cyclical maintenance although it is not fully effective. While there are contracts and procedures in place for the regular maintenance of fire safety equipment, water safety, annual testing of portable electrical appliances and lifts, HiS has been less effective in managing electrical safety. At the time of inspection there was no planned programme to inspect and refurbish electrical components in tenants' homes with only 67 per cent of homes with valid electrical safety certificates. A contractor has recently been procured to undertake this work although they have not yet started work. These programmes are effectively managing most of the risks to residents.
- 53** The planned maintenance programme is well managed with projects completed on time and on budget. The split between planned and responsive works for 2009/10 is 74:26 planned to responsive that is close to the good practice level recommended by the Audit Commission. This shows that investment in cyclical and planned repairs are reducing the need for more costly and inconvenient responsive repairs.
- 54** There is a reasonable approach to managing asbestos although it is not fully effective. HiS has an asbestos strategy, register and an asbestos management plan, which covers staff training, emergency arrangements and monitoring and review procedures. Contractors and operatives are told about the presence of asbestos through repairs orders. In instances where the risk is considered high and disturbance is likely, HiS arranges a programme of removal. Tenants have information about the general risks of asbestos by a leaflet and articles in the residents' newsletter. However, tenants have not received a letter telling them where they may find asbestos in their home and this information is not given to new tenants as they begin their tenancies. In other respects, there is effective management of the risk presented by asbestos.
- 55** Investment decisions are based on sound principles and robust individual appraisals but significant future investment will require a more strategic approach. HiS has a basic asset management strategy in place that is supported by sustainability reviews of specific schemes. However, HiS recognises that significant future investment will require a more strategic approach where all investment decisions take full account of demographic trends, sustainability, an up-to-date assessment of stock condition and available funding.
- 56** The quality assurance of planned maintenance work is not sufficiently robust. Approximately 10 per cent of major works are subject to post-inspection. However, staff do not work to a clear procedure to identify which 10 per cent of work they should inspect based on risk. HiS mostly relies on tenant satisfaction surveys and the contractors' internal systems to highlight weak performance and poor finish. This lack of clear procedures does not ensure contract compliance and provide assurance on value for money.

How good is the service?

- 57** Tenants were not given timely information about the planned maintenance programme although steps are taken to meet tenant needs. Before the start of the year the programme is published in the tenants' newsletter. Before the works are due to start, a Resident Liaison Officer visits to explain the work to be carried out and identify any special needs they may have to ensure these needs are met during the programme. However, the website does not show the programme for future years and tenants receive as little as three weeks notice before work commences. This was made worse in 2009 when additional funding obtained during the year to accelerate the decent homes programme needed to be spent in the same financial year which meant bringing forward work and left little time to inform residents of the start of the programme. Timely information ensures tenants can plan around the work.
- 58** Tenant choice as part of the planned maintenance service is limited. Tenants having new kitchens fitted can choose the finish of units, tiles and a wide range of decorative finishes including their own if requested. Tenants we spoke to praised the customer focus of the workforce and the quality of the work. The work is of good quality and the service is also achieving high levels of tenant satisfaction reported at 100 per cent. However, the specification of bathrooms is basic for example offering no choice on tile colours and does not have the option of having customer-focused features such as a shower fitted over the bath. This inconsistent approach is not ensuring that all improvements are of a reasonable quality.

Responsive repairs

- 59** In 2007, we found that this was an area of weakness. Key aspects of the service were not focused on the customer. It could be difficult to make an appointment for a repair, some targets were not customer-focused and there was insufficient focus on completing repairs 'first time'. The diagnosis of repairs was weak, resulting in a high level of repairs ordered as emergency or urgent work. There were significant weaknesses in performance management systems and quality management processes. The IT system did not fully support sharing of information across the service but, despite these weaknesses, customer satisfaction was generally high.
- 60** In this inspection, we found that strengths and weaknesses are in balance. Customers can easily access the repairs service. Satisfaction with repairs is high and important aspects of delivery are customer-focused. However, performance on completing repairs on time is weak, the appointments system is not sufficiently customer-focused and quality control measures are not sufficiently robust.
- 61** Customers can easily access the repairs service in a variety of ways. Appointments are offered for morning, afternoon or early evening by staff at the first point of contact. This helps customers to report repairs easily, and to have clear expectations of when the repair will be completed. Service standards are set out in the tenants' handbook and tenants' newsletter, including out-of-hours arrangements. Requests for the service are handled in HiS's own call centre which has access to a computerised ordering system and a diagnostic repair tool. This allows staff to accurately diagnose a repair and to offer an appointment for all routine repairs at the first point of contact. Where possible letters are sent to confirm appointments and indicate that the work that has been ordered. This is giving tenants effective notice of when they can expect work to start.

- 62 Satisfaction with repairs is high and HiS is benefiting from reasonable levels of customer feedback. The robustness of data on levels of satisfaction with the repairs service is reasonable and based on a 20 per cent phone survey. Satisfaction levels reported are high at 89.3 per cent in the first three quarters of 2009/10. Satisfaction information enables the organisation to identify areas for improvement.
- 63 Performance on completing repairs on time is weak although some aspects of delivery are customer-focused. In the first three months of 2009/10, 97.7 per cent of emergency repairs (target 24 hours), 80.6 per cent of urgent repairs (7 days), and 82 per cent (28 calendar days) were completed on time. This is in the worst 25 per cent of benchmarked organisations. However, there are some aspects of the service that are more positive with 89 per cent of jobs completed in one visit and 93.8 per cent of jobs had an appointment made and kept. Overall this will not provide customers with a customer-focused service or help deliver value for money.
- 64 The appointments system is not sufficiently customer-focused. Appointment slots are wide and only offered for mornings and afternoons and while appointments can be scheduled around the school run this service is not advertised effectively. A limited number of appointments are offered in the evenings or Saturday mornings although HiS has only just begun to advertise this service and it is not included in the recently produced Tenants' Handbook. Wide appointment times reduce convenience for tenants.
- 65 Quality control measures in the responsive repairs service are not sufficiently robust. HiS is not undertaking systematic pre- or post-inspections. While there is an open book partnering contract in place this is not supported by a robust procedure to ensure the value for money delivered by the contractor or the quality of work delivered. HiS uses customer satisfaction returns and the complaints process to identify poor performance. While these are generally positive they need to be supported by more robust quality control measures to ensure the quality and cost-effectiveness of the responsive repairs service.

Empty (void) property repairs (including Allocations and Lettings)

- 66 In 2007, we found that this was an area of weakness. Performance on letting empty homes quickly was weak and the quality was poor.
- 67 In this inspection, we found that strengths and weaknesses are in balance. Applicants' choice is enhanced through choice-based lettings (CBL).¹ Most new homes meet a satisfactory standard and the arrangements for new tenants are customer-focused. HiS is also supporting vulnerable tenants to access more suitable homes. However, performance on reletting empty homes quickly is weak and while HiS has taken steps to address overcrowding in its homes this remains an area for improvement.

¹ Choice-based Lettings is a scheme for letting social homes based on bidding system

How good is the service?

- 68** Most new homes meet a satisfactory agreed standard. The homes ready for letting that we visited met the agreed standard. This standard is in a new tenants' pack for all prospective tenants. Tenants report a high-level of satisfaction for new homes with satisfaction reported at 84.4 per cent although HiS has only recently been collecting this information and this figure relates to the last three months of 2009/10. However, the standard is quite basic and some details are missed, for example giving information about what tiling can be expected in kitchens or how many plug sockets should be present in rooms. However, most tenants received a new home that they are satisfied with.
- 69** HiS has a satisfactory decoration allowance policy in place but the system for allocation is not transparent. Grants are given as a voucher that can be redeemed at a national DIY chain this provides incoming tenants with decorating materials. However, there is no written system for deciding grants with it relying on the discretion of the Voids Officer. Gas and electrical safety checks are completed while the property is empty and certificates given to the new tenant. An energy performance certificate is also provided to new tenants. This is providing new tenants with reasonable quality new homes.
- 70** Applicants' choice is enhanced through CBL. Residents have a good range of methods and support in applying for housing. Offices have internet access for choice-based lettings bidding, and tenants can also bid by coupon, text, website and telephone through the CBL system. HiS officers also offer home visits to those that require them. Information on available properties is publicised in a local free newspaper and is made available in a wide range of locations including, libraries and council offices. This strong partnership arrangement with the Council is helping to address housing need.
- 71** Offer letters for new properties are clear and concise. This includes information on the rent and service charges. Prospective tenants are also requested to contact HiS to confirm attendance at the viewing, and bring identification. HiS monitors refusals of tenancy offers and uses this information to check if homes are becoming difficult to let. This is providing clear information to new tenants and helping HiS to identify problems of low demand.
- 72** The arrangements for new tenants are customer-focused. All tenants have accompanied viewings of new homes and have a comprehensive sign up interview during which tenancy conditions are spelt out and welfare advice is offered. Tenants also receive a welcome pack of groceries and cleaning items provided in partnership with a local supermarket. All tenants receive a settling-in visit four weeks after they move into their new home, which helps them to settle successfully. However, the target to complete the settling in visit is not being achieved with only 82 per cent completed within the target in the first nine months of 2009/10. This is helping tenants to successfully settle into their new homes.
- 73** HiS is supporting vulnerable tenants to access more suitable homes. Vulnerable tenants are identified and referred to support and advice services at any one of four stages from application verification to new tenancy visit. All sheltered housing is fully decorated and there is flexibility within the empty homes procedure to complete decorations for people with support needs. This assistance is helping to ensure all applicants are accessing suitable housing.

- 74** Performance on reletting empty homes quickly is weak. It takes on average 47 days to relet an empty home and this places HiS in the slowest 25 per cent of comparable organisations. HiS has analysed the reasons for this poor performance and has identified several reasons including the introduction of choice-based lettings and poor condition of stock. It has also taken active steps to improve performance. However, current performance results in lost income to the organisation and means people in need will have to wait longer for suitable housing.
- 75** HiS has taken steps to address overcrowding in its homes but this remains an area for improvement. The Choice Based Lettings system has supported some tenants to move into more suitable accommodation and freed up more family-sized homes. However, the transfer incentive scheme is not having a major impact in freeing up family sized properties. The budget is currently £20,000 and the maximum payment to tenants agreeing to downsize is £2,000. Only around six to eight properties a year become available through this scheme. There is a recognised problem of residents not being able to pay in advance and then be reimbursed, so HiS is trying to address this by paying them in advance or signposting tenants to a Tenant Welfare fund. More needs to be done to reduce the level of under-occupation.

Gas servicing

- 76** In 2007, we found a balance of strengths and weaknesses in gas servicing. Annual gas safety checks were carried out promptly. However, clear policies and procedures for gaining access were not developed and tenants had not received comprehensive information on the importance of gas servicing.
- 77** In this inspection, we found that strengths outweigh weaknesses. Annual gas servicing is carried out promptly and satisfaction is high. Access and quality control procedures are robust and tenants have good information. HiS also services oil and solid fuel heating systems. However, appointments could be more customer-focused.
- 78** Annual gas servicing is carried out promptly and satisfaction is high. All homes have a current safety check and certificate. Satisfaction is also high with 93.9 per cent of tenants satisfied with the service. HiS also services tenants own appliances if fitted. Positively, all front-line staff have received training on the dangers of sleeping in rooms with fixed gas appliances and there is a robust procedure in place to address safety concerns where this happens. HiS is effectively managing the risk to its residents from poorly maintained gas appliances and meeting its statutory duties.
- 79** A range of appointments are available but they are not fully customer-focused. Appointments are available in two time-slots during the working day and a slot to avoid school runs. Appointments are also offered early evening and on Saturday mornings. The servicing visits are used to check other fixed safety items such as smoke and carbon dioxide detectors. However, appointments are not offered in shorter time-slots that would offer greater flexibility for tenants. Flexible appointments help with access and provide a customer-focused service.

How good is the service?

- 80** The ALMO has robust access procedures for gas servicing. Where access is a problem HiS checks the tenant is not vulnerable: for example by contacting supported housing staff or social services and tries to engage with the resident by using these routes. Legal action is viewed as a last resort and where good partnerships with the Environmental Health Department enable appropriate environmental protection legislation to be used. As a result of effective support of vulnerable tenants the organisation was only used legal action once in the first nine months of 2009/10. HiS uses safety devices where tenants may be more vulnerable and where access has been denied in the past. These partially interrupt the gas supply when the service appointment becomes overdue. These devices are fitted in all new gas installations. This helps to encourage access to reset the valve and helps to ensure the safety of residents and their neighbours.
- 81** HiS provides good information about gas safety. Every edition of the tenants' newsletter contains information on gas safety and letters to arrange appointments are clear and emphasise the importance of providing access for the contractor. The tenants' handbook also informs tenants of dangers from lack of gas servicing and the importance of providing access for servicing. This emphasises the importance of gas safety.
- 82** The external quality control arrangements for the gas servicing programme are robust. An external consultant accompanies contractor audits and reinspects a random sample of ten gas servicing visits each month. An officer within HiS checks all certificates for accuracy. The external contractor also audits the servicing of other fuel types. This minimises the risk to HiS and its residents.
- 83** There are positive arrangements to service oil and solid fuel heating systems. The gas servicing contractor undertakes the yearly servicing of oil and solid fuel heating systems. Currently all systems have been serviced within the last year. This is ensuring the safety of the tenants living in homes with oil and solid fuel heating systems.

Aids and adaptations

- 84** In 2007, we found that strengths outweighed weaknesses in this area. Applications and referrals were dealt with quickly and there was good partnership working with the District and County Council staff.
- 85** In this inspection, we found a balance of strengths and weaknesses. Performance on aids and adaptations is reasonable with most provided quickly including through improvement works. HiS has good information on which homes have been adapted and has an effective system to recycle adaptations. Service standards are weak and there is insufficient information about the service. Performance management of the service is an area for improvement.
- 86** Performance is reasonable although the information reported to manage the service is not comprehensive. However, aids and adaptations are not promoted effectively and this, together with the way information is recorded, makes it difficult to manage performance.

- 87** Performance on aids and adaptations is reasonable with most provided quickly. On average major adaptations are completed in 35 weeks while minor adaptations take six days. Residents who have had aids and adaptations fitted report high levels of satisfaction with 92 per cent reporting that they were happy with the service. This is helping residents with physical disabilities to live successfully in their homes.
- 88** Partnership working is helping to provide an effective aids and adaptation service. Aids and adaptations are completed by Sedgemoor District Council. They have procured an installation service from a local home improvement agency which also provides services to the private owners. This is improving the capacity of HiS.
- 89** HiS has good information on where aids and adaptations have been installed. On the completion of adaptations staff update the stock condition database. As properties become empty, this information helps to identify suitable new tenants using choice-based lettings. This is making best use of the equipment that has been installed and is helping people with physical disabilities to live successfully in their homes.
- 90** HiS is adapting its DHS programme to help tenants that are more vulnerable. As part of the survey for DHS works HiS is identifying vulnerable tenants who need their homes adapted. In these cases the work is completed as part DHS programme using specialist contractors. This provides a responsive service to people with disabilities.
- 91** HiS has an effective system to recycle adaptations. Redundant equipment is assessed by SDC and is used if appropriate for recycling into future adaptations; currently there are three stair lifts in storage for reuse. This is improving the responsiveness and efficiency of the aids and adaptation service.
- 92** HiS is investing appropriately in aids and adaptations and it has begun to develop a good understanding of future demand. HiS currently invests £370,000 in the aids and adaptations service. It has worked with its partners to analyse government data on future population trends and the profile of its own residents to identify changing demand. Because of the projected increase in demand, HiS has increased budgetary provision for aids and adaptations to £450,000 for 2010/11. This means that HiS is allocating appropriate resources to meet future demand.
- 93** There is insufficient information provided to tenants about the aids and adaptations service. HiS does include information on aids and adaptations in the tenants' handbook and on its website. However, the specific information provided to tenants about the service is not fit for purpose. It does not provide tenants with sufficient information on how they can apply for help and what the process will involve. Other than an article in the tenants' newsletter and inclusion on the electronic notice board in reception there is little promotion of the service. This is not giving residents easy access the aids and adaptation service.
- 94** The service standards for aids and adaptations are weak. HiS has not put comprehensive service standards in place. A leaflet produced by SDC contains some information about the service but there are no measurable targets set. Nor does it give an explanation of the how the system operates. As a result it is difficult for residents to know what they can expect from the service.

How good is the service?

- 95 The quality of performance management within the aids and adaptations service is an area for improvement. Performance information for example about speed of minor and major adaptations has not been reported through the performance management systems. Until recently performance was only discussed between staff at HiS and SDC but was not formally reported. This has made it difficult to ensure effective performance is being delivered.

Housing income management

- 96 In 2007, we found that this was an area of weakness. Performance on income management was deteriorating. The service had insufficient capacity to develop a strategic and positive approach to addressing poor performance. The service lacked customer focus and a multi-agency approach was underdeveloped. HiS did not promote rent payment methods effectively and recovery procedures were not effective.
- 97 We found strengths considerably outweigh weaknesses in this area. Overall performance in current rent collection is strong and clear policies and procedures place an appropriate balance between support and enforcement. Tenants get good information about their rent, there is a reasonable approach to debt advice and work to tackle financial exclusion is embedded. HiS is meeting targets for collecting former tenant arrears but not for collection of rechargeable repairs and the most cost-effective payment methods are not being promoted.
- 98 Overall performance in collecting rent is strong. At the time of inspection current rent arrears are 1.68 per cent of all the rent due which is in the best 25 per cent of benchmarked organisations. HiS collected 97.4 per cent per cent of the annual rent debit which was near average performance in the first nine months of 2009/10. During 2009/10, 0.2 per cent of all tenants (10 tenants) were evicted for rent arrears and 3.66 per cent of tenants owed more than seven weeks rent. This places the HiS in the best 25 per cent of benchmarked organisations. This shows that prompt action is being taken to manage debt.
- 99 HiS has clear policies and procedures that balance support and enforcement. HiS can demonstrate there is an appropriate balance between enforcement and support. Policies make it clear how enforcement action should be used with a strong focus on sustaining tenancy with an emphasis on personal contact with the tenant and appropriate flexibility over the arrears escalation process. This approach is helping to reduce the administrative burden and helps to improve consistency across the service.
- 100 The service provides tenants with good information and advice. Staff explain the importance of rent payment, payment options and provide information on benefits to new tenants as part of sign-up procedure and during the four week settling in visit. Prospective tenants are also given benefit advice and are given information about credit unions. Rent statements are issued quarterly. Rent arrears letters and rent statements are checked for clarity by the tenants' panel. These documents consistently use plain language and are available in a range of other formats. This helps residents to understand and meet their rent payment obligations.

- 101** The service is promoting more cost-effective methods of rent collection effectively but more work remains to make it fully effective. HiS offers a broad range of payment methods including direct debit, cash at the office, cheque and debit card. Currently the most popular method of payment is also the most cost effective with 37 per cent of tenants paying by direct debit. However, a number of residents are still paying by less cost effective methods such as Giro payment (19 per cent) or via credit and debit cards (12 per cent). While there is a small prize draw to encourage direct debit payments there have been few other incentives to encourage usage of the cheapest methods of payment. This is a lost opportunity to increase the cost-effectiveness of the income collection service.
- 102** HiS has been positive about addressing financial exclusion. HiS has been positive in promoting the services provided by external agencies in debt management. Information on a local credit union is included in sign up packs for new tenants and the newsletter includes regular articles by the Housing Benefits service. Working with others HiS has taken part in events such Your Money road shows (2009) and a Credit Crunch day to which all tenants affected by the service charge increase were invited. A member of staff has been seconded free of charge from SDC to help HiS improve its approach to financial inclusion. These services will help tenants avoid getting into financial difficulties.
- 103** HiS has a reasonable approach to debt advice. Tenants are signposted to external debt agencies such as the Citizens Advice Bureau and there is a formal service level agreement in place with the Council that HiS benefits from. This now includes monthly CAB surgeries in the main office. However, HiS does not specifically fund any independent debt advice agencies.
- 104** Partnership working with the Housing Benefit department is good. There are good links in place between the two organisations and HiS is able to view information held on the Housing Benefit IT system that helps with checking rent accounts and at sign-up new tenants will be supported in completing Housing Benefit application forms. However, although staff have received training on housing benefit verification it is not used at present.
- 105** HiS makes reasonable use resident profiling to target recovery action but could do more to make the approach fully effective. Customer profile information is not consistently used to target particular groups of tenants or to identify the reasons for arrears and to ensure the most appropriate support advice is available. HiS has undertaken initiatives such as a family cinema day in December 2009 which was used to engage with young families and some work in sheltered housing in January 2009 engaging with vulnerable people. The 'Out and About' and rent focus campaign focussed on areas of social and financial exclusion. However, HiS is not yet using its knowledge of residents to target areas or actions in a consistent way.

How good is the service?

- 106** HiS is meeting targets for collecting former tenant arrears but not for collection of rechargeable repairs. Performance on former tenants' arrears at the time of inspection was 1.16 per cent, which is above the target HiS sets itself and on track for end-of-year performance consistent with the best performing providers. However, the approach to enforcement in the pursuit of former tenancy arrears is an area for improvement. Currently three letters are sent to the ex-tenant to pursue the money owed but this is not followed up by legal action. The service currently does not use a debt collection service that should help improve collection rates. There has been formal agreement (January 2009) that HiS can use the service also used by the Council but at the time of the inspection HiS were still awaiting confirmation when the service could be used. The approach to the collection of rechargeable repairs is weaker. Currently the only recovery action undertaken is to issue three letters to residents after this no further recovery action is taken. This is not maximising the income to the organisation and currently performance in this area is below target with only 39 per cent of rechargeable repairs collected and an outstanding balance of £118,000. This is not maximising the income available for HiS to address the needs of its residents.
- 107** HiS is not managing garage arrears effectively. For example, tenancies are not always terminated in a timely way, so even though garage tenants may have handed in their keys, they may well have still been pursued for non-payment. At the time of inspection garage arrears were £9,640. This is not ensuring all sources of income are being managed effectively and reduces income to be spent on tenant's priorities.

Resident involvement

- 108** In 2007, we found a balance of strengths and weaknesses. The service had showed its commitment by investing substantial resources to support resident involvement and was working to embed resident involvement in all its services. Residents received performance monitoring information and had some influence in shaping services. Satisfaction with opportunities to participate was high. Opportunities were provided to increase the capacity of involved residents and the service was working to widen resident involvement. However, there were weaknesses in the resident involvement structures and the service's overall strategic approach.
- 109** We found that this is an area where strengths outweigh weaknesses. HiS is focusing resources to support resident involvement. A clear strategic framework for resident involvement is supported by a clear tenant participation structure. A broad range of engagement mechanisms makes it easy for residents to become involved. Tenants receive good information and are happy with opportunities to be involved in managing their homes. However, HiS' formal engagement does not yet cover all sections of the community.

- 110** HiS is focusing resources to support resident involvement. The Resident Involvement Team employs two staff and in addition there is a dedicated budget of £53,000 (excluding printing) and a £12,000 training budget (based on an 18-month programme) supports the development of tenants. This investment places HiS in the most well resourced 25 per cent of benchmarked organisations. Tenants get a broad range of training opportunities including advice on selecting of contractors, recruitment and diversity. This is having a positive impact on developing the capacity of residents and the organisation to meet its overall objectives.
- 111** The strategic framework for resident involvement is robust. Clear formal agreements set out the level of commitment to resident involvement. A Tenant Participation Compact and Resident Involvement Strategy both published in 2008 clearly set out HiS aims and objectives. They explain the organisation's commitments in relation to standards for meetings and consultation, information, standards for tenants' groups, monitoring and measuring tenant participation performance. The resident involvement strategy is reflected within the HiS annual improvement planning framework. This provides a clear structure for resident involvement.
- 112** Residents are positive about the opportunities to participate. The latest STATUS survey reported that 71 per cent of tenants are satisfied that HiS is taking their views into account. This is above average when compared to organisations in HiS benchmarking club. This indicates that tenants are aware of the opportunities that HiS gives to become involved in the managing their homes.
- 113** A broad range of engagement mechanisms makes it easy for residents to become involved. The main organisation for engagement is Sedgemoor Tenants Voice and there are tenant and residents associations. HiS also offers a range of other formal involvement opportunities including a Repairs Focus Group, Disabled Tenants Focus Group, a Leaseholder Panel and the Sheltered Housing Forum. In 2009 staff from across HiS visited 50 per cent of tenants during the 'Out and About' campaign to discuss their priorities and aspirations. Other meetings give opportunities for engaging with a wider range of residents including an annual tenant and leaseholder conference. Other activities include local surgeries, estate inspections, liaison meetings, occasional mystery shopping exercises. The five tenant board members are nominated by Sedgemoor Tenants Voice. The Vice-Chair of the Board is a tenant. However, not all the resident groups are yet fully embedded for example the Value for Money group which has only been working since October 2009. These groups and meetings are providing good opportunities for residents to become involved in shaping the organisation and services it provides.
- 114** Tenants and leaseholders get clear and frequent information. Several newsletters keep residents well-informed. A residents' newsletter is circulated four times a year. In addition, there are specific newsletters for sheltered housing and leaseholders. Newsletters have residents on the editorial boards and residents have received training on this role. This is helping residents to communicate and understand what they can expect from HiS.

How good is the service?

- 115** Resident involvement is having a positive impact on service delivery. HiS has set up several service-related working groups which enable residents to become involved in practical decision making. Involvement has influenced and shaped services including responsive repairs, estate inspections, empty home repairs and sheltered housing policies. As customer involvement increases so does their influence over service delivery. Working groups also provide a way for residents to oversee performance.
- 116** HiS's formal engagement does not yet cover all sections of the community. There is an understanding that all sections of the community are not involved and formal groups are not fully reflective of HiS customers. There is more work needed to target approaches and develop contacts with local communities who are not involved or under-represented. The organisation is not yet working effectively with the full range of residents it serves including marginalised communities.

Tenancy and estate management

Tenancy Management

- 117** In 2007, we found that weaknesses outweighed strengths. The service lacked clear procedures and an overall strategic approach to dealing with antisocial behaviour (ASB). Information for those experiencing antisocial behaviour was neither comprehensive nor easily accessible and support arrangements were mixed. Positively, HiS was engaged in partnership working in managing antisocial behaviour and was working to build on links already established.
- 118** In this inspection, we found that this is now an area where strengths and weaknesses are in balance. Clear procedures are in place for dealing with antisocial behaviour and partnership working is producing some positive outcomes. HiS uses a broad range of remedies to tackle ASB, including the use of diversionary activities for young people. Satisfaction with how ASB is dealt with is around average and there are some weaknesses in the approach to monitoring outcomes. HiS is not consistently meeting its targets for dealing with complaints quickly and the take-up of mediation is low.
- 119** HiS has an up-to-date strategic approach to manage ASB. The strategic approach stresses early support and intervention with clear timescales for future action. The policy makes it clear that a range of tools are to be used in managing cases and includes a commitment to support and keep victims informed of progress. Clear guidance is given on managing and for closing cases, with an electronic system to manage casework. This approach provides a clear structure to ensure that tenants receive a consistent service.
- 120** HiS uses a reasonable range of preventive and non-possession approaches to combat ASB and will enforce tenancy conditions where appropriate. The overall amount of ASB is low compared to many areas. HiS uses legal enforcement against perpetrators of ASB as a last resort, with just one eviction in 2009/10. The organisation uses injunctions and exclusion orders; acceptable behaviour contracts are obtained in partnership with SDC and the police. Mediation is provided by an externally funded agency but the take-up of this service has been low and HiS is not making best use of the £2,000 it invests in this service. HiS can show that these approaches represent a balanced approach to dealing with ASB.

- 121** HiS has sponsored a programme of diversionary activities for children and young people. Investments have included a project in Eastover. This targeted at children excluded from school entering into positive training opportunities. As part of the funding package the Chair of the STV agreed to join the project board. Working with the Police there has been support for estate-based actions such as the 'Dream Scheme' at Highbridge. This organises work projects for young people and rewards them with points which are spent on trips and sporting activities of their choice. HiS also sponsors a local football team and sports activities in Bridgwater. This work is contributing to community safety and personal development and helping to reduce ASB.
- 122** HIS is working effectively in partnership with other organisations to tackle ASB. His is a partner in the multi-agency Safer Sedgemoor Partnership (part of the Local Strategic Partnership). Working with the local Police has enabled joint actions to tackle crime and antisocial behaviour, for example using local dispersal orders in two neighbourhoods. HiS has joint protocols in place for Multi Agency Public Protection Arrangements and works with the Somerset domestic violence group. Because monitoring is not sophisticated it is not possible to identify what proportion of this improvement is attributable to the ALMO. Partnership working improves the effectiveness of action to address ASB.
- 123** Tenants get effective information about ASB. The tenants' handbook includes sections on what ASB is and how to report it. The organisation has also included regular articles in the residents' newsletter and issued press releases to help publicise the outcomes of ASB actions. Specific leaflets on ASB and nuisance, hate crime and domestic abuse are available in the reception area, from staff and through the internet site. ASB complainants receive an information pack which includes information on response times and the support available through HiS. HiS supports a dedicated 24-hour reporting hotline for ASB. This is ensuring that tenants and the wider community know that sanctions will be used where necessary.
- 124** There is effective management of ASB cases. HIS has an electronic case management in place to manage casework. The cases we examined during the inspection were well managed with officers following procedures and taking a victim-centred approach. Effective case management has enabled HIS to tackle ASB in a timely and consistent way.
- 125** HiS is involving tenants in the development of the ASB service. Regular meetings with a focus group of tenants have been used to discuss Crime and Disorder Reduction Partnership figures and the service provided by HiS. External speakers have informed tenants about the services they provide. The group has had some input in the design of the ASB service leaflet. The group would however, benefit from including more tenants who have used the actual service as a learning opportunity for HiS and to better help service improvement.
- 126** HiS has reviewed its tenancy agreements to ensure they reflect national best practice. The organisation has checked its tenancy agreements to ensure they do not contain unfair contract terms and they are compatible with civil partnerships. This is helping to ensure tenancy agreements are enforceable and deliver a customer-focused service.

How good is the service?

- 127** Satisfaction with how ASB is dealt with is around average and there are some weaknesses in the approach to monitoring outcomes. Information is collected on both how satisfied tenants are with the outcomes of their complaint and how well HiS handled their complaint. However, performance figures suggest that performance is around average compared to other providers with around a quarter of customers not satisfied with the approach. These outcomes show that tenants are not consistently happy with the way their cases are dealt with. Alleged perpetrators are not consistently asked what they think of the service and there is no reporting of the cost of ASB action. However, information from the 2009 STATUS survey indicates that overall satisfaction with this service is improving over time. These gaps limit HiS' ability to manage and improve the service.
- 128** HiS is not responding to all ASB complaints promptly. Timescales for medium category cases (five days) are not being met with only 71 per cent responded to in time (97 per cent target). Timescales for the production of actions plans (five days) are only met in 77 per cent of cases (target 100 per cent). This is providing an inconsistent service to tenants who may lose confidence in the service.

Estate Management

- 129** In 2007, we found that weaknesses outweighed strengths. Managing communal areas on estates was an area for improvement and the impact of estate inspections and the caretaking service were not being used to their full potential.
- 130** In this inspection, we found that strengths and weaknesses are in balance. Estates and common areas are generally well maintained. HiS is working with tenants to improve its estates but estate inspections are not being used to best effect. The caretaking programme and service standards are not comprehensive.
- 131** Estates are generally kept in a good condition. Estates have very little litter, graffiti, bulk refuse or abandoned vehicles. Garage sites and communal areas are well kept. The quality of grounds maintenance is generally good. During the inspection, most of the green areas were in a satisfactory condition. The 2009 STATUS survey found that 87 per cent of residents report that their neighbourhood was a good place to live which was the second highest rating in HiS's benchmarking group. Most residents enjoy a well-maintained living environment.
- 132** The common shared areas in most estates are in reasonable condition although there are some inconsistencies. Large blocks of flats are generally clean, welcoming, and free of graffiti and litter. However, we found some blocks where common areas had examples of extensive moss growth on paving and drying areas in poor condition. This means some residents experience a poor service from HiS.
- 133** The approach to estate improvements is effective. HiS has an estate improvement budget of £20,000 that STV assigns. Projects have delivered a number of improvements including better parking areas, improved security, brighter communal areas and better fencing. Estate improvement funding helps residents to engage in 'place shaping' the neighbourhoods in which they live.

- 134** There are inconsistencies in the caretaking service. The service is delivered by three caretakers who are assigned to specific areas. While the service covers some of the larger estates or areas of stock concentration there are other areas which do not benefit from the service. But overall the caretaking service is helping to manage and maintain the quality of estates.
- 135** The estate inspection programme is not fully effective. The programme runs on a quarterly basis on estates. However, despite it being a requirement detailed in the service standard the approach to publicising the outcomes of estate inspections are inconsistent. In one area HiS has targeted approach in response to neighbourhood concerns but this positive approach is not yet replicated elsewhere. The website contains no information and there is nothing on the notice-boards to let tenants know about the key issues and outcomes. Such information might encourage participation in future inspections. The positive impact of estate inspection programmes are not being maximised across the area.
- 136** The approach to service standards is not comprehensive. Most flats have information on the services delivered on notice boards that helpfully give tenants a pictorial reference of what they could expect from cleaning and grounds maintenance contracts. However, the quality of estate cleaning and grounds maintenance is not formally recorded or reported other than as part of the normal contract management meetings with the grounds maintenance contractor or with tenants attending estate walkabouts. This means there is no clear overview of what the rate of improvement or changes are overtime.

Leasehold management and Right to Buy

- 137** In 2007, we found that this was an area of weakness. The service lacked a customer focus. Service charge information was limited and managing leasehold services was underdeveloped.
- 138** In this inspection, we found that we found that strengths and weaknesses are in balance. HiS effectively consults and involves leaseholders and provides some good information and has clear policies and procedures for managing leasehold stock. Satisfaction with leaseholder services is around average. However, the arrangements to collect service charges are reasonable but performance remains an area for improvement. The information held about the diversity of leaseholders is not comprehensive.
- 139** Satisfaction with leaseholder services is around average when compared to other landlords. The latest survey carried out in December 2009 showed an overall satisfaction with leaseholder services at 56 per cent. Although this is relatively low compared to tenant satisfaction, benchmarking shows that this is better than average when compared with leaseholders of other landlords. Reasonable satisfaction levels indicate that leaseholders feel they are receiving effective services.

How good is the service?

- 140** HiS effectively consults and involves its leaseholders in developing services. There has recently been a leaseholder on the Board who provided a leaseholder perspective in the governance of the ALMO. The leaseholder panel with 20 members meets regularly. The input from leaseholders has also improved newsletters and prompted the organisation to produce repairs estimates more quickly. This will help HiS improve and shape services for leaseholders.
- 141** The information provided to leaseholders is reasonable. New leaseholders get a comprehensive welcome pack that contains a range of useful information and there are a number of good quality leaflets available about leasehold issues. However, the current leaseholders' handbook is a basic document and a revised version will be issued shortly.
- 142** There are clear policies and procedures for managing the leasehold stock. These procedures ensure the statutory requirements for consultation are completed before service charge calculations are completed. The procedure for calculating services charges includes a check that service contracts, which run over a year, have been subject to the Section 20 consultation process. This ensures that the charges paid by leaseholders are reasonable and will not be subject to legal challenge.
- 143** HiS has reviewed its leases to meet legal and good practice requirements. The current lease has been subject to review and a new form of lease has been drawn up to include provisions requiring leaseholders to service gas appliances annually and strengthening the clauses about ASB. This is helping to make leases more effective and ensure the safety of leaseholders and their neighbours.
- 144** Services to leaseholders suffering financial difficulties are in place. Where a leaseholder has particular financial difficulties there are positive arrangements to refer leaseholders to debt advice agencies and trained staff offer support. However, this is not a particular issue within Sedgemoor and the use of sinking funds means leaseholders have not faced large repair bills. This may mean if leaseholders fall into financial difficulties then they will be directed towards appropriate support.
- 145** Processing of Right to Buy applications is meeting statutory requirements. All Right to Buy applications were dealt with within the statutory targets during the first nine months of 2009/10. An effective RTB process provides a good service to those seeking to buy their council homes and is a statutory requirement.
- 146** Leaseholders are given the opportunity to access the gas servicing programme. They are offered the opportunity to access the gas servicing programme but no leaseholders have taken up this service. This has the potential to improve the safety of leaseholders and their neighbours and spread the organisations overheads.

- 147** Arrangements to collect service charges are reasonable but performance remains an area for improvement. At the end of December 2009 64 per cent of the service charges due for the nine months had been collected putting HiS on track for end-of-year performance above its target of 80 per cent. However, this level of performance still falls short of the best performing providers. Positively, HiS has not had to collect charges for major works as these have been covered by sinking funds. An accurate record of works undertaken, their cost, and all day-to-day repairs and planned maintenance carried out on estates and blocks are recorded on the computer system. Repairs listings and costs are, sent out to leaseholders annually. This means other residents do not bear the costs of non-payment by leaseholders and charges are collected fairly.
- 148** There has been no robust review of the administrative cost of the service charge administrative element. Tenants currently pay a 10 per cent charge for administration. There has been no review to establish whether this covers the costs of administering the service.
- 149** The information held about the diversity of leaseholders is not comprehensive. While there has been an improvement in the information held about the profile of its leaseholders, this information is not yet comprehensive with data held on 22 per cent of leaseholders. As a result it is not possible to show that services are shaped around the needs of leaseholders.

Supported Housing

- 150** In 2007, we found a balance of strengths and weaknesses. Tenant satisfaction was high. Support planning was improving, schemes were well managed and staff were customer-focused. However, there was limited service information and the service may not be fully meeting customers' needs.
- 151** In this inspection, we found that strengths outweigh weaknesses. Sheltered housing schemes are well kept and tenants receive satisfactory housing related support. Residents are encouraged and supported to participate in a variety of ways. HiS has taken active steps to address funding shortfalls in the sheltered housing service but as yet the service is not self-financing.
- 152** Sheltered housing schemes are well kept. They are decorated and equipped to good standards and communal gardens are attractive. An option appraisal has been carried out on one scheme which is being remodelled and improved. Tenants are consulted about the proposals and when work starts a dedicated staff member is available to offer reassurance and practical help. Tenants have a pleasant environment in which to live, and receive support throughout improvement works.

How good is the service?

- 153** Tenants receive satisfactory housing related support. Since the last inspection services have been modernised and a floating support service has been introduced and staff are no longer live on-site. The service has been externally validated and all services are assessed as meeting the minimum acceptable standard (level C) on the Quality Assessment Framework by the Somerset's Supporting People team, who fund the service. Support plans are in use, agreed with customers and reviewed at appropriate intervals. Services have recently moved to a more flexible non resident service. Customer satisfaction with the supported housing service is high at 90 per cent and has improved over time.
- 154** Residents are encouraged and supported to participate in the running of sheltered schemes in a variety of ways. Residents' groups operate in most schemes. Tenants benefit from a range of social events and activities held in sheltered schemes residents are encouraged to comment on the services they receive. This is helping customers to influence the services they receive.
- 155** HiS has taken active steps to address funding shortfalls in the sheltered housing service but as yet the service is not self-financing. HiS inherited a service with significant shortfalls in its costs. The service has been reviewed and efficiencies identified and charges have increased. In addition, enhanced Supporting People funding has been negotiated from Somerset County Council. However, in 2009/10 the shortfall in income was £315,000 and HiS does not anticipate the service becoming self-financing for another three years. This means general needs tenants' rent is subsidising the services received by sheltered housing tenants.

Is the service delivering value for money?

- 156** In 2007, we found that this was an area of weakness and the service was providing poor value for money. Overall service costs were high while the quality of service was poor. The strategic management of value for money was weak. The service did not understand how its costs or quality compared and had no value for money strategy. HiS made limited use of modern procurement to help achieve value for money and there were weaknesses in value for money in service delivery, for example, the in-house responsive repairs service. Positively, HiS had introduced a financial management system with the potential to improve the management and scrutiny of value for money. Some initiatives have improved value for money and some success in gaining external funding.
- 157** In this inspection, we found that strengths and weaknesses are in balance. HiS has a good understanding of its costs which are mixed compared with other similar organisations. The strategic approach to value for money is improving with procurement and a value for money culture both increasingly robust. There are a growing number of examples where better value for money is being delivered in services and through mature discussions with the Council over service level agreements. HiS has had some success securing external resources to increase its capacity. However, tenant involvement in value for money is still at an early stage and there are some areas where value for money is not being achieved and all sources of income are not being maximised.

How do costs compare?

- 158** Service costs are mixed compared with other similar organisations. A benchmarking exercise completed in 2009 shows costs as low in a number of areas when compared with a benchmarking group of 19 broadly similar non-metropolitan ALMOs. For example, direct costs of responsive repairs and empty properties and cost per case of ASB are in the best 25 cent of organisations. Major and cyclical repairs and estate management are also in the best 50 per cent of organisations. However, central overhead costs are higher than peers with HiS in the most expensive 25 per cent of benchmarked organisations for the cost of resident involvement, care and support costs and some central overheads such as office costs, IT expenditure and finance costs.
- 159** Benchmarking of repairs costs shows a positive picture. The cost of gas servicing per property was lower than a number of local landlords and suppliers and peers at a cost of £46.20 per property. The cost per property of responsive repairs per property is £282 which is in the best 25 per cent of comparable organisations.
- 160** The organisation has a good understanding of how costs and quality of service compare, that it is beginning to use to target weaker areas. Benchmarking is conducted through an established social housing benchmarking service and other benchmarking groups. For example through networks such as a regional Human Resources managers' group and through direct comparisons with partner contractors and other ALMOs. This information used to target areas of weaker performance for example the Human Resources service was brought back in-house as a result of comparisons with other landlords. This is helping to target weaker areas of performance.

How is value for money managed?

- 161** HiS is contributing to improved value for money for SDC. A programme of efficiency savings has been undertaken. The contract between HiS and SDC featured a 3 per cent reduction in all operating budgets in line with the Council's corporate efficiency targets. This has been outperformed with £445,000 of saving delivered to the HRA. This will contribute towards the council-wide efficiency targets. Joint working with SDC led to the development of a Medium Term Financial Plan for the Housing Revenue Account. This review identified a number of saving including the transfer of management of hostels, increase in garage rents in line with peers and increased service charge income to reflect the actual cost of services. This has generated savings of £235,000 to improve residents' homes.
- 162** Better value for money is being delivered through mature discussions with the Council over service level agreements (SLAs). The organisation is increasingly reviewing the cost and value for money of the SLAs held with SDC. Outputs from these reviews have delivered savings of £718,000 over the lifetime of the agreements. This shows that HiS is prepared to challenge the services it receives to ensure it is achieving value for money for its residents.

How good is the service?

- 163** HiS has had some success in securing external resources to increase its capacity. Examples include extending the energy efficiency programme by attracting grant funding of £45,308 in 2008/09 and £78,256 in 2009/10. Negotiations with Somerset County Council's Supporting People team brought in enhanced funding of £163,000 to supplement the shortfall within this service in 2009/10. HiS has been able to supplement its own funds with income from other sources with which it has been able to improve and expand its services.
- 164** The approach to procurement is increasingly robust. HiS has embraced a modern approach to partnering which is delivering positive outcomes. For example in the new contracts for responsive repairs and gas repairs and servicing which have produced a fall in prices of 17 per cent on previous contracts and other advantages such as the handyman scheme for vulnerable residents. Both were let to the same contractor under a tendered unit price. The contract provides incentives to the major contractor partner to deliver value for money in the procuring of materials using its purchasing power.
- 165** There is evidence of an improving focus on value for money across the organisation. In 2008/09 HiS delivered savings of £195,000 and in the first nine months of 2009/10 HiS delivered savings of £445,000. Examples include:
- Reviewed insurance and extension of agreement delivering savings of £21,700 per annum;
 - providing in-house cover for leave and sickness within supported housing delivering savings of £69,000 per annum; and
 - reduce frequency of emergency lighting checks in line with good practice delivering savings of £4,800 per annum.
- 166** The strategic approach to value for money is improving and value for money is being embedded across the organisation. The Board has a commitment to value for money principles. HiS has an overall value for money strategy. However, this is a general document and the value for money action plan that underpins it is not fully SMART and does not specify clear outcomes in all areas. There is also a value for money log and an overall value for money target for the organisation. Staff have attended compulsory training sessions to embed value for money principles and there is a good awareness of value for money among staff demonstrated by a range of staff suggestions feeding into the value for money log. However, individual staff members do not have value for money objectives set as part of their appraisal. Value for money is being embedded in all areas of the business.
- 167** Tenant involvement in value for money is still at an early stage. Tenants formed a value for money working group in late 2009. However, to date outcomes have been limited to looking at the value for money of the resident involvement activities. Also HiS has not formally consulted to ensure savings are spent in areas that are important to tenants.

168 Despite the increasing focus on value for money in the organisation there are some areas where HiS is not yet achieving value for money. These include:

- the collection of former tenants' arrears is not effective;
- the quality assurance measures are not sufficiently robust give assurance that value for money is being achieved and there are too many emergency and urgent repairs;
- the collection of leasehold service charges is not effective; and
- the cost of the sheltered housing is not yet being met from income.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 169** In 2007, we found that this was an area of weaknesses. The service was investing in improvements to deal with long-standing weaknesses. Some important improvements for customers were emerging. However, there was little significant improvement that customers would have recognised in key areas such as repairs and maintenance and customer access. Key performance indicators showed an overall decline in performance.
- 170** In this inspection, we found that strengths outweigh weaknesses. HiS has made some significant improvements that are delivering clear benefits to residents. There is a strong track record of responding to external challenge and improvements have been made on value for money. Performance indicators show a positive direction of travel. HiS has made significant investment in 'building blocks' that should lead to improvement but as yet performance still does not match the best performing providers in important areas such as repairs and reletting empty homes.
- 171** Performance indicators show a generally positive track record of improvement. These demonstrate a clear pattern that HiS is improving performance in the services that are delivered to residents (detailed in Appendix 1).
- 172** Service improvements are bringing direct and visible benefits to residents reflected in an improving trend in tenant satisfaction. Improvements include improving customer experience by upgrading reception and creating a dedicated Customer Services Team. Estates and common areas are now generally well maintained and a new partnering contract for responsive repairs with an improved appointment system is being delivered. These are visible improvements which will impact on the quality of services residents receive.
- 173** HiS has responded positively to external challenge. Since the last inspection HiS commissioned a mock inspection from a consultant to evaluate its services. A series of recommendations came out of this work and HiS successfully implemented the recommendations from this inspection as part of its improvement framework. Following the weaknesses identified in the previous inspection a Service Improvement Board was recruited from key stakeholders and external experts to assist the Board and Council respond to the challenges of improving the service. This is demonstrating that HiS can respond positively to an external challenge of its services.

What are the prospects for improvement to the service?

- 174** The progress on improving value for money is generally positive. HiS can demonstrate a growing awareness of value for money across the organisation and there is a range of initiatives that are improving the efficiency of the organisation and quality of services for tenants. Significant savings have been made with a good contribution to the Council's annual efficiency gains of £445,000 in 2009/10. Although income collection remains an area for improvement the performance in rent collection is now strong. This is freeing up resources to deliver services for residents.
- 175** HiS has made significant investment in 'building blocks' that should lead to improvement but as yet performance still does not match the best performing providers. Some weaker performing services have been restructured leading to better outcomes for example; telephone answering and responsive repairs have shown positive improvement following restructuring of the services. However, although there have been improvements in the delivery of repairs and maintenance performance on completing repairs on time and reletting empty homes quickly still does not match the best performing providers.

How well does the service manage performance?

- 176** In 2007, we found a balance of strengths and weaknesses. The service showed a high-level of self-awareness and openness to learning from high-performers, its own experience and from customer feedback. It was investing in improvements to its policies and procedures and in key 'building blocks'; for example, improving the management of staff. However, there were weaknesses in risk and performance management and performance reporting. There were also some weaknesses in future plans. Importantly, the Board was not providing clear leadership and it did not support sustained focus on the things that mattered. Leadership from senior managers was developing but was not fully effective.
- 177** In this inspection, we found that this is an area where strengths significantly outweigh weaknesses. HiS has ambitious and capable leaders who have taken tough decisions in order to deliver improvements. The organisation is self-aware and open to learning from its customers and others. There are effective planning and risk management processes in place. Although performance management arrangements are generally satisfactory there are some weaknesses in performance reporting and target-setting and some important gaps in the organisation's future plans.
- 178** There is effective leadership within the organisation. The Board is made up of suitably qualified and experienced professionals and tenants with the range of skills necessary to provide effective leadership and support. The Council has appointed experienced political representation on the Board that has been chosen to reflect expertise rather than on party political affiliation. The Board members are clear about their role in the managing the organisation. They receive support from an experienced Executive Team. Staff we met spoke positively of the greater leadership focus. The working relationship between the Board and officers is positive and there is a clear commitment to working together for a common purpose. This makes the organisation well placed to manage the challenges ahead.

What are the prospects for improvement to the service?

- 179** The Board and Executive have shown that they are ambitious for the organisation and willing to take difficult strategic decisions to deliver wider benefits for residents. For example, HiS has been prepared to challenge the SLA agreements with SDC and served notice on the agreement which covered the call centre and took the service in-house. The closure of the DLO and the movement to an external repairs contractor was a difficult decision. HiS has also taken active steps to address inherited funding shortfalls in the sheltered housing. The changes have resulted in a service that is now better placed to meet the future needs of residents.
- 180** The Council shows appropriate and balanced leadership in its relationship with HiS. Performance management and liaison arrangements with the Council are effective and there is regular and helpful dialogue. The performance management and liaison approach clearly sets out the approach to performance management, monitoring and liaison both in relation to internal arrangements and with the Council. SDC has responded positively to challenges to the services it provides by its service level agreements and targets are jointly agreed between the Council and the ALMO. This shows that the work of HiS support the aims of the Council.
- 181** HiS has an effective planning process in place but there are some gaps in the organisation's future plans. Plans develop from strategic priorities within the delivery plan, inspection recommendations, STATUS survey and team service planning. The Service Plan reflects local and national priorities. The plans show the organisation's high level of self-awareness as they address areas for improvement identified during the inspection, such as delivering the DHS programme and a greater focus on diversity leading to identifiable outcomes. However, HiS recognises that the potential for significant future investment will require a more strategic approach to asset planning. However, overall effective planning is helping HiS to improve its homes and services.
- 182** HiS has SMART Service Improvement Plan which is broken down into departmental, team and individual plans. Progress has been strong with HiS reporting that in the first nine months all target dates were met with 146 separate improvements delivered. In the first three months of 2009/10 95 per cent of targets were met and in 2008/09 HiS reported all targets achieved. This is helping to drive forward the organisation by setting clear objectives and the resources needed to deliver them.
- 183** The organisation is self-aware and open to challenge. During the inspection, the organisation responded positively to weaknesses identified and took prompt action to address these issues. For example changes were made on the website to update information on appointment times and a new policy was written to guide staff when they should consider offering an enhanced repairs process. HiS is also addressing the areas of weakness identified in the first part of the report for example by moving to its own call centre and entering a partnering agreement with an external contractor to deliver responsive repairs. This demonstrates that HiS is able to respond quickly to challenges.

What are the prospects for improvement to the service?

- 184** HiS is open to learning from others and from customer feedback. It is a member of several benchmarking clubs and there are good examples of learning from this investment. The management team has a set agenda item on learning from complaints. After visiting another landlord HiS was able to bring in a number of service improvements such as the gas safety service and the development of the resident involvement framework. There was a peer review of the procurement strategy and the cinema inclusion event was based on an activity used at a housing association. This is helping HiS to learn good practice from others.
- 185** Internal communication is strong. HiS has a clear briefing process and frequent informal and formal team meetings are held as part of this process. Staff meet formally with their line manager on a monthly basis. A staff newsletter and regular briefings and a staff newsletter are helping all staff to develop an understanding of how they impact on the teams work and deliver HiS objectives.
- 186** HiS has a strong focus on risk management. A detailed risk management plan that evaluates the likelihood and impact of the various risks that face HiS is in place. The risks are ranked and the audit committee actively manages and monitors the most significant. This effectively manages the risks faced by the organisation and makes it less likely that it will fail to deliver its business plan.
- 187** Performance management arrangements are generally satisfactory but there are some gaps and weaknesses in performance reporting and target-setting. A systematic monitoring framework at all levels helps to ensure that the organisation remains focused on its aims. High level arrangements for performance management include a strategic overview of performance by the executive management team. This highlights, on a monthly basis, any areas of concern to the Board particularly business critical indicators. Managers review monthly performance information with their teams and individual performance using continuous assessment, helping to identify slippage at an early stage. Tenants are also given performance information both through STV and in tenants' newsletters. However, there is more work to ensure all areas that are important to residents are reported. For example, in the speed of installing aids and adaptations. Also in some cases the targets set have been unchallenging- for example collection leaseholder service charge has been set at 70 per cent which would be well below the performance of the best performers nationally. The monitoring arrangements enable the organisation to address its areas of weaker performance.

What are the prospects for improvement to the service?

Does the service have the capacity to improve?

- 188** In 2007, we found that weaknesses outweighed strengths. Corporate capacity was not used effectively. Senior managers were spending a disproportionate amount of time dealing with operational issues, while some unconstructive challenges from the Board were reducing organisational capacity. The capacity of middle managers was mixed and significant staff changes had affected staff morale and their capacity to deliver improvement while also providing day-to-day services. HiS had no IT or human resources strategies. However, corporate capacity had been enhanced greatly by recruiting an experienced management team. The relationship with the Council appeared to be a positive and supportive one. The Council expressed a willingness to take tough corporate decisions to support the service and capacity to improve was increased through greater resident involvement.
- 189** In this inspection, we found strengths outweigh weaknesses. Governance is strong and HiS is effectively maintaining a mature partnership with the Council while also working independently. Capacity is being increased through effective partnership working, investment in ICT, procurement and success in attracting external funding. Training and development and human resources management are contributing to enhanced staff capacity. However, there is some uncertainty facing the service because of financial pressures although active steps have been taken to plan for the longer-term.
- 190** Governance arrangements are now strong and effective. Board members are given clear guidance on their roles and responsibilities. New board members receive an effective induction programme and training including training on diversity. Board members including the Chair are receiving regular appraisals to help identify performance issues and training needs. An Improvement Board until recently was overseeing Board and Council performance. Overall, these arrangements help the Board to provide effective leadership to the organisation.
- 191** HiS is effectively balancing its independence from the Council while maintaining a mature partnership relationship. SDC undertakes a careful and detailed scrutiny of the performance of HiS. The Council Officers and members closely watch the HRA¹ performance. There are effective arrangements to manage the value for money of the services provided by SDC. Service Level Agreements ensure HiS obtains value for money and provide the option to look at other providers or providing services itself if it offers improved value for money. The appointment of a new Chief Executive at HiS since the last inspection increased the profile of housing that has led to the Chief Executive of HiS chairing the Local Strategic Partnership Board. The Council appointees to the Board have been supportive of an arm's length approach and the political independence of HiS. The freedom now provided to work independently will enable the organisation to innovate and take decisions, which are in the interest of residents.

¹ HRA - Housing Revenue Account the main ring fenced account in the Council which is used to collect rent and pay for social housing

What are the prospects for improvement to the service?

- 192** HiS works in partnership at all levels to strengthen its capacity. External examples include the work with the police, voluntary agencies and emergency services to tackle antisocial behaviour by delivering joined up solutions to tackle ASB hot spots and provide diversionary activities for young people. SDC has seconded staff to help with addressing ASB and tackling financial exclusion. Effective partnership working improves services and opportunities for residents and the wider community.
- 193** HiS is using training and development to improve skills and empower staff. The organisation has undertaken a training needs analysis and arranged training to address skill gaps. The organisation has empowered staff and improved their skills through a wide range of professional and customer service training that is funded from a budget of £65,000. Managers are undertaking a bespoke management training course to improve their skills. An appropriate training programme provides staff with the skills to deliver their jobs effectively.
- 194** Human resources management is strong. The human resources team within the organisation has been instrumental in introducing new policies that have underpinned a people management ethos within the organisation. HiS is performing reasonably compared with the sector average. Turnover is about average at 10 per cent per year and sickness levels are reasonable with staff taking on average 8.3 days off sick per year. HiS was re-awarded 'Investor in People' status in late 2009 with the report complementing HiS's approach to staff management and training. A motivated and committed staff is important to delivering effective services to residents.
- 195** ICT is improving capacity. HiS has invested in new ICT for example in new asset management and customer relationship software which have begun to impact on service delivery and improve the efficiency of staff in dealing with customers.
- 196** HiS is using procurement and external funding to increase its capacity. For example, the new repairs and gas contracts have reduced costs and built in incentives for performance improvement. Examples of attracting external funding include obtaining grants from energy companies to supplement its capital work such as improving insulation and fitting air source heat pumps. Staff have also been seconded at no cost from SDC to help managing ASB and financial inclusion. HiS has been able to supplement its own funds with income from other sources with which it has been able to improve and expand its services.
- 197** Budget management is effective. Monthly management accounts are generated alongside key performance data and made available to budget holders. Commitment accounting is in place. An appropriate level of budget delegation is in place and budget holders are increasingly able to access data to a detailed level to assist budget management and are given appropriate training and support. Results in the last financial year were within one per cent of the overall budgets. HiS did not need to move money between budget accounts during the year. This is helping to manage the organisation's finances effectively.

What are the prospects for improvement to the service?

- 198** There is some uncertainty facing the service because of financial pressures although active steps have been taken to plan for the longer-term. Financial projections show the HRA is not able to keep the housing stock at the DHS in the longer term even if HiS receives DHS subsidy. In response to these issues SDC has engaged consultants to carry out a detailed option appraisal about the long-term choices open to the Council for delivering its housing service should HiS not access the ALMO funding in the future.
- 199** The service's financial capacity is reduced in a number of ways. Despite active steps that have reduced the financial impact the sheltered housing service is not yet self-financing and needs to secure additional Supporting People funding or to increase charges to break even. In addition, income other than rent such as service charges, recharges and former tenant arrears are not being collected effectively. This limits the resources available to meet other priorities.

Appendix 1 – Performance indicators

Performance indicator (BVPI ref if appropriate)	2006/07	2007/08	2008/09	England top 25% 2008/09
63 Average SAP rating	67	66	61.47	73
66a Percentage rent collected	98.13	98.37	98.64	n/a
66b Percentage tenants with > 7 wks arrears (gross)	3.92	4.38	4.00	n/a
66c Percentage tenants in arrears with NoSP served	45.85	24.90	25.13	n/a
66d Percentage LA tenants evicted for rent arrears	0.34	0.26	0.17	n/a
74a Percentage tenants satisfied with overall service	80	80	77	n/a
75a Percentage tenants satisfied with TP	74	74	66	n/a
184a LA homes which were non-decent at start of year	53	55	40	6
184b Change in proportion of non-decent homes	-3	-46	-	n/a
212 Average relet time (days)	68	54	37	25

Appendix 2 – Previous recommendations

Table 1 Recommendations of 2007 inspection

Recommendation	Progress
R1 Improve the approach to customer access and equality and diversity by:	
<ul style="list-style-type: none"> developing a robust understanding of the needs/requirements of all residents; 	Substantially achieved
<ul style="list-style-type: none"> improving access to services through the office, by telephone and online; 	Partially achieved
<ul style="list-style-type: none"> improving the quality of customer information and service standards and making them easily accessible; 	Substantially achieved
<ul style="list-style-type: none"> carrying out equality impact assessments on key policies and procedures and reviewing them to ensure they are also customer-focused; 	Achieved
<ul style="list-style-type: none"> meeting the requirements of the CRE code of practice; 	Achieved
<ul style="list-style-type: none"> setting targets as part of an HR strategy to create a workforce and Board that is reflective of the local community; 	Achieved
<ul style="list-style-type: none"> developing a comprehensive resident involvement strategy; and 	Achieved
<ul style="list-style-type: none"> taking positive steps to embed equality and diversity and a customer-focused culture across the organisation for example, through training, and by setting challenging targets and objectives for improving outcomes for the whole community. 	Achieved

Appendix 2 – Previous recommendations

Recommendation	Progress
R2 Improve strategic leadership and corporate governance by:	
<ul style="list-style-type: none"> • reviewing corporate governance arrangements and implementing the lessons learned; 	Achieved
<ul style="list-style-type: none"> • better defining the roles and responsibilities between senior managers; and 	Achieved
<ul style="list-style-type: none"> • developing a robust risk management strategy. 	Achieved
R3 Improve value for money by:	
<ul style="list-style-type: none"> • developing a comprehensive understanding of how costs compare; 	Achieved
<ul style="list-style-type: none"> • developing a value for money strategy that includes challenging targets and cascading these to teams and managers through performance management and service planning systems; 	Partially achieved
<ul style="list-style-type: none"> • routinely reviewing service cost alongside service performance; 	Partially achieved
<ul style="list-style-type: none"> • improving the approach to procurement; 	Substantially achieved
<ul style="list-style-type: none"> • demonstrating the value for money provided by in-house services; 	Achieved
<ul style="list-style-type: none"> • improving budget management arrangements; and 	Achieved
<ul style="list-style-type: none"> • reviewing the overall approach to income management and implementing the lessons learned. 	Achieved

Appendix 2 – Previous recommendations

Recommendation	Progress
R4 Ensure all identified weaknesses in the repairs and maintenance service are addressed, including:	
<ul style="list-style-type: none"> improving performance management systems and quality management processes in the repairs service; 	Achieved
<ul style="list-style-type: none"> taking all opportunities to improve the understanding of the stock for example, through surveys and the relet process; 	Achieved
<ul style="list-style-type: none"> ensuring the asset management strategy is comprehensive and addresses all the issues facing the service for example, sustainability and the needs of sheltered housing; and 	Partially achieved
<ul style="list-style-type: none"> improving the standard of homes let to new tenants and the time taken to relet empty homes. 	Partially achieved
R5 Ensure tenancy and estate management services better meet tenant expectation by:	
<ul style="list-style-type: none"> developing clear policies and procedures for dealing with antisocial behaviour and making high-quality information easily accessible for customers; 	Achieved
<ul style="list-style-type: none"> working with partners to improve the standard of estates. For example through improving the approach to estate inspections; and 	Substantially achieved
<ul style="list-style-type: none"> reviewing tenancy conditions and related documents to ensure compliance with current legal requirements. 	Achieved

Appendix 2 – Previous recommendations

Recommendation	Progress
R6 Improve performance management and capacity by:	
<ul style="list-style-type: none"> implementing robust systems and processes to ensure the collection of accurate and reliable performance information; 	Substantially achieved
<ul style="list-style-type: none"> ensuring performance reports are clear and comprehensive and cover all areas of activity; 	Substantially achieved
<ul style="list-style-type: none"> developing a HR strategy that identifies the key role HR will play in supporting organisational change; 	Achieved
<ul style="list-style-type: none"> enhancing the capacity of middle managers through a bespoke training and development programme; 	Training being undertaken
<ul style="list-style-type: none"> continuing to improve communication throughout the service and particularly with front-line staff through this period of change; and 	Achieved
<ul style="list-style-type: none"> ensuring a strategy is in place to ensure IT is effectively used in the delivery and development of the service. 	Achieved

AC inspection report 2007

Appendix 3 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - focus groups with staff, Board, tenants and contractors;
 - interviews with staff and partners;
 - viewing property improvements and repairs;
 - inspection of ready to let properties;
 - shadowing staff carrying out their activities;
 - observation at locality office receptions;
 - estate inspections;
 - talking to tenants;
 - observation of meetings and tenancy sign-up;
 - various file checks; and
 - review of web site, leaflets; and mystery shopping.

Appendix 4 – Positive practice

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

'Out and About' campaign

- 1** In summer 2009 Homes in Sedgemoor undertook a series of campaigns to meet its residents face to face. Staff from across HiS including senior managers and those involved in support roles who do not normally have contact with customers visited 1900 homes over the space of a few weeks. They succeeded in engaging with over 50 per cent of their customers. They tested satisfaction with services, gathered tenant profile information and introduced staff across all areas of the organisation to the issues faced by the communities HiS serves.
- 2** Practical outcomes included;
 - developed estate action plans with residents;
 - staff collected or followed up on 500 repairs;
 - eight tenants asked for more information on becoming formally involved with HiS; and
 - collected additional tenant profile information.

The Audit Commission

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