

Housing Association Inspection Report

January 2008



# Housing Services

**East Midlands Housing Group**

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## Housing Association Inspections

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

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

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

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

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

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

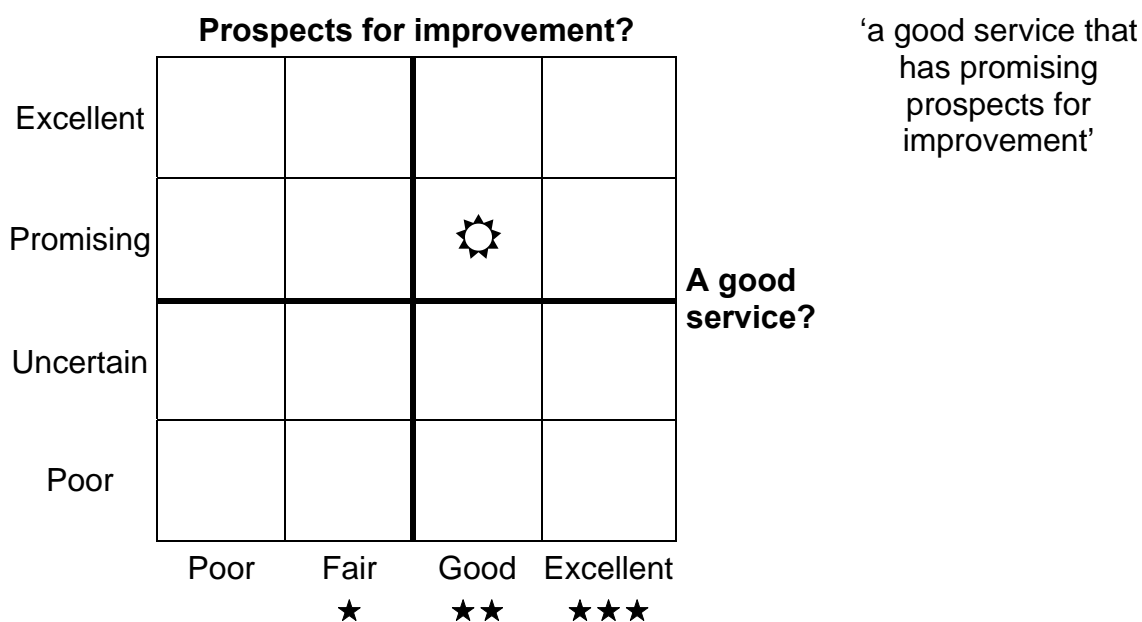
## Summary

- 1 East Midlands Housing Group (EMH) provides a good housing service that has promising prospects for improvement.
- 2 EMH has a strong customer focus and most tenants have easy access to services through the network of local offices and a high performing Customer Service Centre. Maintenance standards on estates are high and graffiti is removed quickly. EMH works effectively in partnership with others to address anti-social behaviour problems.
- 3 Service standards are in place and customers are involved in service delivery in a variety of ways. Customer satisfaction levels are consistently high. Tenants rate major refurbishment work highly and work is packaged to minimise disruption.
- 4 EMH has a dedicated Access team with significant budgets to undertake adaptation work and help people continue to live independently. Robust gas servicing arrangements are in place to ensure appliances remain safe.
- 5 However, EMH does not know how well it deals with emergency repairs and a high proportion of repairs are categorised as emergency or urgent repairs. EMH has been slow to assess its publicly used areas to ensure they are fully accessible to people with mobility or sensory impairments and comply with disability legislation.
- 6 Performance in collecting rent and current arrears is average and only limited action is taken to collect former tenant arrears. Signposting and access to debt and benefit advice is inconsistent being more formalised in some areas than others.
- 7 Prospects for improvement are promising. EMH has a positive track record of steady growth and improvement. Key performance indicators show a positive direction of travel and tenant satisfaction is increasing.
- 8 Leadership, planning and performance management arrangements are strong. Plans address most of the weak areas. EMH is in a healthy financial position. Staff are well motivated. Current ICT barriers are recognised and are being addressed.

## Scoring the service

- 9 We have assessed East Midlands Housing Group as providing a 'good', two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

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



Source: Audit Commission

- 10 We found the service to be good because it has a range of strengths including:
- access is easy for customers who use the high performing Customer Service Centre;
  - changes have been made to improve services as a result of tenant feedback;
  - Boards and staff closely reflect the communities they serve and have received diversity training;
  - tenants rate major refurbishment work highly and work is packaged to minimise disruption;
  - tenants' satisfaction rates with repairs and maintenance are high;
  - tenants are involved in mystery shopping to monitor the quality of services;
  - a comprehensive relet standard including choice and, where appropriate, assistance in redecoration for prospective tenants;

<sup>1</sup> The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- tenant satisfaction rates with the quality of their new home are high;
  - gas safety is promoted and measures have been introduced to deter repeat problems of access. The vast majority of current tenants have a valid gas safety certificate;
  - positive action being taken to improve services and employment for people with a disability;
  - the in house Access team having specialist Occupation Therapy skills and customers are very satisfied with the service. Minor work is carried out quickly;
  - tenants have a wide range of payment methods and prompt follow up action is taken to deal with arrears;
  - estate standards of maintenance are high and graffiti is removed quickly; and
  - EMH has low operating costs achieving above average customer satisfaction.
- 11 However, there are some areas which require improvement. These include:
- figures relating to emergency repairs performance are unreliable and the proportion of emergency and urgent repairs is high. EMH do not monitor jobs completed right first time;
  - EMH tenants are not routinely offered appointments for repairs at the initial point of contact;
  - there are no incentives for tenants to leave properties clear and clean;
  - offices are only open 9am to 5pm;
  - assessments for DDA compliance and diversity impact assessment are not comprehensive;
  - EMH has not begun an up to date risk assessment against the HHSRS criteria;
  - some people have to wait a long time for adaptation work to be done and this is not monitored;
  - action to collect former tenant arrears is limited; and
  - some service areas cannot demonstrate that they are delivering value for money and some practices remain inefficient.
- 12 The service has promising prospects for improvement because:
- leadership is strong and staff are well motivated;
  - effective training and development arrangements are in place;
  - EMH is in a healthy financial position;
  - partnership working is effective and communication is good;
  - key performance indicators show a positive direction of travel;
  - improvements are being delivered which tenants recognise, including significant regeneration work revitalising estates;
  - tenant satisfaction is increasing;

## 8 Housing Services | Scoring the service

- sound mechanisms are in place to drive improvement;
- EMH has a clear hierarchy of plans underpinned by strong performance management arrangements and plans address many of the weaknesses identified in current performance;
- EMH has a clear learning culture; and
- financial and risk management is strong.

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

- being slow to deliver improvement in some areas, such as emergency repairs or complying with disability legislation;
- some practices and performance levels remain inconsistent across the organisation;
- following inefficient practices in some areas, such as having a high proportion of emergency or urgent repairs, and not being able to demonstrate that others are value for money; and
- planned actions are not always closely linked to measurable outcomes to be achieved for customers.

## Recommendations

- 14 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 costs<sup>2</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Association shares the findings of this report with tenants and board members, and addresses all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

### **Recommendation**

*R1 Improve the performance of repairs and maintenance services by:*

- *introducing an effective appointment system for all tenants at the first point of contact;*
- *ensuring both EMH and FHA customers have access to the same efficient levels of customer service;*
- *ensuring emergency repairs are dealt with within agreed timescales;*
- *reducing the levels of emergency and urgent repairs; and*
- *improving monitoring arrangements, including the numbers of jobs completed right first time.*

The expected benefits of this recommendation are:

- tenants will receive a better and consistent service; and
- efficiency will be improved.

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

<sup>2</sup> Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

**Recommendation**

*R2 Improve housing income management by:*

- *making rent statements clearer for tenants and including all relevant information about charges and outstanding debts;*
- *setting targets and monitoring customer satisfaction by area and diversity;*
- *providing clear and pre-arranged routes of benefit and debt advice for all tenants falling into arrears;*
- *signposting debtors to debt advice at every point of contact, including all arrears letters;*
- *analysing arrears and proactively targeting advice;*
- *driving up income collection from current tenants;*
- *introducing clear and efficient systems with targets for collecting former tenants' arrears; and*
- *providing incentives for tenants to use more efficient payment methods and maintaining clear rent accounts.*

The expected benefits of this recommendation are:

- tenants will understand their rent statements;
- debtors will have clear access to benefits and debt advice;
- performance will be improved; and
- more use will be made of efficient methods of payment.

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

**Recommendation**

*R3 Improve customer care by:*

- *ensuring customers across the Group all have equal levels of access to services and the same standards of service;*
- *completing the exercise to understand the profile and any special needs of all customers;*
- *monitoring outcomes from service standards;*
- *involving young people and BME communities including representative numbers on all tenant involvement groups;*
- *introducing systems to provide property or tenant alert information to out of hours contractors; and*
- *making full use of mediation services in appropriate circumstances.*

The expected benefits of this recommendation are:

- tenants will have more equal access and representation; and
- information will be available to those who need it to provide a better service.

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

**Recommendation**

*R4 Improve asset management by:*

- *introducing incentives for tenants to leave properties clear and clean;*
- *improving relet turnaround times to match other top performers;*
- *introducing a register of adapted properties and a system to match empty properties to people with appropriate needs;*
- *completing adaptations within timescales agreed by tenants;*
- *completing a risk assessment of properties and tenants against the HHSRS;*
- *taking action to ensure all relevant properties and communal areas fully comply with the Disability Discrimination Act; and*
- *introducing procedures to notify tenants formally of the presence of asbestos and the do's and don'ts.*

The expected benefits of this recommendation are:

- properties will be turned around quicker and more efficiently;
- people with special needs will be matched to properties becoming available;
- risks to individuals will be properly assessed; and
- EMH will comply with legislation.

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

**Recommendation**

*R5 Improve value for money by:*

- *introducing measurable targets for improvement;*
- *ensuring all business areas have been assessed for value for money;*
- *identifying inefficient practices and making changes; and*
- *using appropriate procurement practices and benchmarking to ensure that all areas are and continue to provide value for money.*

The expected benefits of this recommendation are:

- tenants will benefit by getting improved value;
- inefficient practices will be replaced; and
- EMH will continue to achieve government efficiency targets.

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

- 15 We would like to thank the staff of East Midlands Housing Group including Foundation Housing Association who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 15 to 19 October 2007.

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# Report

## Context

### The locality

- 16 East Midlands Housing Group is involved in developing and managing homes across the East Midlands region to enable low income households to access the housing market. The Group currently manages over 8,000 homes and works with 35 local authorities.

### The Association

- 17 East Midlands Housing Group includes East Midlands Housing Association (EMH), Midlands Rural Housing and Foundation Housing Association (FHA). Midlands Rural Housing joined EMH in 1997 as a specialist rural arm of the Group. As it does not own or develop homes in its own right, it is not registered with the Housing Corporation and its activities fall outside the scope of this inspection. Foundation Housing Association selected EMH as their strategic partner and joined the EMH Group in September 2005. Blaby District Council has selected EMH as its preferred transfer partner for its housing stock which secured a positive 'Yes' vote for stock transfer in November 2007.
- 18 EMH and FHA are both charitable housing associations and industrial and provident societies. Founded in 1946 to meet the housing needs of homeless ex servicemen following the Second World War, East Midlands Housing Association celebrated its 60th anniversary last year. The EMH board of management consists of nine elected members and co-optees. EMH's board is also supported by two regional committees, the membership of which includes EMH board members, elected residents, local authority nominees and local volunteers.
- 19 Established in 1990, FHA is a specialist BME housing association providing accommodation and support services in Leicester. Following a programme of improvements, FHA were removed from Housing Corporation supervision in December 2005. FHA is represented on the parent board, and its own board of management includes the Chair and Group Chief Executive of EMH. As required, 80 per cent of FHA's board members are from BME communities.

### The service

- 20 This inspection focuses on the core housing and maintenance services delivered by EMH Group, including FHA. Supported housing services, including sheltered housing, are outside the scope of the inspection.

- 21 EMH currently manage 8516 homes in the region with 6,075 general needs properties, 674 units of sheltered housing, 378 units of supported accommodation and 1,389 shared ownership properties. The total number of units managed includes stock managed by subsidiary organisations Midlands Rural Housing (1,097 units) and Foundation Housing Association (705 units managed and/or owned). The majority of FHA's tenants are from the African Caribbean community. Stock is spread geographically across five counties, with homes in Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire.
- 22 EMH has around 250 staff located within five offices to deliver housing services. A head office is located in Coalville, Leicestershire with area housing offices delivering frontline services in Northampton, Sutton in Ashfield, Coalville and Leicester. FHA has 25 full time equivalent staff based in its Leicester office in the centre of the community it serves. Maintenance and investment work is carried out by a number of contractor partners.

## How good is the service?

### What has the service aimed to achieve?

- 23** EMH's aim is: 'To provide high quality homes for rent and sale, which contribute to sustainable neighbourhoods and communities.'

This overarching aim is underpinned by nine objectives.

- To provide affordable homes for those in housing need.
  - To provide excellent, locally accountable, customer services with opportunities for customers to actively participate in the management of their homes.
  - To invest in and regenerate the communities and neighbourhoods we serve and, in partnership with other stakeholders, develop safe and decent neighbourhoods.
  - To promote sustainable communities by investing in mixed tenure, mixed use schemes.
  - To tackle social exclusion by taking a wider view towards the provision of employment, training, care and support, and other services as appropriate.
  - To continuously improve our performance and services to achieve the highest standards of excellence.
  - To achieve the highest levels of governance and accountability in the organisation.
  - To be an effective and efficient social business, achieving value for money in all our activities.
  - To be a service provider, employer and partner of choice.
- 24** Foundation Housing Association has a mission and three core objectives. The mission is 'To be an exemplar BME provider of decent affordable homes, providing excellent services in vibrant diverse neighbourhoods and communities, where all our customers want to live, thrive, and can enjoy a good quality of life'. Objectives include:
- To grow the business to be a viable organisation that delivers value for money.
  - To strive to be an exemplar BME provider.
  - To get even closer to our customers and communities enabling them to have a strong voice and choices in the services delivered to them.

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

### Access and customer care

- 25 Strengths outweigh weaknesses. EMH has a strong customer focus and uses tenants' mystery shopping to monitor the quality of services. Access is easy through a network of local offices and a high performing Customer Service Centre. A wide range of high quality information is available on the website and in leaflet format. Sound consultation and complaints procedures are in place. However, there are a number of areas where the service needs improvement. These include the lack of a customer services strategy, FHA tenants being unable to use the Customer Service Centre, traditional 9am to 5pm opening hours and information not always being displayed.
- 26 EMH and FHA have a strong customer focus. High level objectives shown in paragraphs 23 and 24 illustrate the importance placed on customer care. A customer care policy is in place. Monthly audits of local offices carried out by corporate staff and mystery shopping of services by tenants ensure regular monitoring of service provision. Challenging targets are in place for the Customer Service Centre. EMH has achieved Charter Mark accreditation reconfirmed by assessment in 2007. High levels of customer satisfaction are achieved with 83 per cent of EMH and 89 per cent of FHA tenants satisfied with their landlord.
- 27 However, there is no overarching customer services strategy. It is accepted that elements of the EMH approach to customer care are documented in a number of separate corporate plans. In separate documents, there is a danger that the approach lacks structure, coordination and is more difficult to monitor. Not all staff involved with customer care and complaints handling have had training. Training helps to ensure that customers receive a consistent level of service.
- 28 Mystery shopping by service users is being used to help improve services. The results of mystery shopping are reported to the regional committees where tenants make up a third. This led to an expansion of service standards in spring 2007 to include new targets for responding to written correspondence, providing information and home visits. Where underperformance is identified, reasons are analysed and remedies such as refresher training on customer care are provided. Action has been taken to ensure that all relevant staff will have received customer care training by the end of 2007/08. Actions are identified for areas in need of improvement.
- 29 The Customer Service Centre is providing an effective service to tenants. Around 86 per cent of calls were being answered with 20 seconds. Although below the stretching target of 90 per cent, this is above similar Registered Social Landlord performance. Staff are polite and helpful providing accurate and relevant advice and information. The 2007 STATUS survey shows that 89.2 per cent of respondents thought that the staff they contacted were helpful and six-monthly monitoring found customer satisfaction with all measures being above the 95 per cent target in June 2007.

- 30** There are limitations with the current Customer Service Centre operations and service monitoring. Current telephony equipment has limitations. Missed calls cannot be monitored. Processes cannot differentiate the type of call and outcomes of calls have to be recorded manually. There is no monitoring of appointments for home visits. Some other monitoring arrangements are weak. For example, compliance with response times to letters relies on an annual mystery shopping exercise which has limited scope. More positively, monitoring of maturity rates is a strength showing a focus on the outcome of the contact for customers. Management cannot monitor all aspects of the service.
- 31** Clear service promises and standards are in place. A booklet outlines service promises and includes standards to deal with customer contact, privacy and confidentiality, information, maintenance, estate management and rent accounts. Service standards are monitored by the Performance Review Group and also reported to regional committees. Access and customer care issues are comprehensively covered although service promises are patchy in other areas. For example there is no promise or standard around signposting tenants for benefit or debt advice. Tenants know what standard of service to expect.
- 32** Staff providing services in frontline offices are friendly and professional. Staff are approachable, wear name badges and provide accurate advice and information. Offices are clean and tidy with a reasonable standard of décor. Toys are provided for young children, and private interview facilities are available. Loop systems are in place for callers with hearing difficulties and LanguageLine services and a number of in-house staff who speak a range of other community languages including Polish are available to assist communication with people who do not speak English as their first language. As a result customers are encouraged to make enquiries.
- 33** However, caller services have not yet been designed to be available outside normal working hours. For example, the Customer Service Centre is open 9am to 5pm and offices do not open outside of these hours. Improvements have been made to services available 24 hours a day through the website, such as reporting repairs. Opening hours have been considered as part of a recent best value review and changes are planned. However, currently customers, such as people in day time employment, may have more difficulty accessing services.
- 34** A wide range of information is available to tenants that is generally of a high standard. An accessible information policy is in place which provides guidance to staff on the range of communication methods including plain English and font styles. RNIB<sup>3</sup> has been used to provide feedback on the organisation's corporate style on information and amendments made to the approach. The result is information such as the housing application form that is easy to follow. Residents are represented on a newsletter editorial board resulting in newsletters which have a high standard for both content and presentation. FHA produce local estate newsletters that are used to feedback information on estate walkabouts. Tenants feel well informed.

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<sup>3</sup> Royal National Institute for the Blind

- 35 However, opportunities to promote core housing services are being missed. There are gaps in information on display in local offices. Our reality checks identified some offices where important customer information was not displayed, such as information about the repairs service, aids and adaptations services or alarm services. As a result tenants may not be aware of all the services available.
- 36 EMH website is accessible and informative with a number of useful links. It has a dedicated residents' login area which includes a services A-Z and an online repairs reporting facility. The website can be displayed in other fonts for those people who have difficulty reading standard size print. Clear information on a range of issues and services are available to tenants.
- 37 However, service provision through the website is still under-developed. Despite promoting the website in the newsletter and on letters, only 130 tenants have registered on the site that has been operational over a year. The site also has its limitations. For example, tenants cannot view their rent account online and tenants continue to use less efficient forms of enquiry.
- 38 Clear arrangements are in place to record, monitor and learn from complaints. A policy covering complaints has been developed with service users. Procedures include a concluding satisfaction survey of complainants. Levels and categories of complaints are reported bi-monthly to the Performance Review Group, quarterly to the regional committees and annually in the tenants' newsletter. Lessons learnt from individual complaints are identified and an annual report produced for customers and the board identifying common causes and trends.
- 39 Some complaints practices are inefficient and incomplete. For example the complaints database is on a standalone system and not integrated with other systems. Performance information has to be collated manually and records do not alert staff to the fact that a complaint is under investigation. At 90 per cent, timescales for responding to complaints fall short of the 100 per cent target, although none are significantly overdue. Finally, contrary to requirements, complainants are not always asked how satisfied they were with EMH's response. Management and staff are therefore not kept fully informed about the outcomes from complaints.
- 40 Inconsistencies with survey procedures lessen their value. Arrangements are in place to consult with stakeholders and feedback on performance on key service areas. A comprehensive survey of 1,000 residents is carried out every six months to measure satisfaction with Customer Service Centre services. However, apart from day to day repairs, reporting of other surveys is inconsistent. Summarised results of satisfaction surveys following anti-social behaviour and complaints are not reported to management or tenants. Residents are involved with the development of some surveys although not all. Lastly reporting arrangements are not coordinated to enable the reader to see the full picture. Satisfaction survey information is not consistently reported alongside other performance indicators to provide a basket of measures together and a more complete picture of performance.

## Diversity

- 41 Strengths outweigh weaknesses. A wide range of activities are undertaken to support vulnerable tenants. Positive action is taken to understand the requirements of and adapt services for people with a disability. There is a clear framework and strategy in place to promote diversity and the boards and staff closely reflect the communities they serve. Diversity threads through all business planning and performance monitoring. All staff have been trained on diversity and some, but not all contractors and their staff. Interpreter services are available and EMH promotes tenant involvement to minority groups. Changes have been made to practices as a result of tenant feedback. Weaknesses include the approach to DDA compliance and diversity impact assessment, BME communities not being fully represented on all tenant involvement groups, and incomplete information and standards.
- 42 A wide range of activities are undertaken to support vulnerable tenants. Sheltered housing scheme plans provide a framework for involving older people from different backgrounds, cultures and faiths at scheme level and address local issues of translation, disability and sensory impairment. Supported housing teams hold regular focus groups with vulnerable and hard to reach groups. FHA provides housing related support services to BME residents with mental health problems, services for older people and floating support services. FHA won a national award from the Federation of Black Housing Organisations for its floating support service users' group. Vulnerable service users can access the support they need to help them maintain their tenancy and live independently.
- 43 A clear framework is in place to promote and address diversity issues. Both EMH and FHA boards reflect the communities they serve and all board members have received compulsory diversity training. There are diversity champions on the boards and on the executive team. A structured 'Kaleidoscope' diversity strategy is in place to plan the way forward. The diversity strategy was revised in March 2007, responding to the Commission for Race Equality's Code of Practice in Race Equality in Housing and obligations to develop a Disability Equality Scheme by December 2007. A consultation plan was agreed for this new strategy with key stakeholders being consulted on its contents and priorities. It is promoted to tenants through the tenants' newsletter and internally to staff. Delivery is monitored by an Equality and Diversity Scrutiny panel which includes a range of stakeholders and ensures the group complies with legislation.
- 44 EMH is taking positive action to improve services and employment for people with a disability. Actions include:
- EMH holds personal information relating to disability for its residents, and uses this to adapt the service to meet their needs;
  - all offices and sheltered housing schemes have been fitted with induction loop systems, and mobile loop systems are available in area offices for use on site;
  - home visits are publicised and available on demand;
  - disability is monitored and reported for all surveys and questionnaires and for all resident involvement activities;

## 20 Housing Services | How good is the service?

- developing a Disability Equality Scheme and Action Plan in consultation with the Access Team Service User Group, a group where residents with a disability act as a consultative panel specifically on disability related issues;
- disability awareness training and refresher training is provided for all frontline staff on a rolling programme; and
- EMHG was awarded the two ticks 'positive about disabled people' accreditation in September 2007 for accessible employment practices.

EMH's 2007 STATUS survey shows that tenants with long term illness or disability are more satisfied with EMH as a whole, and with accessibility to services than those tenants who do not have a long term illness or disability. This is a significant improvement on results three years ago when the STATUS survey identified no differences in satisfaction rates between disabled and non-disabled residents.

- 45 However, EMH does not currently comply with Disability Discrimination Act (DDA) legislation. There has been an inconsistent approach to assessing buildings and communal area compliance. Offices, other than the Leicester office, have been assessed and work has been undertaken on some to improve accessibility. However, the assessment has not included communal areas of the group's housing stock. Customers with mobility impairment may not easily be able to access some offices, such as the Sutton office, or communal areas and EMH are at risk of a legal challenge for failing to comply with the law.
- 46 Effective action is being taken to promote community cohesion. A recently agreed community cohesion strategy is in place and activities to promote cohesion are being carried out. The new strategy was developed through the kaleidoscope working group and looking at best practise in other strategies. A fun day for FHA and EMA tenants has been held with different foods and culture links through play and FHA participated in a local Caribbean carnival. Differences are recognised and valued. Outcomes include FHA operating an employment brokerage service to enhance economic and social inclusion. This has helped 142 people from the local BME community access jobs, training and learning opportunities.
- 47 Diversity threads through all EMH and FHA business planning. The impact on diversity is considered in board reports and in Best Value Reviews. All board reports require diversity implications to be highlighted and Best Value Reviews include an assessment of diversity. All customer surveys ask questions on diversity. Information is used to analyse results and is reported to the equality and diversity scrutiny panel every six months. Policy, procedures and performance are all monitored for impact on the diverse community. EMH is using information collected on customers to proactively provide information in preferred formats.

- 48 The approach to undertaking diversity impact assessments is not comprehensive. A framework and future programme has now been agreed and links to a three-year policy review process. Diversity impact assessments have been undertaken for major reviews and strategic initiatives since March 2007. However processes implemented to date have not been comprehensive. For example arrears recovery policies have not been considered. Some areas of business may be overlooked, such as whether recovery procedures or access to debt advice penalises or applies equally to all community groups.
- 49 EMH is proactive in promoting understanding and engagement with minority groups in resident involvement. EMH, in partnership with contractors, has employed a neighbourhood liaison officer with language skills to develop the involvement of residents and tenants from minority groups. FHA has close relationships with local BME community groups with a dedicated community development and projects coordinator. Interpreters were provided at the residents' conference and cultural dietary needs were catered for. All involvement activity is monitored for the diversity of those involved. More people from minority groups are involved in service design and delivery.
- 50 Residents are offered support to enable them to participate. Support includes assistance with transport costs, taxi services and child care expenses. Meeting times have been changed to accommodate resident needs. For instance, the Customer Excellence Panel meets in the evening in order to allow members who work to attend. Mystery shopper training took place on a Saturday for similar reasons. Changes have been made in response to tenant feedback. Examples include installing bathrooms suitable for bucket bathing required by certain tenants to meet their religious beliefs, and changes to EMH's code of conduct for example, requiring the removal of boots when entering homes, women only visits, and recognition of religious festivals. Overall satisfaction with services at 83 per cent is high and is the same for BME and non-BME tenants. Tenants with a disability express an even higher level of satisfaction.
- 51 More work is necessary to ensure BME groups are fully represented in all arrangements that involve tenants. For example, BME groups are under-represented on the Sounding Board user panel which is made up of people who cannot attend meetings or who prefer not to, but who still wish to play an active role in decision making processes. The panel has 96.6 per cent white British representation whereas the tenant profile is 82.5 per cent white British. Balanced feedback relies on proportionate involvement.
- 52 Action is taken to ensure the workforce reflects the communities they serve. The profile of staff is regularly monitored at different operational and management levels and more than reflects the community served, with FHA serving predominantly BME tenants with over 80 per cent of staff drawn from minority communities. Targets are set and performance monitored in respect of the diversity of EMH contractors workforce and this resulted in EMH maintenance contractors' BME workforce being in line with census consistent targets since April 2006. Local people from all backgrounds have access to employment opportunities.

- 53** Comprehensive training arrangements covering on diversity are in place. Training programmes covering diversity have been ongoing since 2001. All staff have been trained and regular refresher courses are run. There is specific training for managers on diversity. In addition, training on diversity has been provided to tenants active in participation structures. Staff are skilled to provide services to a diverse community.
- 54** There is proactive approach to diversity training with contractors. This is monitored through an annual return and training for contractor managers has been provided by EMH. EMH is planning to offer contractors the opportunity to buy-in to diversity training provided. Contractors are monitored on the ethnicity and gender breakdown of their staff and on the adoption of equal opportunity policies. In addition EMH and FHA supported a BME contractor event to recruit BME contractors. However, a number of key contractors have not yet delivered diversity training to their staff. Some contractor staff carrying out work on behalf of EMH may not have a full understanding of diversity.
- 55** A proactive approach is taken to the collection of customer profile information. A specific survey was utilised to increase the level of data held by EMH that now stands at 68 per cent of tenants for ethnicity, gender and disability. The Customer Service Centre is being used to fill gaps and further targeted survey work is also planned. However this leaves a gap in profile information on 32 per cent of EMA tenants and 24 per cent of FHA tenants. Information is collected on age, ethnicity, disability and gender but not wider than this, for example on sexuality and faith. EMH and FHA are sensitive to tenants concerns about how this information will be used. A deliberate decision has been taken to defer monitoring in this area until the outcomes of a CORE<sup>4</sup> pilot are reported. Services cannot be effectively tailored for customers whose profile is not known, nor can support or information be targeted for example to address possible harassment.
- 56** Customer profile data is not being used to its full extent. Customer profile information has been used to flag up specific issues and needs on IT systems, such as a requirement to knock loudly or information needed in another language. However, information has not been used to understand patterns of service use to enable services to plan proactive action. For example, use of repairs and ASB services and application of arrears recovery processes has not been analysed in relation to customer profiles. Nor are tenant profiles compared with census information across different local authority areas to ensure that minority groups are accessing services. Information is not used to help target 'hot spots' or particular client groups who may need more support or information.
- 57** EMH provide access to interpreters. Both EMH and FHA make use of an in-house register of language skills that staff can provide, recently extended to include Polish. Language line is also available. EMH monitor and report the extent that in-house translation services are used to ensure they are value for money. This ensures that customers who do not speak English as their first language can access services easily.

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<sup>4</sup> CORE - COntinuous Recording is a national information source jointly funded by the Housing Corporation and CLG that records characteristics of Housing Association and local authority tenants.

- 58 Publicised service promises do not specifically cover diversity issues. For example there are no published service standards on the timescale for providing translation of documents. Tenants are told verbally how long it will take to obtain a translation and the time varies depending on the size of the document. However target timescales are not publicised. Vulnerable people who do not speak English as their first language do not know, without enquiring, how long they will have to wait for translated information to be provided.
- 59 There are inconsistencies in providing information in other languages. Straplines in community languages appear on most leaflets but not all. They are also included on letters sent to tenants. Where they are included, the community language strapline does not identify the content or subject matter of the document, so readers cannot identify what the leaflet covers.
- 60 Work has only just begun to understand the housing needs of gypsies and travellers. EMH is working with local councils and there are plans to have a gypsy and traveller action plan by December 2007. Contact has been made with a representative of this community to assist in this work.

## **Stock investment and asset management**

### **Planned, major and cyclical works**

- 61 Strengths marginally outweigh weaknesses. Customer standards are in place and tenants are involved. Tenants rate major refurbishment work highly and work is packaged to minimise disruption. EMH has agreed an EMH standard for decent homes work and a programme has been developed and resourced. However, EMH has not begun an up to date risk assessment of its stock against the HHSRS criteria and tenants are not formally informed of the presence of asbestos.
- 62 Customer service standards are in place for investment work. Based on Sounding Board views, service standards have been developed for all aspects of improvement work. Customers and contractors know what standard of work to expect.
- 63 Tenants rate major refurbishment work highly. Our visits found that tenants were impressed by the level of consultation before the work began, the opportunity to see examples of improvement through a show house and the choice available to them. Satisfaction varies from 75 per cent with the boiler replacement programme to 96 per cent with the kitchen replacement programme.
- 64 Work is packaged to minimise disruption to tenants. All internal works including electrical work is carried out at the same time. When properties become vacant, if work is required to bring the property up to the EMH standard, it is carried out whenever possible. As a result tenants do not face repeated or extended disruption.
- 65 EMH has agreed a higher standard than the minimum required for its decent homes programme in consultation with tenants and contractors. The 'EMH Standard' includes items such as high security composite doors and frames and filling of un-insulated cavity walls. Tenants' homes will be upgraded to a high standard including improved energy efficiency.

- 66 SAP ratings have improved as a result of work undertaken. In March 2007 EMH had an average SAP rating of 71 compared with 59 in 2005. Fewer tenants face high energy bills having to heat properties which are energy inefficient.
- 67 The programme is on track to meet Decent Homes Standard by 2010. Estimates have been made of the number of properties currently non-decent and those falling into non-decency, the work involved in making these properties decent and the costs involved. Details are included in the Asset Management Strategy and the Finance Plan. The proportion of properties failing to meet the decent home standard is falling from 17.9 per cent in 2004 to 12 per cent currently, although this remains significant.
- 68 Adequate stock condition information is available on a reasonable amount of stock. Information is available on 31 per cent of stock spread geographically made up of surveys as part of refurbishment work undertaken in the last five years and some specific work carried out by a consultant in 2005. Details are extrapolated across the remaining stock to inform the investment plans documented in an Asset Management Strategy.
- 69 Opportunities are not always taken to build up a more comprehensive picture. Void inspections are not used to provide stock condition information. EMH has not begun an up to date risk assessment against the HHSRS criteria, although this work is included in the next planned stock condition survey. Nor is there a proactive programme for surveying non-communal areas for asbestos. As a result information is incomplete and risks faced by current and potential occupants are not being effectively assessed. However, post repair inspections extend to a full property condition survey which is added to the database. All work done to improve properties is recorded on the database and includes gas engineer assessments of property energy efficiency.
- 70 The updated Asset Management Strategy effectively identifies the overarching investment needs of stock. The strategy was updated in May 2007 and runs for a period of five years. It includes a current assessment and planned actions in a number of areas including decent homes, planned and reactive maintenance, and energy efficiency including the level of finances required. New asset management software will provide an improved investment planning tool. The level of investment needed is known.
- 71 Advantages of new software are not yet fully realised. New asset management software has recently been introduced to improve efficiency and provide a reliable investment planning tool. Populating the database has only recently been completed and the housing IT system does not yet link automatically with the property system. This means that the database has to be updated clerically. The system is tried and tested and work is planned.
- 72 Planned maintenance programmes are in place for existing stock and equipment. A five-year cyclical painting programme is in place with high levels of customer satisfaction, currently measured by area across a variety of factors virtually all achieving over 80 per cent satisfaction or higher. EMH services communal heating systems, lifts, fire equipment, air conditioning and play equipment regularly in line with manufacturers' guidance. As a result the life of fittings is extended and equipment is maintained in safe working order.

- 73 One significant weakness impacts on the effectiveness of asbestos procedures. EMH maintains an asbestos register with appropriate procedures confirmed as operating effectively by Internal Audit in December 2006. Properties are surveyed for the presence of asbestos before any capital works is carried out. Procedures are in place to alert all contractors to the presence of asbestos when work is being carried out on a property. However, tenants are not formally notified of the presence of asbestos. They are only informed informally which provides no formal record of EMH's obligation. As a consequence, tenants may mistakenly carry out DIY work on an area affected by asbestos.
- 74 Tenants are involved in most but not all aspects of major works. They were involved in the appointment of contractors for major works, participating in short-listing processes and in panel interviews. This resulted in a series of four-year partnership contracts with contractors. However, tenants are not involved in deciding priorities for the Decent Homes programme. Work has started with properties known to have problems, such as damp, but tenants were not involved in deciding in which order work should be undertaken.

### **Repairs and maintenance**

- 75 Strengths and weaknesses are balanced. Indicators measuring emergency repairs performance are unreliable and the proportion of emergency and urgent repairs is high. Tenants are not routinely offered appointments at the time they report a repair. EMH do not monitor jobs completed right first time and the out of hours' contractor is unable to access tenant or property information. Nevertheless tenants' satisfaction rates are high and tenant information is good. EMH and FHA have good relations with contractors and there are appropriate levels of pre and post inspections. Performance is improving but remains around average for urgent and routine repairs.
- 76 Performance on repairs has improved over the last three years and is now around the average for similar associations. The proportion of urgent and routine repairs completed on time is increasing. Details are shown in the following table. As a result, the majority of tenants are having repairs carried out within the timescales promised.

**Table 1 Performance completing repairs on time**

Quartile figures in brackets () based on latest Housing Corporation published performance figures of April 2005 to March 2006.

<b>EMH</b>	<b>2005/06</b>	<b>2006/07</b>	<b>April-September 2007</b>
Emergency repairs	90.6 (4)	92.4 (4)	92.5 (4)
Urgent	92.9 (3)	96.5 (2)	96.2 (2)
Routine	86.2 (4)	96.9 (2)	96.7 (2)
<b>FHA</b>	<b>2005/06</b>	<b>2006/07</b>	<b>April-September 2007</b>
Emergency	77.7 (4)	84.9 (4)	90.1 (4)
Urgent	87.8 (4)	93 (3)	95.9 (2)
Routine	95.2 (3)	95 (3)	96.6 (2)

**77** Indicators measuring performance on emergency repairs are unreliable. Statistics show that performance has improved over the last three years but both EMH and FHA current performance rate as bottom quartile based on 2005/06 levels. EMH doubt the validity of these figures as tenant satisfaction with repairs is above average with no complaints, contrary to what would be consistent with high proportions of emergency repairs and poor reported performance levels. EMH believe the poor levels to be the result of inaccuracies in reporting and procedural arrangements with contractors. However reported performance on emergency repairs has remained bottom quartile for three years and systems have not been amended. Managers cannot effectively address underperformance if performance information is unreliable.

**78** Satisfaction rates have increased and are high. In 2007 to date:

- 92 per cent of tenants rated the attitude of contractors as good (89 per cent in 2004);
- 84.5 per cent rated the quality of repair work as good (80 per cent in 2004); and
- 91 per cent are satisfied with contractors keeping dirt to a minimum (85 per cent in 2004).

FHA's continuous monitoring of repairs satisfaction through postal and telephone surveys rose to 94.9 per cent satisfaction in 2007 compared to 78 per cent in January 2006. Tenants' have more confidence in repairs services.

- 79 EMH tenants are not routinely offered appointments at the time they report the repair. Appointments can be made for repairs to FHA properties. Staff at FHA have electronic access to the contractor's diary and can enter or change details. However, this system does not currently apply to EMH tenants. Contractors are required to contact tenants to make morning or afternoon appointments. Despite this initial delay a high percentage of tenants reported satisfaction with appointments made. A total of 83 per cent were satisfied compared to 84 per cent achieved by the best performing landlord in Housemark's 2007 benchmarking survey.
- 80 Appropriate levels of pre and post repair inspections are carried out. Around three per cent of pre inspections are carried out where the repair is a high value or is unable to be specified. A minimum of 10 per cent randomly selected repairs are post-inspected plus all high value ones over £500. These levels provide an efficient balance between the need to keep inspections to a minimum and assuring the quality of the work.
- 81 Adequate arrangements are in place to monitor and manage EMH and FHA performance on repairs. Weekly feedback reports are provided to contractors, monthly performance information is provided to service managers and quarterly to regional committees and the boards. Tenants are represented on these bodies. Information is also provided in the newsletter and annual reports. Responsive repairs performance is improving although performance for emergency repairs remains weak.
- 82 Contractors are satisfied with working relations with EMH and FHA. They consider there is clear information about what is expected of them, clear deadline dates, good and speedy communication on performance and to resolve queries. Work orders are provided to contractors electronically. This system is quick, efficient and provides a clear record of work required and delivered. Most have regular individual meetings with EMH or FHA representatives and most receive regular information on how well they are performing.
- 83 Neither EMH nor FHA measure the level of repairs undertaken which are right first time. Main repairs contractors are multi-trade to ensure that jobs can be completed in one visit. EMH are not monitoring the efficiency of their contractors' operations or unnecessary disruption for their tenants.
- 84 The levels of emergency and urgent repairs are high in comparison to routine repairs. EMH does not achieve an optimum balance between emergency, urgent and routine responsive repairs compared to good practice guidelines. Although there are plans to address this and the balance has improved, in the year to July 2007, 57 per cent of repairs were classified as emergency or urgent compared to good practice of 30 per cent. Carrying out large numbers of emergency and urgent repairs is less cost effective for organisations.
- 85 The out of hours repairs call service does not have access to information on the tenant or property. A dedicated service provider provides an out of hours' service for emergencies. The service provider does not however have access to information on whether a tenant has any particular needs, or whether the tenant or property poses a particular risk. As a result contractors are not as well equipped to deal with the emergency.

## Voids

- 86 Strengths marginally outweigh weakness. There is a comprehensive relet standard and prospective tenants are given choice over void works or assistance in the form of welcome or paint packs. Tenant satisfaction rates are high. EMH performs better than average in the time taken to relet void properties. FHA also performs highly in the time taken to relet properties and minimising the loss of rental income. Relet costs are falling but remain around average and there are no incentives for tenants to leave properties in a good condition.
- 87 EMH and FHA have a clear and comprehensive property relet standard. A non-technical edition has been written in a way that is easy for tenants to understand. It was developed with tenants' involvement and covers all rooms and aspects of the property from the general structure, internal decoration and level of cleanliness. In addition to cleaning and clearing properties, contractors make the property safe and prepare it for the next tenant. Contractors lock off the gas supply, carry out minor repairs and leave low energy bulbs and toilet rolls. We visited a number of properties ready to relet and found them all to meet the standard. New tenants know what standard they can expect from their new property.
- 88 Prospective tenants do have some choice in void improvement work. Where prospective tenants are known, they are contacted and offered choice such as colour of repainting and kitchen units if required. This means the property is prepared to meet the preferences of incoming tenants.
- 89 EMH provide assistance to new tenants to improve their homes. Welcome packs and paint packs are provided in appropriate circumstances. Gardening kits are also being trialled to encourage tenants to maintain gardens in good order. Six are currently on trial, with versions available that are suitable for flats. The outcomes from this project are still to be evaluated. Tenant satisfaction levels with properties are high. In 2006/07, 80.5 per cent of new tenants were satisfied with the condition of their home when moving in. This rose to 89 per cent for the period December 2006 to March 2007.
- 90 Relet costs are falling but are above average in comparison to others. EMH has a large proportion of general needs one-bedroomed flats that tend to have younger tenants and higher turnover rates. The average void cost for 2007 to date is £1,815 compared to £2,133 in 2006. Benchmarking through Housemark shows EMH Group as 17th out of 32, slightly higher than average. Costs are reducing as more cost effective ways of working are introduced such as paint packs, gas locks and a material supply chain.

- 91 EMH does not currently provide incentives for tenants to leave homes clean and clear of rubbish. This can cut down on the cost of clearing and clearing the property and reduce the cost of work required to bring the property back up to the lettable standard. Incentives are being recommended as part of a Best Value Review of this area that is due to report shortly. Pre-termination visits are undertaken when tenants give notice of their intention to end their tenancy. This provides the opportunity to explain how the property should be left, what to do about utility services, when rent responsibilities end and an early estimate of the work required to bring the property up to standard. EMH services can be more clearly planned when pre-termination visits are done although the number of these visits is relatively few.
- 92 Action has been taken to successfully reduce the turnover levels and high void costs on individual schemes. In one scheme, EMH arranged for a housing related support service for residents, improved security and décor and introduced probationary tenancies. Another saw environmental and building improvements to reduce the level of rubbish, illegal parking, improve the heating system and communal areas. Both schemes had a reduction in turnover levels and improved demand.
- 93 Time taken to relet properties has improved and is better than the average of similar organisations. Average re-let times for EMH properties have fallen from an average of 43 days in 2003/04 to 35 days in 2006/07, better than the 2006/07 national average of 41 days for similar organisations. FHA performance has substantially improved from an average high of 67 days in 2004/05 to 16 days in 2006/07 and 15 days for the current year to date. Loss of rental income is reduced when properties are relet quickly.
- 94 Rent loss due to general needs voids is falling but remains inconsistent across the Group. EMH rent loss has fallen from 2 per cent of the rent roll in 2004/05 to 1.7 per cent in 2006/07 and is 1.6 per cent for the current year to date. Based on 2005/06 quartiles this level remains worse than average. FHA's performance is better. FHA has reduced its rent losses from 1.2 per cent in 2005/06 to 0.41 per cent in 2006/07 and further to 0.1 per cent for the current year to date. This rates as top quartile performance and means that more rental income is available at FHA than at EMH.

### **Gas servicing**

- 95 Gas servicing is now an area where strengths outweigh weaknesses. Robust policies and procedures are in place and only a small number of tenants do not have a valid certificate. Post service inspections ensure the quality of serving meets industry standards. Records are accurate and up to date and renewal action starts at an early stage. Gas safety is promoted to tenants and measures have been introduced to deal with problem cases. However, in problem cases action is not always taken on time.

- 96 Substantial improvements have been made in the level of properties with a CP12 gas safety certificate. A year ago, following a transfer of data, investigations found that around 20 per cent of properties did not have a current gas safety certificate. Concerted efforts have been made to catch up and ensure future procedures are now robust. By October 2007 only a small number of properties did not have a current certificate. Forty two properties (1.13 per cent) of EMH and FHA properties requiring a certificate did not have one. Three of these cases had been without a certificate for over 11 months. Action is now being taken against all. The remainder have been without a certificate between one and six months and action is progressing in accordance with procedures. The risks presented by gas supplies are being managed.
- 97 Independent checks have been introduced to ensure that gas servicing on properties are not overlooked again. Following an internal audit a number of recommendations were made to improve gas procedures and the integrity of data. One involves a report run independently of the section identifying any properties where gas servicing records are not up to date. Outstanding services are flagged on the IT system and there are regular reports to managers. Recommendations are to be followed up later this year.
- 98 Satisfaction rates are very high. Satisfaction with the service, friendliness of staff and timely visits all rated above 98 per cent. High levels of satisfaction encourage tenants to use the service.
- 99 A robust policy is in place and accurate records are maintained. The policy details the actions and timescales to be taken at each stage of the process both by the contractor, by EMH and if necessary legal action. Records of gas servicing are accurate and up to date. Checks of random samples found all records to be accurate. Renewal action is now prompted for all properties using gas. Staff and contractors know clearly what action to take.
- 100 However procedures are not adequately quality assured. EMH is not always complying with its policy of action to follow up gas certificates approaching expiry. A sample of cases were checked and identified that, in problem cases, action was not always taken on time. In some cases action fell a month behind the intended timescales, and alternative courses of action (£50 incentive for the contractor to cold call) had been taken instead of instigating legal action. The incentive scheme is not an agreed part of the policy on gas safety and is a local pilot initiative with one of the contractors. Risks are increased when procedures are not followed promptly.
- 101 Robust inspection arrangements are in place to ensure services meet gas industry standards. A random sample of ten post service inspections a month are carried out by an independent firm and reported back to EMH. These confirm that standards are being achieved.
- 102 A variety of measures are used to promote gas safety. These include posters in local offices, articles in the tenants' newsletter and early contact (telephone, text and written) beginning at the ten months stage to say that the service will shortly be due. Tenants are also provided with information on what to expect in a gas service, including how long the service should take. Tenants are reminded of the importance of gas safety.

- 103** EMH follow CORGI best practice in checking gas safety for new lettings. EMH contractors will attend within four hours of the new tenant moving in and check appliances for safety and explain how things work. New tenants are protected and receive timely advice.
- 104** Measures have been introduced to encourage problem tenants to have their boilers serviced on time in future. In suitable cases a gas boiler service timer is installed which disrupts the operation of the boiler if it is not serviced on time. A warning light appears, water temperature can be reduced or the boiler only works for one hour every four. The inconvenience is expected to prompt the tenant to seek assistance from an engineer who can gain access to the boiler, carry out the service and reset the timer. Less time and resource will be wasted.

### **Aids and adaptations**

- 105** Strengths outweigh weaknesses. The service is publicised and applications are clearly prioritised. Significant budgets are allocated to undertake adaptation work and EMH is working with other councils to agree joint funding arrangements. There is an in-house Access team that includes an Occupation Therapist and customers are very satisfied with the service. Minor work is carried out quickly and other adaptations are effectively prioritised. However, some people still have to wait a long time for work to be done and this is not comprehensively monitored.
- 106** The availability of aids and adaptations are adequately publicised. The service has been publicised through the tenants' newsletter which has resulted in increased demand. It is also advertised on the website and in the tenants' handbook. There has not been, however, any targeted publicity, for example at older tenants who are more likely to use the service. Well targeted information is important to ensure that all customers have appropriate access to information about the service.
- 107** EMH has a skilled team to deal specifically with aids and adaptations. The team includes an Occupational Therapist to provide specialist support. This means that tenants do not have a long wait for an assessment and specialist advice is available on individual's needs and the adaptation required, such as the best kitchen layout, unit heights or bathroom access. The approach has been commended as good practice by the Chartered Institute of Housing and by the Disability Rights Commission.
- 108** There is a clear focus on supporting tenants who need a property appropriately adapted. A significant budget of £260,000 has been allocated for the current year to carry out aids and adaptation work. FHA also has a budget of £53,000. In addition, EMH approach local councils for contributions and have secured an additional £49,500 to supplement their own budget. Currently all works under £5,000 are funded in-house. This means that these can be carried out more quickly than they would be in done by the Local Authority through the Disabled Facilities Grant (DFG) regime.

- 109 EMH are helping to fast track some DFG applications for its tenants. Discussions are ongoing with six councils in EMH's main areas of operation and where grants have been applied for to make a sliding scale contribution to funding in return for fast tracking applications. EMH has been asked to work with one council to actively promote the contribution scheme. In one area this has also resulted in an agreement to joint fund adaptations under £5,000. As a result tenants will secure grants quicker to enable the work to be carried out sooner.
- 110 Some aspects of joint working with local authorities on DFGs are underdeveloped. EMH does not have comprehensive information on the number of its tenants who have applied for DFGs across different councils and what the average waiting times are in these areas. Negotiations on joint funding still need to be initiated in a number of areas. Tenants therefore cannot clearly see the choice they have.
- 111 There is a clear process for prioritising cases in the internal aids and adaptations process. A comprehensive points system is in place. Tenants on EMH's waiting list are given clear information on how long they will have to wait for in house adaptations and given six-monthly updates. This ensures that tenants in most need have their adaptations dealt with first and are kept informed of progress. Equipment no longer required is recycled. This ensures that maximum use is made of resources available.
- 112 Minor adaptations under £500 are carried out quickly. Following assessment by the in-house Occupational Therapist an order is placed through the normal repair process. Most are carried out within a seven day target and as a result tenants are able to continue living independently.
- 113 However, EMH does not effectively monitor the length of time it takes to complete adaptations. Management reports are produced on the amount of work undertaken and spend against budget. However average timescales to complete works are not calculated for over £500 adaptations. There can still be up to an 18 month wait for lower priority adaptations to be completed within the internal adaptation process. Minor adaptations are not monitored separately from other repairs. Performance on timescales has not been benchmarked with other organisations.
- 114 Adaptations are considered prior to major works programmes. There has been careful consideration of adaptation needs when major works are carried out to housing schemes for older persons. A checklist ensures surveyors consider the tenant's need for an adaptation in planning other major works.
- 115 Customer satisfaction with the service is high and tenants are involved. An aids and adaptation user group is in place and is being used to challenge the service. Tenants are able to influence service delivery. Customer satisfaction with the service is high ranging from 86 per cent satisfied that the work was completed on time to 100 per cent with the attitude of the contractor.

## Housing income management

- 116** Strengths and weaknesses are balanced. Performance in collecting rent and current arrears is only average and action to collect former tenant arrears is limited. Signposting and access to debt and benefit advice is inconsistent. Tenant satisfaction levels are not measured, rent statements are not easy for tenants to understand and there is a low take up and limited promotion of direct debit. Strengths include a wide range of payment methods, prompt follow up action to deal with arrears and a focus on improving performance using targets. There are also good relations with council housing benefits departments.
- 117** Tenant information on service standards and rent setting is clear and easily accessible. Service standards are shown in the tenant handbook and rent statements are sent quarterly to every tenant or on demand. Service standards are tested by tenants trained as mystery shoppers. Information on the rent setting policy is included in the tenant handbook and in the newsletter. A detailed breakdown of services charged is included with the annual rent increase notification. Tenants understand what level of performance to expect.
- 118** However, rent statements are not clear and do not include comprehensive information. Rent and service charge statements are not easily understood, statements do not include all elements, such as recharge debts or court costs. Presentation is not customer friendly and the opportunity is not taken to help provide customers with more information, for example on debt advice or alternative payment methods. Information provided does provide clarity for customers.
- 119** Tenants have a wide range of payment methods. These include payments over the telephone, swipe cards, internet payments and direct debit. Tenants can choose a payment method that suits them.
- 120** However, only a small number of tenants make payments by direct debit and there is insufficient promotion to encourage greater take up. Direct debit is promoted to new tenants signing up for a property and through recent work in FHA but there is limited focus on existing EMH tenants. Of approx 81,000 non Housing Benefit transactions from January to September 2007, only approximately 7,000 or 8.6 per cent were made by direct debit. A planned campaign was postponed. No incentives are in place to encourage tenants to switch to direct debit. Tenants continue to use less efficient and more costly alternative methods.
- 121** Tenants responding to low level arrears notifications have easy access to the person responsible for collection. EMH tenants with low level arrears are dealt with by EMH's Customer Services Centre. Housing Officers in FHA deal with low level arrears. The Customer Service Centre is able to deal with arrears calls up to the pre-notice stage of the arrears procedure and will proactively check accounts when tenants phone on other issues. Tenants who receive early stage arrears letters are directed to call the Customer Service Centre and the team has been trained to deal with these calls. The team has also been trained in Housing Benefit awareness to ensure tenants are claiming their full entitlement. This makes good use of the Customer Service Centre resource and provides a good service to tenants. Respondents receive a speedy and prompt service.

- 122** However, opportunities to contact debtors are not taken at an early stage. Early contact is not always made with tenants in arrears. The Customer Service Centre does not proactively contact tenants in low level arrears. Automated letters cover the early stages of the arrears process and the Customer Service Centre deal with responses up to the pre-notice stage. However, staff do not telephone tenants who do not respond which means that only written contact will be made until the Housing Officer is prompted to take action when six weeks arrears have accrued. More success in reducing arrears is achieved by speaking directly to the tenant at an early stage.
- 123** Follow up action is generally taken promptly. Checks of FHA tenants in arrears showed regular and appropriate action being taken. However, similar checks for EMH tenants identified a small proportion of cases that had a lack of regular action being taken. This was due to staff sickness but shows that cover arrangements have not been comprehensive. This is important in ensuring that arrears cases are effectively controlled.
- 124** Rent collection and current tenants arrears performance is mixed, and overall is only average when compared to similar organisations. Rent collection rates for both EMH and FHA have increased from 2004/05 levels. Though improving, performance for EMH over the 2006/07 year is below the average collected by similar organisations for rent collected and above the average collecting outstanding rent arrears. FHA has demonstrated top quartile rent collection performance over this period and made major improvements reducing rent arrears since falling from a high of 12.7 per cent arrears at the end of 2005/06. Performance still remains below average. Details are shown in the following table.

**Table 2 Rent and arrears collection**

Figure in brackets shows quartile where 1 is top

	2004/05	2005/06	2006/07 (quartiles based on 2005/06 levels)	April 2007 to present (quartiles based on 2005/06 levels)
EMH Rent collection performance	98.8% (3)	98.7% (3)	99.0% (3)	99.9% (2)
FHA rent collection performance	100.6% (1)	98.8% (3)	103.8% (1)	98.9% (3)
EMH current tenant rent arrears at year end	5.3% (3)	5.2% (3)	4.6% (2)	5.1% (3)
FHA current tenant rent arrears at year end	8.6% (4)	12.7% (4)	5.5% (3)	5.1% (3)

Source: Housing Corporation; FHA quartiles relate to BME Associations

- 125** There is a focus on improving recovery rates although progress is modest. Targets are used to drive performance in arrears recovery. There are targets at both officer and office level and a focus on the highest cases. However, arrears targets for offices and patches do not cascade from the overall target for the organisation - there is no mathematical relationship between the targets. This means that achieving one set of targets may not result in achieving another set. IT systems also assist in providing regular management information. More rental income is available for services but still more remains to be collected.
- 126** Local performance management of rent arrears is inconsistent and local management practices vary. Some managers consider arrears figures only, some look at reports on responses to actions taken by staff and some carry sample checking of case performance. Arrears reports do not clearly show the relationship between current arrears, former tenant arrears and write offs. This is important in understanding performance. There is no reporting of former tenant arrears collection rates. Arrears policy and procedures for EMA and FHA have not been aligned and it is not clear why this is being delayed until April 2009.

- 127 Out of hours work to improve rent collection and reduce arrears is inconsistent. Out of hours work on arrears is carried out by FHA when particular high arrears areas are targeted for evening and weekend visits with some success. This practice has not yet been adopted by EMH. While there is scope for Housing Officers to use flexi-time to do some work outside normal hours, this is limited and not targeted in the same way. Good practice is not being consistently applied across the organisation.
- 128 Arrangements to collect and deter former tenants from leaving arrears are weak. There was a lack of clarity on responsibility for pursuing former tenant arrears between housing officers and support staff. This area of work is not well prioritised and there are no targets or reporting of performance levels to drive improvement. Performance is not benchmarked with other organisations. Where former tenants have left no forwarding address, limited action is taken to trace the person's current address. Even for higher arrears cases where current addresses are known, if there is no response to written requests for payment limited action is taken to pursue arrears, for example through a debt collection agency. This area of work has received little publicity to deter tenants from leaving with arrears. EMG is not maximising opportunities to collect the comparatively low amount of former tenant arrears of £190,955 outstanding in October 2007.
- 129 Significant amounts are however written off as bad debts. In 2006, 1.24 per cent of the rent debit of £21,037,000 was written off as bad debt. In 2007 a similar amount, 1.23 per cent has been written off. Write off levels are not benchmarked to compare performance against other social landlords. Significant income, amounting to over £278,000 in 2007, is lost in the form of bad debt.
- 130 Tenants' satisfaction with arrears recovery handling is not measured. This means an important mechanism is not being used to monitor what tenants think of the service and prompt improvement.
- 131 Insufficient action is taken to ensure tenants have access to debt and benefits advice. Information on where to obtain debt advice is not consistently provided with arrears letters. FHA send a debt/welfare benefit advice leaflet with all arrears letters but performance at EMH is patchy. Advice is not provided by the Customer Services Centre and limited information is offered in area offices. All housing officers have had welfare benefits training but not in the use of the Housing Benefit calculator. Use of the Housing Benefits calculator in local offices is limited.
- 132 East Midlands Housing is able to signpost most of its tenants to a variety of agencies for financial and welfare advice but the effectiveness of arrangements is not evaluated. Officers maintain close contact with local authority housing benefit departments, as well as CABs and other local advice services. Arrangements are in place in areas covering 94 per cent of tenants, leaving six per cent living in areas where close arrangements are not in place. A grant is paid to the Citizens Advice Bureau in Coalville which enables prompt advice to be given to EMH tenants living locally. However, referrals and the ease of access to advice are not closely monitored. Managers do not know how effective arrangements are.

- 133** Eviction levels are falling but remain high in comparison to others. Eviction levels have decreased in recent years and at the same time arrears levels have reduced. However, benchmarking shows EMH evicted 0.88 per cent of tenants in 2006/07 which placed them 22nd out of the 26 organisations. Conversely FHA, despite showing issuing a high number of notices and legal action, had no evictions placing them top of the sample of 14. Where eviction is pending, social services are not automatically notified of households with children. This action may be taken depending on the specific circumstances of each case although it is a requirement of EMH policy. As a result, children may not always receive the protection they need.
- 134** Efficient practices are not always shared between EMH and FHA. EMH prepare their own court cases and submit them online which increases efficiency. In contrast, FHA still instruct solicitors to prepare possession actions. FHA costs are greater and processes slower as a result.
- 135** Relations between and EMH, FHA and Housing Benefit departments are positive. Service Level Agreements are in place with Housing Benefit departments which set out clear responsibilities and expectations of both parties. While there remains variations in the speed councils process applications, communications with EMH and FHA are effective. This helps to ensure records are accurate and tenants Housing Benefits applications are processed quickly.
- 136** IT systems constrain performance. Tenants were consulted about improvements to standard arrears letters and rent statements but these have not been implemented, some due to the difficulties amending the IT software. Notifications are therefore not simplified.

### **Tenancy and estate management**

- 137** Strengths outweigh weaknesses. Responsibilities are clearly explained to tenants at sign up and estates are generally maintained to a high standard, graffiti is removed quickly and estate inspections are undertaken regularly. There is evidence of areas with multiple management issues being successfully transformed. Robust policies are in place and partnership work is effective. Diversionary activities are provided and support, including specialist support, is available to those with particular needs. Weaknesses include limitations with estate inspection arrangements and feedback. Tenant and resident satisfaction is not adequately monitored, management reports are under-developed, and mediation services are not well used.
- 138** Tenants are informed of their responsibilities from the beginning of their tenancy. When signing for their property, new tenants are expected to sign up to a 'respect for neighbours' agreement. Prospective tenants have to confirm agreement or they will not be offered a tenancy. EMH uses introductory tenancies on specific schemes where there are particular problems with ASB as well as other measures such as intensive housing management. Together these emphasise to tenants the importance of consideration of neighbours and not causing anti-social behaviour.

- 139** Sign up processes are professional and easy for tenants to understand. The process is easy to follow and all service areas, including tenant participation, and documentation are fully explained. Staff are polite and helpful and confirm that the new tenant has understood the information provided so new tenants know what their responsibilities are and how to access services. Follow up visits for new tenants and surveys are undertaken to identify early any issues arising such as paying the rent, knowing how to report a repair or anti-social behaviour. New tenants understand their rights and responsibilities.
- 140** Estates are generally maintained to a high standard. Visits were made to a number of estates where the standard of the local environment was high. For example the Beaumont Leys estate, despite a negative past reputation, was found to have very high standards of grounds maintenance with little litter and no graffiti. Combined with additional lighting and footpath improvements, these standards contributed to increasing residents' perceptions of feeling safe.
- 141** Graffiti is removed quickly. EMH has removed 94 per cent of identified graffiti within target times which are 24 hours for offensive graffiti and seven days for the rest. So graffiti is not allowed to blight estates.
- 142** The approach to estate inspections is inconsistent. An inclusive and comprehensive annual estate inspection process is in place for EMH. This involves tenants grading aspects of their estate and then an overall grading is made. Councillors and other stakeholders are also invited although the number of estate representatives is low. The majority of inspections resulted in A grades, a minority in B grade and none below. FHA do quarterly estate walkabouts but they do not use EMH's grading system. Actions are taken as a result of observations which include environmental improvements including removing litter and fencing repairs. However different estate standards are applied.
- 143** Feedback on EMH annual estate walkabouts is limited. Those attending the walkabout are written to but there is not wider publicity. FHA publicise findings in their tenant newsletter. So tenants of EMH do not get to know what action has been taken as a result of the estate walkabout which severely affects its effectiveness.
- 144** The approach to estate inspections outside of the annual process is not systematic. Procedures have been changed to allow housing officers more time to spend out and about on estates. While there is an expectation that areas will be visited and observed regularly this is not part of a systematic process to ensure it happens as frequently as required and so deterioration may be overlooked.
- 145** Arrangements for collecting tenant and resident satisfaction information about estate management and anti-social behaviour services are not effective. There has not been any systematic surveying of customer satisfaction with estate services. Some feedback, mostly positive, is gathered from estate inspections but wider surveys of residents on both areas have not been conducted. Satisfaction forms are not consistently sent to all anti-social behaviour complainants. As a result tenants and residents are not invited to give an opinion on the standard of service they receive.

- 146** Partnership working to tackle anti-social behaviour is effective. EMH and FHA are active in working with others to tackle anti-social behaviour, crime, domestic violence and harassment. EMH are involved with a number of forums, including local authority crime and disorder partnership groups, CCTV steering group, victim support, racist incident groups and other landlords on multi landlord estates. Working with the police, both EMH and FHA promote a hotline number for reporting low level anti-social behaviour in Leicester. Community partner organisations are very positive about their contribution. There is a strong working relationship between statutory and voluntary organisations, particularly with the police. Partners are working effectively together and FHA has levered in additional funding, for example for fencing and lighting.
- 147** There are clear examples where estates with multiple management issues, such as Beaumont Leys, have been turned around. In addition to major environmental work jointly funded by EMH and Single Regeneration Budget grant, the provision of a caretaker living on the estate has had a very positive impact on the area. Other service improvements include better information, more tenant involvement including estate walkabouts and more culturally appropriate services. The turnover of tenancies is reducing and there are higher levels of tenant satisfaction.
- 148** In other areas, good forward planning and close involvement with local communities has assisted in the successful redevelopment of previously difficult areas. For example, the redevelopment of Tayleur Close, a small 32 unit new development closely managed the people issues in addition to the building. At the initial letting, tenancies were pre-allocated so that work could begin with residents to build links with the community before they moved in. A local tenants' charter was written in partnership with the residents which clearly established the rules for living in the scheme. Initial local opposition to the development was overcome by the work that was carried out to integrate the new development and its tenants into the community. It has been well accepted and is now highly regarded. Tenants were effectively integrated with the local community.
- 149** Robust policies are in place to tackle harassment, domestic violence and anti-social behaviour. Policies have recently been reviewed with residents and other stakeholders. EMH has self assessed its services against the respect standard. An action plan has been developed and is being implemented to bring services up to the government standard. Policies are well publicised, for example anti-social behaviour policies are shown in leaflets, the tenants' handbook and included in the tenants' newsletter. Anti-social behaviour incidents are categorised and require a plan of action. A variety of mechanisms are used to gather evidence, including CCTV, video and professional surveillance. To raise awareness of domestic violence amongst EMH staff, relevant frontline staff have received training. Staff are able to recognise symptoms and can respond confidently.
- 150** However, there is no 24 hour service for anti-social behaviour victim support. This means that support is invariably not available at the time the anti-social behaviour occurs. Victims need to wait until at least the next day before any action can be instigated and this can leave them distressed.

- 151** Management reporting on anti-social behaviour and estate services is underdeveloped. Six-monthly reports are provided on harassment to the Equality and Diversity Steering Group but no reports are provided on anti-social behaviour or estates services. These are not covered by the performance and review group performance indicators and review process. The effectiveness of arrangements is not monitored.
- 152** Inadequate IT also limits access to information on anti-social behaviour. As information is held on a standalone spreadsheet which is not accessible through the local network, staff at the Customer Service Centre are not aware of and cannot check progress on ongoing anti-social behaviour cases. Monitoring arrangements are also restricted as the system does not produce reports on speed of response and compliance with procedures.
- 153** Compliance with anti-social behaviour policies and procedures and the quality of record keeping is mixed. Examination of a sample of cases found the majority to be well ordered and appropriate action being taken in response to reports. Quality control arrangements however are inconsistent with FHA carrying out a periodic check of a sample of cases. Spot checking is carried out by EMH. Some inconsistencies were identified in the file checks. FHA has not been using action plans as required by the EMH policy. Action plans for EMH tenants were sometimes incomplete and not signed. In others there was no record of the action plan or anti-social behaviour leaflet having been issued. Limited documentation held on one suggested that appropriate action had not been taken in a potentially serious case. Responses to anti-social behaviour reports are not consistent and so customers are receiving an inconsistent level of service.
- 154** Specialist support is available for tenants in some areas. EMH has a temporary accommodation scheme for perpetrators of anti-social behaviour and FHA has a floating support service which can support perpetrators with mental health problems. In addition tenants can access a tenancy support service including debt management assistance in Market Harborough. However, officers were not aware of specific services in Northampton and Coalville. This means that tenants with particular needs cannot always get help from specialist support services.
- 155** Mediation is not widely used to address neighbour nuisance problems. While there is awareness of mediation as an available option, its use is infrequent and EMH has not explored developing a strategic approach with a particular partner (possibly combined with other Registered Social Landlords). Demand and levels of referral for mediation are not formally monitored.
- 156** To prevent anti-social behaviour, diversionary activity is provided in some areas. There are particular examples on the Agar Nook estate with work in developing facilities at the local youth centre and involving young people in mosaic designs. On Beaumont Leys estate a football kit was provided for a youth team. Less activity is offered in the Northampton area. FHA is also working with the neighbourhood renewal partnership to promote access to training for those without a job. This has enabled 142 people to access training. Diversionary interests reduce incidents of anti-social behaviour.

## Is the service delivering value for money?

- 157** Strengths and weaknesses are balanced. Overall EMH has low operating costs achieving above average customer satisfaction and around average levels of performance. There is an increasing focus on value for money and work is already underway including a programme of best value reviews, benchmarking, procurement with partners and competitive tendering. EMH is also leveraging in additional funding to enhance or extend services provided. However, outcomes have not been quantified, measurable targets are not yet in place and not all services can demonstrate that they are value for money. Some practices are still inefficient.

### How do costs compare?

- 158** Overall EMH has low operating costs, is achieving above average customer satisfaction and around average levels of performance. Within these costs there is a mixed picture with some service areas having above average and some below average costs. Benchmarking shows:
- total core housing management costs at £299 per property are just above the peer group average of £293 although the quality of services is also above average;
  - tenancy and estate management, empty properties and rent arrears have above average costs with below average or average performance;
  - repairs and maintenance costs are average with average performance. The cost per repair is above average; and
  - overhead costs are below average, including IT and Finance, although legal costs are high.

This means that customers are not consistently receiving value for money services across all service areas.

### How is value for money managed?

- 159** EMH is placing an increasing focus on improving value for money. Achieving value for money is a declared high level objective in Business Plans for both EMH and FHA with significant and achievable efficiency targets in place. A value for money strategic review group oversees progress, board members and best value review team members have received training. Value for money was included on the EMH Group conference to raise awareness amongst staff, members and active tenants. Stakeholders can see the importance EMH place on achieving value for money.
- 160** The strategic approach to value for money has only recently been approved. The value for money strategy is still in its early stage of setting out a baseline position although a number of activities to achieve better value for money are well underway. The strategy includes action to develop more measures and targets so that success can be more accurately measured. However, it is too early to see the full benefits of providing a coordinated approach.

**161** Contractors have not been involved in EMH's development of a value for money strategy. None of the contractors had attended any strategy development meetings and none have yet had sight of the strategy. This is a missed opportunity to gain ideas and secure ownership from partners who are crucial to service improvement.

**162** Work is underway to improve value for money. This work includes:

- a five-year programme of Best Value reviews;
- increasing benchmarking activity;
- working with others to achieve economies of scale; and
- competitive tendering including more partnering contracts.

Some are more established than others although improvements are not clearly quantified.

**163** Best value reviews focus on areas needing most improvement and are delivering results. A best value review of strategic partnering and procurement has resulted in the development of four strategic partnering arrangements for the decent homes programme. Agreements include a requirement for partners to demonstrate year on year improvements through a matrix of quality, cost and customer service measures. The best value review of reactive maintenance has resulted in the establishment against competition of a supply chain partnership which is currently being piloted. In addition, the number of reactive repair contractors were rationalised based on performance, customer satisfaction and the ability to use a certain level of technology. Performance and customer satisfaction in these areas are improving as a result.

**164** Benchmarking work is still in its early stages in some areas. Recent benchmarking with Housemark has enabled EMH to better understand how its services compare to others in relation to costs and quality. However, it is too early to see the benefits of the work that may be taken in response. EMH is also a member of the Housing Quality Network's benchmarking clubs, for example for supported housing. FHA leads the BME benchmarking group. Results inform priorities for the best value review programme such as the need to consider legal costs.

**165** EMH is joining up with others to achieve the benefits of economies of scale. EMH is part of Central England Procurement Partnership (with 13 other RSLs) and is a member of the Procurement for Housing purchasing consortium, for example, buying IT equipment. EMH is the lead RSL in the quantum development partnership improving efficiency, for example, through shared use of consultants and shared European tendering costs. In addition collective procurement has resulted in annual savings on printing and stationery. As a result EMH pays less for these services or materials.

- 166** Competitive tendering exercises are used for the procurement of some services. For example, against competition six contractors have been awarded new partnership framework agreements to do investment work. The partnership approach was determined by good practice operated by other high performing housing providers. The grounds maintenance contract was awarded against competition based on criteria balancing cost and quality. The new supply chain partner was selected in a competitive process. Service and material provision is tested against the market. It is not clear what the estimated level of value for money improvement is from these exercises.
- 167** A number of other efficiency improvements have been introduced including:
- restructuring housing teams to deliver over £200,000 recurring annual savings;
  - FHA staffing restructure delivering £48,000 savings annually;
  - introducing a Customer Service Centre for EMH tenants at no extra revenue cost and increasing customer satisfaction;
  - using the Customer Service Centre to follow up on low level arrears bringing consistency and releasing time for frontline housing officers to tackle the more complex high level arrears cases; and
  - efficiencies are being delivered as required by the Annual Efficiency Statement by growing the level of business so that income rises more quickly than expenditure. This resulted in an annual efficiency saving for that year of £317,000, which when added to previous efficiencies made a cumulative £531,000.
- 168** However, not all services have been regularly market tested. For example, labour charges for reactive maintenance contractors are not compared with the market to ensure they remain competitive, although they are compared internally and reviewed annually. Although awarded against competition, gas service contracts were extended without rigorous re-assessment of value for money. No contractual or consistent arrangements are in place for legal services used. More than one group of solicitors are used by area officers for anti-social behaviour work and benchmarking shows comparable costs are high.
- 169** There are other areas where EMH cannot demonstrate that services or practices represent value for money. There is a high proportion of expensive emergency or urgent repairs and no use of efficient handheld technology amongst surveyors and contractors. Value for money in FHA repairs services cannot be demonstrated. Rent loss through empty properties is higher than average. There is a low take up of paying rent by direct debit. And so some services are costing tenants more than they need to.
- 170** Effective actions are taken to attract additional investment to support housing services provided. Examples include attracting additional Single Regeneration Budget grant for environmental improvements, leveraging in council grant for property adaptations, accessing loft insulation grants and energy efficient light bulbs. All these measures increase the quality or amount of service that can be provided to tenants.

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

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

- 171 Drivers outweigh barriers to improvement. EMH has established a positive track record of improving services. EMH has steadily grown in size and this is contributing to its ability to deliver efficiencies. Key performance indicators show a positive direction of travel and tenant satisfaction is increasing. There are clear examples of improvements being delivered which tenants recognise. EMH has also achieved Chartermark accreditation for customer services and retained its Investor in People status. However, in some areas, EMH has been slow to deliver improvement such as emergency repairs, complying with disability legislation and introducing more efficient practices.
- 172 EMH has a long term track record of steady and sustained growth. It has steadily increased in size since its formation over 60 years ago. Most recently it became the partner of choice for Foundation Housing Association which joined the group structure in 2005. It has also been selected as the preferred transfer partner of Blaby District Council which secured a positive 'Yes' vote for transfer in November 2007. EMH is increasingly able to benefit from economies of scale.
- 173 EMH is successfully delivering increased efficiency through growth. This is a deliberate corporate policy. Annual efficiencies are being delivered by growing the level of business so that income rises more quickly than expenditure. In 2006, the organisation and income grew by 8.8 per cent with only marginal increases in costs. This resulted in an annual efficiency saving for that year of £317,000 which, when added to previous efficiencies, made a cumulative £531,000. Other operational efficiencies were also delivered, for example, in treasury savings, although much of the value for money work is not individually quantified. EMH meets its government efficiency expectations.
- 174 Value for money improvements are not quantified other than as described in the Annual Efficiency Statement. A number of actions have been taken to improve value for money, including partnership framework contracts, establishing a materials supplier, and introducing a Customer Service Centre but measurable outcomes are not yet in place. As a result EMH cannot fully demonstrate the level of achievement.
- 175 The Housing Corporation has been positive about progress made. Recommendations following the June 2002 Pathfinder inspection were fully implemented and signed off in July 2004. With the support of EMH, FHA was brought out of Housing Corporation supervision within a very short period. This was a significant achievement and required considerable senior management involvement. In addition, the Housing Corporation reported in October 2007 that EMH's self assessment of compliance with the Housing Corporation regulatory code is excellent and showed 'clear evidence of continuous improvement together with further plans for ongoing development'.

- 176** EMH successfully achieved Chartermark accreditation for customer services in January 2006. This validates EMH's commitment to achieving high standards of service delivery to customers. FHA is planning to apply for Chartermark accreditation during 2008. EMH has also retained its Investors in People status since 1997. Customers and staff are central to business improvement.
- 177** Most key performance indicators show a positive direction of travel. Most of EMH and FHA key performance indicators have improved since 2005. Seven of 11 key performance indicators measured by EMH have improved over the period up to 2007, and nine out of ten FHA key performance indicators. These include rent collection and responsive repairs performance. Service performance has improved.
- 178** However, there are areas where performance remains below average or poor. Emergency repairs performance is poor in EMH and below average in FHA. Rent lost due to voids in EMH remains below average. Rent arrears and average SAP ratings of properties are below average in FHA. Both organisations have a higher than average number of properties that currently fail the Decent Homes Standard although the organisations are where they planned to be at this point in time. So in a number of service areas tenants are still receiving below average performance.
- 179** Tenant satisfaction rates are improving and are high. EMH's STATUS Survey in 2007 shows an improvement in most measures including satisfaction with accommodation, information services, repairs services, value for money; and 83 per cent of tenants would recommend EMH as a landlord to a friend or relative. EMH scores above average for 15 out of 18 national NHF<sup>5</sup> satisfaction measures. FHA also scores above the national NHF average for nine of the key indicators. Analysis also shows that minority groups such as people with a disability or BME tenants have similar or higher levels of satisfaction.
- 180** Despite increased opportunities, tenant satisfaction with participation has fallen. In EMH, despite there being increased opportunities, satisfaction with opportunities to participate fell from 66 per cent in 2005 to 56 per cent in 2007. Analysis suggests this may in part be the backlash of sheltered housing tenants expressing dis-satisfaction with changes introduced to the sheltered housing warden services. FHA 2006 satisfaction levels with participation are also below average. As a result FHA took action to increase the menu of options to become involved, introducing estate specific groups, more regular newsletters and developed a database of active tenants who want to become involved.
- 181** There are clear examples where EMH has improved tenants and residents quality of life. Beaumont Leys estate is an example of work by EMH turning around an estate with multiple management issues. In addition to major environmental work jointly funded by EMH and Single Regeneration Budget grant, the provision of a caretaker living on the estate has had a very positive impact on the area. Other service improvements include better information, more ways to pay rent, more tenant involvement including estate walkabouts and more culturally appropriate services. Tenants see services improving.

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<sup>5</sup> National Housing Federation

- 182 Agar Nook estate is another significant example of successful regeneration. Working closely with residents on the 400 unit estate, the local district and county council, the local school, college and the police, in partnership EMH has remodelled low demand blocks, developed a community centre and shops, carried out environmental improvements and provided CCTV to reduce crime and the fear of crime. This included working with local youths to create a mural on the community centre. Of residents wanting to move house, the proportion wishing to remain on the estate rose from 21 per cent in 2004 to 65 per cent in 2007. Tenant satisfaction on the estate has risen from 73 per cent to 88 per cent over two years and turnover rates have fallen from 24 per cent in 2004 and to 13 per cent in 2006.
- 183 However, EMH and FHA have been slow to improve services in some key areas. For example, EMH has not had a comprehensive approach to assessing compliance of offices and communal areas against the Disability Discrimination Act. Appointments for repairs cannot be offered to EMH tenants at the initial point of contact and no hand held technology is used by operators. Take up of Direct Debit as an efficient means of paying rent is low and there has been limited use of incentives to improve service delivery. Legal requirements and efficiencies have not been fully met.

### **How well does the service manage performance?**

- 184 Drivers outweigh barriers in this area. EMH has a clear hierarchy of plans underpinned by strong performance arrangements. Sound mechanisms are in place to drive improvement and plans address many of the weaknesses identified in current performance. EMH is committed to excellence and there is a clear learning culture. Financial management is strong. However plans do not always identify the resources needed to deliver actions and are not always clearly linked to measurable outcomes for tenants.
- 185 There is a structured hierarchy of plans in place with clear objectives for both EMHG and FHA. These include:
- Business Plans;
  - Strategic Operational Plan;
  - FHA Fast Forward service improvement plan;
  - Kaleidoscope - Equality and Diversity Strategy Action Plan;
  - Resident Involvement and Respect action plans;
  - Departmental Action Plans and Risk Maps; and
  - Information Technology Operational Plan.

As a result board members, managers, staff and other stakeholders know what actions are required to deliver improvement.

- 186** Stakeholders are well involved in the development of plans. With exceptions such as not involving contractors in the development of the value for money strategy, plans are developed in consultation with relevant stakeholders. There are annual away days for board members and staff teams to focus on changes and on the challenges ahead. Corporate managers' meet with the Executive Management Team four times a year to discuss business and improvement planning. Details of consultations are published on the intranet encouraging staff feedback. Within FHA, operational staff are consulted on improvement planning as they are involved in the relevant KLOE groups. Tenants are involved through specific events or the tenants' involvement groups such as the Sounding Board. As a result, a number of changes have been introduced including changes to the contractors' code of conduct, home visits, widening methods of payment as well as information provision. Stakeholders have the opportunity to influence plans.
- 187** Resources to deliver high level objectives are clearly identified in the Finance Plan. All significant expenditure, such as the investment programme and the development programme are included in the plan. However, in lower level plans less detail is provided on the resources required and few cross reference to resources identified in the Finance Plan. Clear resource allocation means that actions can be delivered within the timescales set.
- 188** Plans however do not always closely relate actions to measurable, customer focussed, outcome targets. For example, the Kaleidoscope Action Plan contains a comprehensive list of actions with dates for completion by named individuals but the plan does not link actions to the measurable outcomes to be achieved. Without identified outcomes, plans may not be focused and success cannot be quantified.
- 189** Plans address most of the weaknesses identified. For example:
- the telephony system is being replaced and will allow FHA tenants to use the Customer Service Centre;
  - there is now a rolling programme to carry out access audits across offices and communal areas;
  - an extranet system is being introduced in January 2008 to enable customer service staff to make appointments directly into contractors' diaries;
  - a materials supplies partnership has been agreed and is currently being piloted;
  - action is being taken to improve performance and the number of emergency and urgent repairs;
  - joint work is underway to improve debt advice services; and
  - from October 2007, anti-social behaviour services will also be available out of normal working hours.

Barriers and areas of weakness are being addressed.

- 190 However there are other areas where future plans are underdeveloped. These include the lack of:
- clear proposals to improve the deficiencies with housing income management;
  - monitoring timescales on aids and adaptations; and
  - a clear timetable for rolling out the CRM system to staff outside the Customer Service Centre.

Proposals in these areas are unclear.

- 191 A strong performance management framework is enabling the HA to improve service delivery. A 'dash board' of key indicators are provided to the boards and regional committees. These include key indicators on performance and tenant satisfaction. More detailed reports are reported to the Performance Management Group which meets bi-monthly to discuss performance levels and budgets. Performance information is updated and published weekly on the intranet. Six-weekly 'Team Briefs' include a regular briefing to all staff on performance issues. Key performance indicators are externally validated and so information is reliable. There is also a clear reporting structure for all business and improvement plans. For example, progress on the procurement strategy is overseen by an efficiency working group. The boards and management have a good understanding of performance. Rising levels of performance and substantial improvements in gas servicing arrangements are the result of these arrangements.
- 192 A recognised performance appraisal system is improving individual performance. All staff, managers and board members receive annual appraisals of performance and a six-monthly review. Review of a sample of records confirmed appraisals are undertaken regularly, are linked closely to business objectives but produced mixed results in terms of having measurable targets. Training is being provided to managers on the use of SMART targets. Managers and staff are clear about priorities and the contribution they are expected to make.
- 193 Quality assurance arrangements are not comprehensive. There are insufficient quality control mechanisms in anti-social behaviour cases, varying practices in the management of rent arrears, some gas servicing cases were not following agreed procedures and there are differences in the way staff are managed outside of the structured IMAP process. As a result customers and staff do not always receive a consistent level of service.
- 194 Service users involvement is improving the delivery of services. In addition to board membership, tenants are involved in a range of different ways including a Customer Excellence Panel, Area Advisory Boards, Sounding Board and Quality and Best Value Steering Group. Mystery shopping is being used to monitor performance and tenants are involved in selecting contractors. The disproportionate engagement of tenants from older age groups with less engagement of younger tenants has been recognised. The Resident Involvement Strategy includes initiatives aimed at improving young people's involvement. Service users are more empowered.

**195** There is sound financial and budgetary management which is contributing towards the improvement of services. Internal audit, risk management and business assurance mechanisms are all in place. Budget holders and managers receive regular information and the Performance Review Group, made up of senior managers, monitors the position and significant variances from profile. High level information is regularly provided to the sub-committees of the boards. Thirty-year financial modelling and scenario planning is undertaken and this informs the Group's five-year financial plans. A resourced capital programme is in place to ensure EMH and FHA meet the Decent Homes Standard by 2010.

**196** A range of performance improvement arrangements are contributing to service improvement. These include a five-year best value review programme, smaller operational reviews and specific problem task forces, for example for gas servicing. Best value reviews look for good practice externally, for example identifying a high performer using a materials supply chain partnership. A number of positive outcomes are resulting from these reviews including:

- extended payment methods for customers;
- offering household contents insurance;
- extending the contractor code of conduct to include greater cultural awareness; and
- proposed incentives for tenants to leave properties clear and clean.

Improvements are being delivered as a result of service reviews.

**197** Benchmarking activity is undertaken although in most areas it is not yet informing business decisions. Results from benchmarking with Housemark are currently being analysed but have not yet informed business decisions.

**198** EMH's commitment to developing an improvement culture is clear. It has developed an Excellence Strategy specifically to develop the culture and framework for business improvement. The strategy sets out the structures, tools and mechanisms in place to enable EMH to turn its commitment to excellence into practice. The message is clear for all stakeholders.

**199** EMH is outward looking; keen to learn and share good practice. Senior managers are active on regional and national strategic groups to understand the latest issues and the broader picture. In addition, EMH works with peers to share good practice, for example on diversity and value for money. EMH benefits from early involvement and others experience.

**200** Internally some good practice sharing is contributing towards the improvement of services, although more can be done. Arrangements are in place to identify and spread good practice internally. For example, best value reviews are made up of cross section of staff who can take learning back to their home service area. The Performance Review group also identifies good practice for adoption elsewhere. For example EMH is to follow FHA practices on rent collection. However this is not consistently applied and there remain differences in practices. For example, FHA have contractor events to learn and share good practice whereas EMH does not. EMH prepare their own court cases whereas FHA does not. Good practice is not always captured and shared.

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

- 201** Drivers outweigh barriers to improvement. Leadership is strong and staff are well motivated. Effective training and development arrangements are in place. EMH is in a healthy financial position. Partnership working is effective and communication is good. Current ICT barriers are recognised and are being addressed and improved procurement is driving out some inefficiencies but there is more to do.
- 202** Leadership of the organisation is strong. The Group has a clear direction, with objectives and systems in place to drive improvement, deal with under-performance and monitor progress. There are good and effective relations between the boards and management of both EMH and FHA. Boards set an example by being broadly representative of the community by ethnicity and gender. Cross cutting issues such as diversity and value for money are receiving greater focus.
- 203** Both organisations have effective governance arrangements in place which is providing strong leadership on service improvements. Boards bring together individuals with a wide range of experience in the community sector, housing and finance. Board members and chairs are clear about their responsibilities. The strategic partnership has delivered mutual benefits for both organisations, adding to FHA's capacity and providing central support services, and increasing EMH's portfolio enabling improved economies of scale.
- 204** EMH and FHA are using training and development for staff to improve services. The Executive Management Team and corporate managers have all received specialist leadership development support. Training requirements of board members, managers and staff are all identified through the appraisal process and used to inform corporate and departmental training plans for the following year. EMH is Investor in People accredited.
- 205** EMH provides above average opportunities for training and development. EMH and FHA both have dedicated budgets that enable staff to receive an average of five days training a year per employee. This compares well with the Chartered Institute of Personnel and Development 2007 average for small organisations of 4.9 days per employee. Development opportunities include job shadowing, acting up, secondments, and mentoring. All board members, managers and staff have had diversity training. Relevant staff have had domestic violence training and harassment training. Staff are being equipped with skills they need to deliver effective services.
- 206** However, there has been no comprehensive skills audit to provide a baseline from which to develop the training programme. The audit would capture the current range of skills the workforce offers to the organisation. It would provide an important resource and baseline for planning.
- 207** Staff are well motivated. They recognise improvements achieved in the last two years including the increased ease for customers to get in touch, increased involvement of tenants, and improved repairs performance. EMH also visibly celebrates achievement with staff and tenants, for example the 60th birthday charity fund raising and achievement of Chartermark for customer services. The efforts of staff and tenants are recognised.

- 208** Staff turnover rates are low. Excluding short term contract employment, the 2007 rate of 9.4 per cent compares well the Chartered Institute of Personnel and Development average for the sector of 12.9 per cent. FHA turnover has fallen from 45 per cent two years ago to 18 per cent in 2007. Experienced staff are now being retained.
- 209** Sickness is being effectively managed. The Group has a robust and up to date attendance policy. Managers have received training, are provided with regular absence statistics and undertake return to work interviews with staff returning to work after each absence. Sickness rates within FHA are very low and falling. Within EMH sickness rates are above average. Total figures, however, mask the fact that short term sickness levels are falling. EMH is maximising the staffing resource available.
- 210** Action has been taken to harmonise the conditions and pay of FHA staff with EMH. Conditions of service such as holidays, flexitime, and EMH human resource policies on sickness have all been introduced to FHA. Actions to bring salaries in line are in their final stages, with job evaluations undertaken on all but four of FHA staff. The exercise is expected to be completed by the end of the year. Staff of both organisations will have the same conditions of service.
- 211** The Group is in a healthy financial position. The annual revenue turnover of £24 million generated a surplus of over £1.7 million last year and reserves stand at £35.9 million in 2007. So EMH is able to resource its planned improvement programme.
- 212** EMH is taking opportunities to attract additional resources to add to its capacity to deliver improved services. Examples include securing grant funding from the Single Regeneration Budget and from Leicester Economic Partnership for general environmental improvements. FHA also receives grant from the Neighbourhood Renewal Fund for a training scheme for local BME residents. These have resulted in tangible change, such as a redundant pub blighting an area was brought back into use as retail units, and a number of young BME residents have the opportunity to develop work skills.
- 213** Some aspects of ICT do not currently maximise capacity. EMH has integrated housing and financial systems but they are not yet linked the new asset management software. Different procedures are followed currently as both organisations do not have the same access to ICT support. For example, FHA tenants have been unable to use the Customer Service Centre. Other aspects limit performance, for example, frontline staff do not have easy access to information on anti-social behaviour casework, and the Customer Service Centre cannot assess the level of abandoned calls. However, EMH has an IT strategy in place which assesses the position of current IT systems and future proposals address these issues.
- 214** Procurement methods have improved but are not yet maximising capacity in all areas. Not all areas can demonstrate that they are currently providing value for money and some inefficient practices remain. Some resources are wasted whilst inefficient practices remain.

- 215** Action is being taken to address these weaknesses. A sound procurement strategy is in place and EMH has developed partnering framework agreements in some areas. Most services have been competitively tendered and there are plans to do more. A materials supply partner is being introduced. Best value review team members receive procurement training in costing techniques, benefits and risks in either outsourcing or bringing services in-house.
- 216** Some structural changes have been introduced to improve capacity. The establishment of the Customer Service Centre has released housing officer time to deal with more complex cases. The housing management structure has been streamlined delivering efficiencies. Creating heads of service for service areas rather than geographically based managers has created a more consistent approach in service delivery. However more remains to be done. More resources are available to deliver frontline services.
- 217** Internal and external communications are good. Staff have access to information at team meetings, through staff newsletters, a regularly updated intranet and awaydays. A range of external communications is in place for tenants and other stakeholders. These include the website, quarterly newsletter, a variety of opportunities for tenants and residents to become involved and six-monthly meetings of the Chairs and Group Chief Executive with a randomly selected group of tenants. EMH and FHA each host annual stakeholder events. Improvements are generally reflected in greater satisfaction rates.
- 218** EMH work well in partnership with others. There are a number of examples of good partnership working including with councillors and residents on local estate walkabouts, and with local police in supporting local community safety initiatives and dealing with anti-social behaviour. The regeneration of Agar Nook estate is a clear example of effective partnership work delivering real improvements for tenants and residents. A 2006 stakeholder survey showed that 97 per cent of respondents were satisfied with their dealings with EMH.

## Appendix 1 – Performance indicators

Performance Indicator	2004/05	2005/06	2006/07	2006/07 Quartile Position
Stock failing Decent Home Standard	17.3%	15.6%	12.8%	3
Average GN SAP rating	59	60	71	2
Routine repairs completed in target	95.7%	86.2%	97.0%	2
Vacant GN dwellings	-	-	1.5%	3
GN lettings to BME tenants	-	11.6%	14.2%	-
GN Re-let time (for managed stock)	-	36 days	35 days	3
Current tenant arrears at financial year end	-	-	4.3%	2
Tenant satisfaction overall	82%	82%	83%	2
Tenant satisfaction with participation	66%	66%	66%	2
Tenants satisfied with repairs and maintenance	-	-	79%	2

## Appendix 2 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
  - focus groups with staff, customers and board members;
  - interviews with staff from the East Midlands Housing and Foundation Housing Association;
  - viewing property improvements;
  - observing tenancy sign up;
  - inspection of ready to let properties;
  - reviewing the office arrangements, including visits to EMH and FHA offices and the repairs call centre;
  - mystery shopping telephone and caller enquiries;
  - talking to tenants;
  - various file checks; and
  - review of the Housing Association's website and leaflets.

## Appendix 3 – Positive practice

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

### Resident Sounding Board

- 1 EMH has a resident's Sounding Board. This is a group of tenants and other stakeholders who have agreed to be polled by post, telephone or email on policy or procedure changes. Members may attend one off meetings to discuss specific issues. This provides an opportunity for people who want to be involved but do not have much time or want to attend meetings to provide views and influence service delivery.

### Preventing recurring access problems to service gas boilers

- 2 In suitable cases where a long term tenant has not cooperated in allowing access, a gas boiler service timer is installed by the engineer. The timer disrupts the operation of the boiler if it is not serviced on time. A warning light appears, water temperature can be reduced or the timer only allows the boiler to work for one hour every four. The inconvenience is expected to prompt the tenant to seek assistance from an engineer who can service the boiler and reset the timer. Less time and resource will be wasted securing access in future.

### Aids and adaptations

- 3 EMH has a skilled team to deal specifically with aids and adaptations. The team includes an Occupational Therapist to provide specialist support. This means that tenants do not have a long wait for an assessment and specialist advice is available on individual's needs and the adaptation required, such as the best kitchen layout, unit heights or bathroom access.

### Community cohesion

- 4 Foundation Housing Association operates an employment brokerage service to enhance economic and social inclusion. Working in partnership with a number of training and employment agencies, FHA support individuals to gain access to a range of training and employment opportunities within Leicester. The service is funded by Supporting People grant and can be offered to tenants and anyone living in the community who could benefit from this service. It has helped 142 people from the local BME community access jobs, training and learning opportunities.