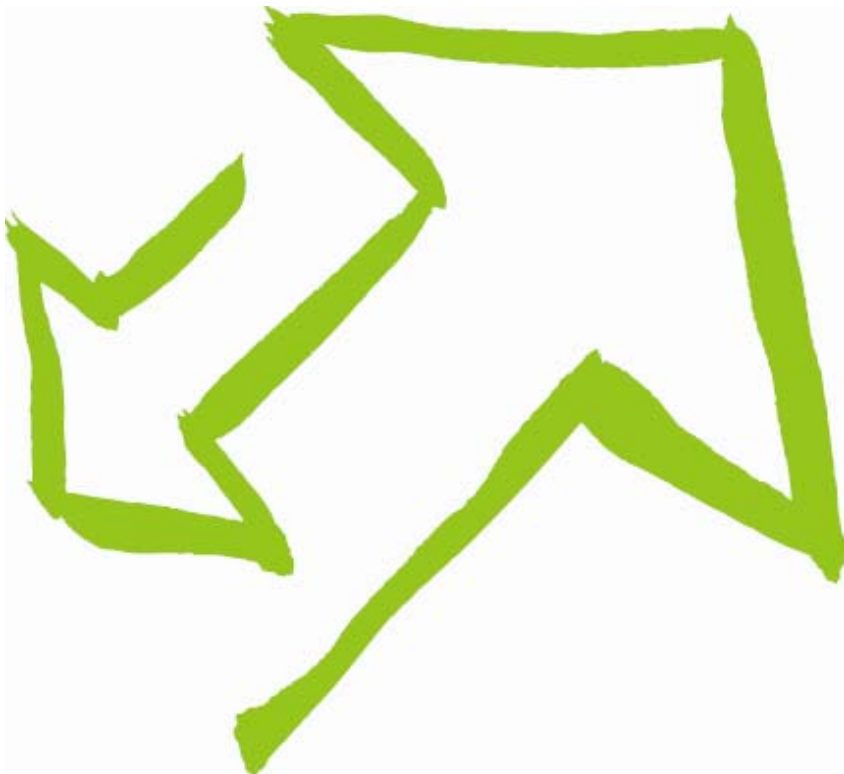


Housing Management Services

Herefordshire Housing Limited

August 2009



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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.

For housing associations our current inspection role and remit is set out in sections 41A and 41B of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003). Provisions contained in the Housing and Regeneration Act 2008 will amend our role and remit in due course, but are not yet in force. Our role 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 Tenant Services Authority (TSA) 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 Tenant Services Authority 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 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.

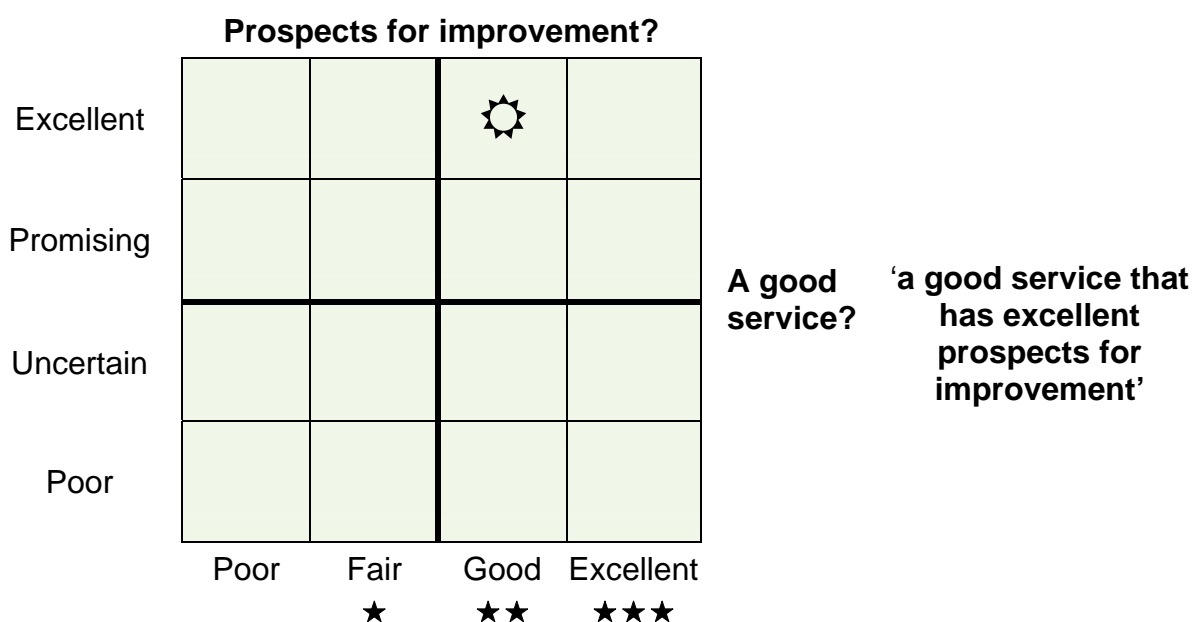
Summary

- 1 Herefordshire Housing Limited (HHL) is providing a 'good', two-star service, which has 'excellent prospects' for improvement.
- 2 Services are easy to access, and staff are enthusiastic and committed to providing a high level of customer service. The association values and acts on feedback from customers. Ongoing surveys show a high level of satisfaction in key areas.
- 3 Diversity is embedded in the association's culture. Corporate commitments are turned effectively into practice and there is a strong focus on meeting the needs of vulnerable people. Services are being tailored to meet individual needs.
- 4 Improvements to customers' homes are planned and managed effectively, and are completed to a high standard. Responsive repairs are completed quickly, with many completed on the first visit. Empty property repairs and aids and adaptations are also completed quickly. There is strong performance on completing annual gas safety checks.
- 5 Anti-social behaviour is tackled robustly, and is supported by highly effective partnership working. Estates are clean and tidy and provide a pleasant living environment. The association is collecting a high level of rent and leaseholder service charges. It is focused on preventing arrears. Effective benefits advice is helping tenants to maximise their incomes, and partnership working is helping to sustain tenancies.
- 6 However, there are some areas for improvement. Appointment times for repairs are limited. Performance on collecting former tenant arrears is not strong, and service charges are pooled within rents. Some aspects of estate management require further development and there remain some gaps in the information provided to leaseholders. Some customers are not receiving detailed information about asbestos. The association is making efficiency savings, but cannot yet demonstrate that all of its services provide value for money.
- 7 HHL has made strong progress in completing the recommendations from the previous inspection. Significant cultural change in the organisation, driven by effective leadership, has resulted in a strong focus on continuous improvement and has transformed the quality of the services provided. Performance in key services has improved, and there is a range of service improvements that customers would notice. Performance is being managed effectively, and customers are playing a key role in this. Strategies and plans are well co-ordinated and supported by appropriate investment. Human and financial resources are managed effectively.
- 8 Information and Communication Technology is not fully supporting all areas of the service, and there are some gaps in the performance management framework. Procurement activity is delivering efficiencies, but the strategic approach is not fully developed. However, HHL has a good level of self awareness and its plans address key weaknesses.

Scoring the service

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

Figure 1 Scoring chart¹



Source: Audit Commission

- 10 We found the service to be 'good' because it has a range of strengths, including:
- committed and enthusiastic staff who demonstrate customer focus in their work;
 - services which are easy to access in a range of ways;
 - offices and sheltered schemes which are accessible to people with disabilities;
 - a wide range of good quality information for customers;
 - well publicised service standards which are being met;
 - customer feedback is welcomed and used to improve services;
 - involved tenants and leaseholders are shaping services in a range of ways;
 - comprehensive profile information which is being used to meet tailor services;
 - a strong focus on meeting the needs of vulnerable people;
 - strong performance in meeting the Decent Homes Standard;

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

- an improvement programme which is customer focused, offers tenants choice and goes beyond the minimum standard required;
- responsive repairs are completed quickly and mostly at the first visit;
- empty homes are repaired quickly to a high standard which was agreed with customers;
- strong performance in ensuring that safety checks and services for gas and solid fuel are completed annually;
- aids and adaptations to tenants homes are completed quickly;
- a strong focus on preventing arrears, helping tenants to maximise their incomes and sustaining tenancies;
- anti social behaviour is tackled effectively; and
- estates which are generally clean and tidy.

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

- appointment times for key services such as responsive repairs and gas servicing are limited;
- new tenants are not provided with detailed information about the location of asbestos in their homes;
- the approach to offering financial assistance to new tenants to decorate their homes is not robust;
- communal cleaning services in blocks of flats are not in place for all customers;
- procedures to minimise risks to tenants sleeping in rooms which contain open flued appliances are not fully developed or embedded;
- leaseholders are not yet receiving detailed information about planned work to their homes or how to pay for it;
- performance on collecting former tenant arrears is not strong;
- work to compare the cost, performance and quality of services is not fully developed; and
- most service charges are pooled within rents.

12 The service has excellent prospects for improvement because:

- significant cultural change, supported by effective leadership, has delivered widespread improvement in line with the association's plans;
- there has been strong progress in delivering the recommendations made after the 2007 inspection and in improving performance in key service areas;
- strategies, plans and investment are well co-ordinated and integrated, reflect a focus on wider local and national priorities and address key weaknesses;
- performance is managed effectively and customers play a key role in monitoring and driving service improvement;

Scoring the service

- existing services have been improved and new services developed, leading to a range of improvements that customers would notice; and
- partnership working is delivering improved outcomes for customers.

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

- some gaps in performance management activity;
- the strategic approach to procurement is not fully developed;
- ICT is not fully effective in supporting delivery of some services; and
- the effectiveness and value of partnership arrangements are not being robustly assessed.

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 costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with tenants and board members; and takes action to address 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 Further improve the focus on customers by working with them to:

- ensure service availability and appointment times are meeting the needs of customers;
- ensure leaseholders receive the same level and quality of information as tenants, including, for example, information about future work planned to their homes, and about payment options; and
- revise current arrangements for decorating vouchers, to ensure the scheme is consistent and fair and offers appropriate levels of choice and value for money.

The expected benefits of this recommendation are:

- access arrangements which meet the needs of all customers;
- sufficient, high quality information and options for leaseholders to be able to prepare and plan for expenditure on improvements to their homes; and
- consistent and appropriate support for new tenants.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2009.

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

Recommendations

Recommendation

R2 Minimise risks to health and safety of customers by:

- ensuring all customers receive detailed information about the presence and condition of asbestos within their homes, in addition to the general advice already provided; and
- extending arrangements for identifying and minimising risk to tenants sleeping in rooms which contain open flue appliances by integrating existing procedures with those of housing management, supported by training for housing officers.

The expected benefit of this recommendation is:

- risks to customers' health and safety are minimised and managed effectively.

The implementation of this recommendation will have high impact with low costs. This should be implemented by August 2009.

Recommendation

R3 Improve the approach to value for money by:

- building in service quality alongside cost and performance comparisons to determine the value for money of services, and take action in response;
- implementing arrangements to regularly and robustly review the value for money of partnership arrangements;
- implementing more effective arrangements for collecting former tenant arrears; and
- addressing gaps in the strategic approach to procurement.

The expected benefits of this recommendation are:

- increased ability to understand whether services offer value for money;
- resources are maximised through fully effective partnership and procurement arrangements; and
- income to the association is increased.

The implementation of this recommendation will have high impact with low costs. This should be implemented by November 2009.

Recommendation

- R4** Improve performance management by:
- addressing gaps in relation to income management, anti-social behaviour and gas servicing as outlined in this report; and
 - ensuring that customer feedback in relation to the level of repairs reported by new tenants is robustly explored; and
 - ensuring that all reported performance data is quality assured.

The expected benefits of this recommendation are:

- more effective use is made of existing information to manage performance; and
- reported performance is supported by robust data.

The implementation of this recommendation will have high impact with low costs. This should be implemented by September 2009.

- 15** We would like to thank the staff of Herefordshire Housing Limited who made us welcome and who met our requests efficiently and courteously.
- 16** Dates of Inspection: 11 - 15 May 2009.

Report

Context

The locality

- 17 Herefordshire is a predominantly rural county. It is situated in the south west corner of the West Midlands region, bordering Wales. The city of Hereford is the major conurbation in the county along with the market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington. The county is sparsely populated, having the fourth lowest population density in England.
- 18 Demand for social housing is high. Average earnings are lower and house prices are higher than both the regional and national averages. Only 14 per cent of housing in the county is designated as being for social rent, compared to an average of 21 per cent for the West Midlands. There are over 5,000 households on the housing waiting list.
- 19 The county's Black and Minority Ethnic (BME) population has grown significantly since 2001 to 4 per cent. Despite this growth, the proportion of the population from a BME background is comparatively much lower than it is regionally and nationally.
- 20 There is seasonal in-migration to the county of non-UK migrant workers to help with agricultural work, although the number of individual seasonal workers employed in 2008 has decreased compared to 2007. The largest proportion is Polish, but in 2008 there were comparatively higher numbers of workers from Bulgaria and Romania.
- 21 The age structure of the county's population is older than that of England and Wales as a whole, with higher proportions of the population in all age groups over 45 years, and lower proportions in the younger age groups. 2001 census information indicates that 17 per cent of adults define themselves as having a long term limiting illness.

The Association

- 22 HHL took over the running of Herefordshire Council's housing stock on 26 November 2002, after a Large Scale Voluntary Transfer (LSVT). It has since adopted charitable status.
- 23 The housing stock, approximately 5,400 properties, consists of low rise flats, houses and bungalows and sheltered schemes for older people. Approximately 70 per cent of the stock is located within Hereford and 10 per cent in Ross on Wye, with the remaining stock in the surrounding rural areas.
- 24 The association employs 220 people. The senior management team comprises the Chief Executive, who joined the association just after the previous inspection, and two directors, a Director of Resources and a Director of Customer Services, who joined in October 2008 and February 2009 respectively.
- 25 The Board comprises 12 voluntary members, made up of four elected tenants, four nominees from Herefordshire Council, and four independent members.

The service

- 26** The association delivers a complete range of landlord services. It has an in house direct services organisation (DSO), which operates from a depot at the association's head office, on the outskirts of Hereford.
- 27** HHL allocates its properties through a choice-based lettings agency called Herefordshire Home Point, in partnership with the local authority. Every week, Home Point advertises all properties that are available from all the major social housing providers in Herefordshire.
- 28** Approximately 18 per cent of the housing stock is designated for elderly or disabled tenants and is linked to the association's Careline alarm service, which operates 24 hours per day, every day of the year.
- 29** The association has restructured support services, and instead of a residential warden service, now provides floating support, funded through the Supporting People programme. This service is branded as the Housing Support Service.
- 30** In December 2007, the Audit Commission reported that HHL provided a poor, zero-star service, which had uncertain prospects for improvement.

How good is the service?

What has the service aimed to achieve?

- 31** HHL describes its mission as 'delivering quality housing services to diverse communities'. This is underpinned by the values of teamwork, customer focus, continuous improvement, and being passionate about diversity, in order to deliver the association's vision, which is:
- valuing community and valuing its diversity;
 - inspirational leaders;
 - services excellent, improvements driven by customers and tenants;
 - in the forefront, a leading landlord and a great place to work;
 - offering choice and going the extra mile; and
 - neighbourhoods and communities that are popular places to live.
- 32** The corporate plan sets out in more detail what the association is aiming to achieve over the period 2008 to 2013, in line with its mission, vision and values. Objectives are separated into three key themes, which are:
- focus on customer service;
 - build an excellent business; and
 - create our future.

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

Access and customer care

- 33** In the previous inspection this was an area where weaknesses outweighed strengths. HHL lacked a strategic vision of how access to services should be provided, there were gaps in service standards and complaints were not being used effectively to help improve services. Leaseholders were not being viewed as customers and overall tenant satisfaction with opportunities to participate was low. There were some strengths which included accessible offices, the quality of written information and the website. Tenants acting as mystery shoppers were also helping to improve the quality of customer care.

- 34** This is now an area where strengths significantly outweigh weaknesses. The association has a robust strategic approach to access and customer care, supported by strong leadership, which is reflected in working practices. A good understanding of customers' needs and preferences is shaping service delivery, and the association is responsive to customer feedback and involvement. Telephone enquiries are dealt with promptly and effectively, and services are being taken out to rural customers. Offices are accessible and welcoming. The quality of written information is good. Comprehensive service standards are well publicised and are being met. However, the extent to which customers are able to access services outside of traditional weekday opening times is limited.
- 35** Clear leadership is delivering a strong focus on access and customer care. Corporate commitments and values, described in the corporate plan, are driven through the organisation in a number of ways. These include supporting strategies for access to services and communication, comprehensive collection and use of resident profile information, performance targets and monitoring, and integration of strategies into service and improvement plans. The association also uses an external organisation to test the quality of front line services on an ongoing basis. This is ensuring that corporate commitments are turned into practice.
- 36** HHL has a robust strategic approach to delivering customer focused services. Strategies for access to services and communications are based on a good understanding of the needs and preferences of customers. This includes robust resident profile information, which captures comprehensive diversity information, as well as customers' preferences on how they would like to access services and information in the future. This is shaping the organisation's long term plans and investment, for example, setting aside funding to develop a customer service centre, and is linked to wider organisational strategies, such as equality and diversity, support services and Information and Communication Technology (ICT).
- 37** Resident profile information is being used effectively on a daily basis. It is available across all service areas. Examples of use include highlighting any needs information on repair job tickets, such as waiting longer for customers to answer the door if they are less mobile, and sharing this information with contractors. Staff also link in to the work of support workers in cases of anti social behaviour, and provide personal contact where customers have indicated that this is a preference over written communications, for tenants in arrears, for example. This is helping to ensure that services match the needs and preferences of individual customers.
- 38** HHL is shaping service delivery around the needs of its rural customers. Recognition of access difficulties in rural areas has led to more services being taken out to customers, such as providing visiting rent officers with laptops linked to the association's IT systems. Rural roadshows are also being used to promote services in rural areas, and by ensuring that a cross section of colleagues attend, are also making services available on the day, such as minor repairs and debt and benefit advice. In addition to telephone access, this is providing customers who cannot easily access offices with an additional opportunity to access the services and information they need.

How good is the service?

- 39 The quality of office and reception facilities for customers is good. Public access points have been remodelled to comply with the requirements of the Disability Discrimination Act. Key features include provision of private interview facilities, knowledgeable staff who provide a welcoming and friendly service, and ready access to a wide range of information about HHL and related services.
- 40 Telephone enquiries and requests for service are dealt with effectively. Calls are answered quickly, with 89 per cent of calls answered within 20 seconds and only around 3 per cent of calls lost. Feedback from customers is positive regarding the ability of staff to resolve different enquiries, and to provide accurate information and signposting for externally provided services. Tenants are receiving a quick and responsive service.
- 41 The website is a comprehensive resource for information, supported by some interactive services. News and service information for tenants and leaseholders is up to date and links to key documents and wider services. These include the Council's choice based lettings scheme, and a benefits calculator, which are easy to use and which work effectively. Online services enable tenants to report a repair, make a complaint, and make rent payments. The option to provide additional interactive services, and the cost implications, have been explored with customers, who have informed the decision not to pursue this while the take up of internet connectivity by residents is low. Nevertheless, the website provides an additional means for customers to access information and some services.
- 42 Comprehensive service standards are well publicised and widely available. The standards were developed with customers, and cover customer service as well as specific service areas, such as aids and adaptations, tenancy services and anti-social behaviour (ASB) and hate incidents. The standards are regularly monitored through a range of means, including independent testing and checks by customers on performance. Performance is regularly published and the majority of targets are being met. As a result, customers can be clear about what standards of service they can expect to receive, and how the association is performing against agreed standards.
- 43 Overall, the quality and extent of published information is good. Customers have helped to design the format and content of information, which is translated on request, or can be provided in an audio or Braille format. A wider range of information is also now available, including fact sheets for leaseholders, detailed information about the planned improvement programme, and improved information about the repairs service. Customers are well informed about the services available.
- 44 Complaints are welcomed and are well managed. The association encourages customer feedback on things that have gone wrong, and a focus on promotion has seen the number of complaints received increase from 25 in 2007/08 to 162 in 2008/09. Staff are encouraged to take ownership of complaints and resolve them at an early stage. Each team has a complaints 'champion' to monitor how well the procedure is being followed, supported by integration of complaints management into the main IT system. Target timescales in 2008/09 have been exceeded, with 89 per cent of complaints fully responded to in 15 days in 2008/09, against a target of 85 per cent.

- 45 HHL values and responds positively to customer involvement. There is now a wide range of ways for customers to help develop, improve and monitor service delivery which include service review groups, a leaseholder forum, void challenge days, and a resident inspector programme. Changes as a result of their contribution are evident across the organisation, with notable examples being changes to the procurement and delivery of the improvement programme, and improved communication about the impact of anti-social behaviour as a result of feedback from perpetrators. Residents we saw are positive about the level of influence they have over service design and delivery.
- 46 Customer feedback is welcomed and is used to improve services. Both complaints and ongoing satisfaction surveys, which are completed across all service areas, are used to identify and implement service improvements, which are then communicated back to customers through newsletters and on the website. Reports on complaints performance and learning are regularly reviewed by a specific working group, which includes customers. Recent examples of action taken include revising the contract specification for the improvement programme to include improved protection for customers' furniture and decorations, packing cases for valuables, and improving customer information about how repairs are categorised.
- 47 Access to the majority of services is limited to weekday office hours. It is positive that customers are able to make rent payments and report anti social behaviour outside of these times. However, customers cannot make appointments for non-emergency repairs outside of office hours, and appointments for repairs or gas safety checks and servicing are not available in the early evening or at weekends. Customers who may benefit from accessing these services outside of standard office hours are not able to do so.

Diversity

- 48 In the previous inspection, weaknesses outweighed strengths. The association did not meet legislative or regulatory requirements on diversity, strategies lacked detail and there were key gaps in knowledge about customers' needs. The positive aspects of diversity were that aids and adaptations were being completed quickly and translation services were provided.
- 49 This is now an area where strengths significantly outweigh weaknesses. This area now benefits from strong leadership, and corporate commitments are turned into practice. The association is meeting legal and regulatory requirements. Comprehensive profile information is resulting in positive outcomes for customers, and is being used to explore and address inequality in service provision. Effective support arrangements are in place to meet different needs. There are, however, some areas which require improvement and further development, such as contractor monitoring and working to ensure that the workforce is representative of the community.

How good is the service?

- 50** There is now a strong commitment to understanding and meeting the diverse needs of residents. HHLs commitment is reflected in its visions and values, and it is supporting this through the use of a number of tools. A single equality and diversity delivery plan for the whole organisation pulls together planned improvements from Equality Impact Assessments, Equality Schemes, compliance assessments, and analysis of profile information. Actions are driven through to service plans. A working group, led by a Board member and which includes tenants, monitors and reports progress, supported by a range of performance measures. This is ensuring that corporate commitment is translated into practice in the way services are delivered to customers.
- 51** The association is providing visible leadership and challenge within the wider community. For example, recognition of the need to sustain tenancies has prompted HHL to convene a forum of partner agencies to ensure that the needs of people with mental ill health are fully considered, through, for example, the county-wide choice based lettings scheme. It is an active member of the county Equality Partnership, focusing on developing the county approach to community cohesion, and it is an active advocate for residents in need of Disabled facility Grant (DFG) funding for adaptations. This is helping to ensure that the needs of tenants are being met in areas which are not under the association's direct control.
- 52** The association now complies with key legislative and regulatory requirements. This was an area of weakness in the previous inspection. It has completed works to public buildings and sheltered schemes to ensure compliance with the Disability Discrimination Act. It has also robustly self-assessed compliance with both Tenant Services Authority expected practice, and the Equality and Human Rights Commission statutory code of practice on race equality in housing. It is also using these assessments to drive further improvement, for example, not signing off actions as complete until a full evidence base of outcomes has been gathered. This means customers are benefiting from outcomes which exceed the minimum requirements of legislation.
- 53** HHL embraces the challenges of meeting the needs of all customers. It has undertaken a comprehensive census survey and developed a challenging project plan for engaging with hard to reach groups to understand and meet their needs. It has, for example been prepared to challenge current policy to help address the housing needs of people affected by mental health issues, brought in specialist external support to work with the lesbian, gay and bisexual community and worked closely with partners to find ways to engage with the eastern European community, when initial plans for a large forum meeting would not work. This is a significant investment in diversity, reflecting its approach to translating its strategy into real outcomes for people.
- 54** HHL has achieved a high collection rate of comprehensive resident profile information. It currently holds information for over 80 per cent of its residents, which includes almost half of its leaseholders. Categories of information include communication needs and preferences, age, ethnicity, gender, disability, faith and sexuality. It has also been used to collect information about support needs, and residents' experiences of harassment. A range of collection methods were used as part of a targeted approach, and included door knocking, collection by trades colleagues, postal and telephone survey, and more recently, collection by a market research company. This provides the association with valuable knowledge to develop, review and target services.

- 55** Profile information is now being used to explore and address inequalities in service provision. Initial analysis of service delivery and satisfaction has been completed for the key service areas of complaints, repairs, lettings and also a profile of evictions. This has identified areas for further investigation, such as a lower level of complaints received from BME customers, which the association is now following up. It is also being used to inform Equality Impact Assessments, which provides the association with a robust basis on which to identify and address any disparities in service provision.
- 56** Equality Impact Assessments are targeted effectively and completed in a comprehensive way. The association prioritised its programme based on the extent of likely impact of the service or policy on customers, and has completed its first full year of assessments. New or amended policies are automatically included in the programme for assessment. Assessments have been informed by available profile information, and completed to a high standard. This is helping to ensure services are delivered fairly, by addressing any disparity in outcomes for different community groups.
- 57** There are examples of where the initial analysis of census data in January 2009 has already informed change and improvements. A notable example was finding that a high proportion of lesbian, gay, bisexual or transgender (LGBT) residents had experienced harassment. This prompted HHL to start working with an external support network to understand the community's concerns and why so few had formally reported any incidents to HHL or the police. As a result, HHL now promotes an independent reporting line for LGBT people who are experiencing harassment, has sourced specialist training for staff on awareness of the issues for LGBT people, and is dealing with harassment on the basis of sexuality.
- 58** HHL provides a positive level of support for vulnerable people, both within its own services and by linking up with partner agencies. Target hardening measures are provided for victims of harassment, hate crime and survivors of domestic abuse, such as increased security measures. Pre-allocation visits are used effectively to identify if new tenants have any support needs, and there are some positive examples of joint working with the community mental health team where HHL staff have recognised that cases of anti social behaviour are potentially linked to mental health issues. This helps to ensure that the individual needs strongly influence actions taken, which in turn is helping to sustain tenancies.
- 59** Staff have a good understanding of what diversity means in practice and are applying this to their everyday work. As well as training across the six main strands of diversity, they have also received specialist training, for example, about perceptions and issues affecting the LGBT community, which has been well received. HHL keeps a register of ideas and suggestions to implement this learning. For example, purchasing pendant operated ASB recording equipment, while colleagues can demonstrate using profile data proactively to adapt their day to day work to individual needs. This reflects a positive diversity culture within the organisation.

How good is the service?

- 60** There are some weaknesses where further work is required. For example, the association is not part of any formal open reporting centre scheme for victims of hate crimes. While it has its own reporting arrangements, this potentially misses the opportunity to actively promote a partnership approach to minimise the chances of under reporting. In addition, the workforce is not representative of the community, and recruitment monitoring does not cover all of the six key diversity strands, which limits the ability of the association to target recruitment and retention practices effectively.
- 61** Contractor workforce monitoring is at an early stage. The first monitoring reports were collected earlier this year, and the association cannot yet demonstrate any action it has taken in response. However, it is positive that monitoring reports have required contractors to complete workforce profile information across the six main strands of diversity, which has prompted a joint training programme with contractors planned for May 2009.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance and major repair work

- 62** In the previous inspection, this was an area where weaknesses outweighed strengths. The asset management strategy was weak, there was a lack of focus on achieving the decent homes standard, and some blocks of flats were in poor condition. Leaseholder issues were not being addressed and there was no strategy to deal with garages. Some tenants were being placed at risk through inadequate servicing of solid fuel systems. There were some strengths which included a cyclical painting programme, a reasonable level of stock condition information to determine investment decisions, and improvements to the condition of the stock over the last five years.
- 63** This is now an area where strengths outweigh weaknesses. A robust asset management strategy, which customers have helped to develop, is guiding investment and is linked effectively to wider strategies and plans. Progress against the decent homes standard is strong. Customers have played a key role in shaping the improvement programme and are satisfied with the work done to their homes. Leaseholders are consulted effectively about major works. Risks to health and safety are managed appropriately, but the association is not providing detailed asbestos information to new tenants. Comprehensive information for leaseholders is not yet in place and some elements of the strategic approach to asset management, such as a formalised Decent Homes Plus Standard, and approach to sustainability, are not fully developed.
- 64** Investment in the housing stock is planned effectively. A fully funded asset management strategy, informed by robust stock condition information, provides clear rationale and priorities for investment, which go beyond meeting the Decent Homes Standard. This has been supported by a desktop options appraisal exercise of the housing stock, including garages and non traditional stock, which has helped to determine where investment is viable or where further detailed appraisal is needed. Specialist advice, for example, on the condition and investment needs of non-traditional stock, is also contributing to effective investment planning. This is helping to ensure that resources are targeted appropriately.

- 65 The asset management strategy is effectively linking investment to wider priorities and strategies. Examples include linking the garage strategy and the development strategy to Council priorities in order to help meet housing need, prioritising homes for energy efficiency work as part of the strategic approach to affordable warmth, and regeneration of an area known as The Oval, with the aim of improving the quality of the housing stock and creating sustainable communities. Maisonette blocks which were highlighted as being in poor condition during the last inspection have also been prioritised for improvement supported by the necessary investment. This is helping to maximise outcomes from investment.
- 66 However, some elements of the strategic approach to asset management are still developing. Work is now underway to develop, with customers, a formal Decent Homes Plus standard, to incorporate community aspirations for neighbourhoods. The initial consultation for this work has been completed through the most recent rural roadshows. In addition, the association's strategy for incorporating considerations of sustainability is at an early stage.
- 67 Targeted investment is increasing the energy efficiency of customers' homes. The average energy efficiency rating is 73.2, which compares to the top performing 25 per cent of landlords nationally. This has been achieved through the improvement programme, for example, prioritising replacement of boilers and heating systems, and targeting investment at homes identified through stock condition information as being hard to heat, for example, rural homes with solid fuel heating systems. This is helping customers to heat their homes more easily, and reduce the costs associated with inefficient insulation and heating systems, in line with the association's affordable warmth strategy.
- 68 Performance in meeting the Decent Homes Standard is strong and comparable to the highest performing 25 per cent of landlords nationally. There are currently 28 properties which do not meet the standard, which is equivalent to 0.5 per cent of the total housing stock. These are properties where tenants had previously refused to have improvement work done to their homes, but have since agreed for the work to be completed during 2009/10. Effective programming and management of refusals is helping the association to ensure that all tenants live in homes which meet minimum standards by 2010.
- 69 Customers benefit from an improvement programme which goes beyond meeting the minimum Decent Homes Standard. Renewal of kitchens and bathrooms are considered on the basis of the expected remaining life of components and their future replacement dates, so that where appropriate, both are replaced even if only one element was needed to meet the minimum standard. In addition, improvement works incorporate adaptations and lifetime homes considerations. This approach is helping HHL to maximise the impact of its investment and minimising disruption for customers.
- 70 Customer satisfaction with the improvement programme is high at 95 per cent. Improvements we saw had been completed quickly and to a high standard, and residents are positive about the way the work is planned and managed.

How good is the service?

- 71** The investment programme is being delivered in line with customers' wishes. They have, through the service review group, shaped the asset management strategy and priorities for the programme, contractor selection and product specification and choice. Customers have also influenced specifications beyond the decent homes standard minimum, for example, inclusion of bathroom accessory packs and providing appropriate fittings and tiling for showers. This is ensuring that the programme reflects customer preferences.
- 72** Tenants now receive timely and high quality information about planned improvement work to their homes. Detailed annual programmes have been provided to all tenants, supported by component replacement information for the following four years. Leaflets clearly set out the nature of the work to be completed, along with target timescales for completion of the work. Although leaflets do not refer to the support available for tenants, such as help with packing and moving belongings and furniture, published information as a whole provides clear information on what customers can expect to happen and when.
- 73** Leaseholders are not yet receiving the same level of information as tenants, although at the time of this inspection, this work was almost complete. The association is meeting requirements to consult with leaseholders over major works. Five-year schedules of maintenance are being prepared, but had not been completed and sent out at the time of the inspection. Similarly, payment options for major works have only recently been discussed and agreed with the Leaseholders Forum, so have not yet been widely publicised.
- 74** Planned programmes of work are minimising health and safety risks to customers. A solid fuel safety check and servicing programme is now entering its third year, with 100 per cent checks and services completed in the last two years. In addition, HHL has responded positively to recent HSE³ alerts regarding safety risks posed by back boilers and immersion heater thermostats by implementing a targeted and risk based approach to checks, removal and remedial works. Programmes are also in place for inspecting and maintaining play areas, electrical testing, fire alarm systems, lifts and hoists, door entry systems and water systems tests.
- 75** Appropriate arrangements are in place to manage the risks associated with asbestos. Contractors and HHL operatives are alerted to the known or suspected presence of asbestos within the stock, and have ready access to the asbestos database. This is updated from ongoing surveys and testing within the stock. All high risk material is removed from HHL properties as a matter of course by specialist contractors prior to any improvement works or repairs. Low risk material is recorded in terms of location and condition and managed in situ. This is ensuring safe working practice when working in tenants' homes.

³ Health and Safety Executive

76 However, it is a weakness that new tenants do not receive the same level of detailed information about asbestos within their homes as existing tenants. All tenants receive a useful guide which explains risks associated with asbestos and what to do if they suspect it is present. Existing tenants also receive a copy of any completed survey, complete with a floor plan. However, at the time of the inspection, new tenants were not routinely receiving any completed survey information, and a lack of awareness about the issues relating to asbestos in their homes potentially poses a risk for some residents. HHL committed to resolve this immediately.

Responsive repairs

77 In the previous inspection, weaknesses outweighed strengths. Performance was weak during 2006/07, particularly on routine repairs, a high percentage of more costly emergency and urgent work was carried out, written information was unclear, and there was a lack of focus on the needs of service users. Positive features of the service were the reliability of the emergency call out service and a new appointments system.

78 This is now an area where strengths outweigh weaknesses. Repairs are being completed quickly, many in one visit, and to a good standard. Customers are satisfied with the service they receive. The association is actively managing the level of costly emergency and urgent repairs and work to modernise the service is progressing well. There remain some areas for improvement. Appointment times for customers are limited, and the association is not maximising collection of recharges.

79 Repairs are being completed quickly and performance is strong in this area. At the end of 2008/09, performance in completing routine and urgent repairs in target time was comparable to the highest performing 25 per cent of landlords in the association's chosen comparison groups in two different benchmarking clubs. Performance on completing emergency repairs in target time was just under the level of top performers. The table below shows repairs performance for 2008/09, and for context, performance in the previous two years, 2006/07 being the year performance was reported on, in the previous inspection.

Table 1 HHL responsive repairs performance for 2006/07, 2007/08 and 2008/09 by category and target time

	Target	2006/07 performance against target (%)	2007/08 performance against target (%)	2008/09 performance against target (%)
Emergency	100% responded to in 2 hours and completed in 24 hours	99.4	97.5	99.7
Urgent	99% completed within 3 working days	94.2	98.4	99.1
Routine	98.5% completed within 20 working days	90.8	97.5	99.5

How good is the service?

- 80** There is a high level of customer satisfaction with the service. Satisfaction information is collected on an ongoing basis through written and telephone surveys. At the end of 2008/09, 98.9 per cent of customers rated the service as good or very good. Areas which scored particularly highly included the polite attitude and professionalism of operatives, tidying up after the work was completed, and completing the work at the agreed time.
- 81** A high proportion of repairs are completed in the first visit. During 2008/09, HHL exceeded its target performance of 80 per cent by completing 83.7 per cent of repairs jobs at the first visit. The use of imprest stock, training and use of scripts for repairs call takers and empowering operatives to complete the work that needs to be done, rather than focusing solely on completing the work described on the job ticket, are all contributing positively to this. The level of pre-inspections and varied works orders has reduced, and tenants are receiving a more customer-focused service as a result.
- 82** Appointment times for repairs are limited. Published information refers to appointments being available only on a morning or afternoon basis on weekdays. In reality, call takers explore customers' preferences and fit appointments around their needs, but this is within the confines of weekday working up until 5pm, which is not meeting the needs of customers who have commitments during the day.
- 83** Work to modernise and streamline the service further is progressing well. Formal multi-skilling arrangements are developing, with 13 members of the workforce contracted to work on this basis, and a further 15 who have volunteered to work on this basis while HHL develops an appropriate pay structure, which it plans to have in place by April 2010. Currently, approximately 60 per cent of the workforce are working on a multi-skilled basis. In addition, HHL is nearing the completion of a pilot project to implement mobile working, with the aim of making better use of operative time, improved scheduling and automated stores ordering.
- 84** HHL is actively monitoring and reducing costs associated with emergency and urgent repairs. This was a key weakness in the previous inspection. Levels are still higher than accepted good practice levels in the sector, but have reduced significantly, with combined emergency and urgent jobs now accounting for 34.5 per cent of all repairs, compared to 59 per cent in 2005/06⁴. HHL is now batching routine repairs such as guttering and fencing, which is delivering savings, and is actively monitoring the categorisation of repairs. It has identified that emergency heating repairs are the main factor, and is now ensuring that appropriate links are made into asset management and replacement programmes. As a result, HHL is making better use of its resources.
- 85** Arrangements for dealing with recharges are still not fully effective. Positively, the association raises a recharge for all applicable repairs after informing the customer of the charge. However, it then takes 25 working days to send out invoices, which is slow and the association has not published a common list of charges. In 2008/09, HHL collected a significant amount of cash - £26,000 - which compares well to many others, but equates to only 23 per cent of the total due, which means that more than three quarters of the total raised is not being successfully collected.

⁴ This is the data that was referred to in the 2007 inspection report

Empty property repairs

- 86** In the previous inspection, weaknesses outweighed strengths in carrying out void repairs. Average re-let times were lengthy and caused by an inability to get properties into a lettable standard quickly enough. The service was not fully focused on providing customer care and was not using customer feedback to raise standards. However, properties were let in a clean condition, with few outstanding repairs.
- 87** This is now an area where strengths outweigh weaknesses. Properties are relet quickly and to a high standard. The lettable standard has been developed with customers, who monitor its application. New tenants receive a useful and comprehensive introduction to their new home. However, the association's understanding of the level of repairs ordered after moving in is underdeveloped, and the decorating allowance scheme allows for inconsistency in the amounts awarded.
- 88** Performance on completing repairs and average re-let times is strong. At the end of March 2008, the average time in maintenance was 14 days, and average re-let time for general needs and supported housing combined was 18.1 days, exceeding the target of 20 days for the year. This compares well to the best performing 25 per cent of associations nationally. This helps to reduce income lost when properties are empty, and ensures that new tenants are not waiting for a long time to move into their home.
- 89** Properties are let to a high standard. During 2008/09 only two properties were refused on the basis of condition, and 85 per cent of new tenants were satisfied or very satisfied with the standard of their new home. The lettable standard includes extras to basic cleanliness and repairs such as garden tidying, fitting door safety chains and spy holes, and giving new tenants the choice of whether to retain any fixtures which are in good condition, such as carpets. Customers helped to develop the standard, and monitor performance against it through quarterly visits to ready to let properties. This is helping the association to maintain a consistent focus on the quality of ready to let properties.
- 90** New tenants receive a comprehensive introduction to their new home. They are provided with a property information pack which contains safety documentation for gas and electrical installations, an energy performance certificate and a schedule of any outstanding repairs or planned improvements. HHL also provides some useful items such as a powerdown unit, and completes an induction on how to use the heating system which includes a free gas cooker safety check and connection service. This helps to ensure that customers are familiar with key features of their new home when they first move in
- 91** The approach to identifying and completing outstanding repairs is mixed. It is positive that HHL contacts new tenants 14 days after they have moved in to check and see if there are any responsive repairs needed to the property. However, although customer survey information indicates that more than half of all new tenants need to order repairs after they have moved in, HHL has not yet explored the reasons for this. It does not know for example, if this reflection of the lettable standard or customers' understanding of it, as it is not provided and discussed at the viewing stage. Neither has the association analysed outstanding repairs schedules, or whether the property has benefited from improvement works. This is a missed opportunity to ensure that responsive repair work is minimised after tenants have moved in.

How good is the service?

92 There are key weaknesses in the approach to awarding financial assistance for decorating properties. Information about the association's decorating voucher scheme and how amounts are awarded is not well publicised for customers. The level of award and the extent to which purchasing arrangements offer choice and value for money have not been reviewed with customers. In addition, despite high demand for properties and very few refusals for property condition, the amount initially awarded by a surveyor can be amended at the discretion of housing colleagues at the viewing stage. As a result, some tenants, particularly those who are unable or unwilling to challenge the condition of the property, may not be receiving the same level of financial support as others.

Gas safety and servicing

- 93** In the previous inspection this was an area where strengths and weaknesses were balanced. The association met statutory requirements with almost all properties serviced, supported by a flexible appointments system and smoke alarms checked at the same time as the annual gas service. Importance of annual services in relation to safety were well publicised in the newsletter, but there were weaknesses in control and quality assurance procedures.
- 94** This is now an area where strengths outweigh weaknesses. Performance is strong and supported by appropriate quality assurance measures. Customer satisfaction with the service is high. Contract arrangements offer added value, and the service has recently been extended to include leaseholders. However, access arrangements are not fully customer-focused and procedures to minimise risk to tenants sleeping in rooms which contain an open flued appliance are not fully developed.
- 95** Performance in this area continues to be strong. At the time of the inspection, only eight properties did not have a valid annual gas safety certificate. All of these properties were being dealt with under the non-access procedure, and were overdue by less than one month. Regular safety checks and services provide assurance to tenants that their homes are safe to live in.
- 96** Appropriate checks are now in place to ensure that work is completed to required standards. Qualifications of all contractors and operatives are checked, and all are registered with GasSafe. Post inspections are also completed for 10 per cent of all completed jobs by an appropriately qualified engineer. These practices are helping to safeguard tenants effectively.
- 97** The use of legal action is being minimised by using a wide range of measures to gain access. Over the last two years, court action has only been necessary on four occasions. Measures to gain access include appointments at the weekend or early evenings, sending safety bulletins with increasingly strong messages about safety, fixing posters to properties, and joint working with other housing colleagues to explore any wider reasons why access is not being granted.

- 98** However, it is not clear that access arrangements are fully customer focused. Although a range of different measures are used, and performance is strong, there are cases where customer profile information is not being used until the letter stages have been exhausted. Evening and weekend appointments are not publicised or routinely offered to customers, and on some occasions legal letters have been sent after access has been gained by an engineer. The newsletter is not being maximised as a means of promoting the importance of allowing access. This is increasing the likelihood of having to make more than one visit to gain access.
- 99** Customer satisfaction with the service is high. At the end of 2008/09, 99.8 per cent of customers were satisfied with the overall service they received. Factors such as the timeliness and quality of the work, attitude of engineers and leaving homes clean and tidy after the work was completed were particularly highly scored.
- 100** Added value within the contract is increasing the benefits available to customers. Their own appliances are checked at no cost to them, smoke alarms are tested and new batteries installed where they are not hard wired alarms, and cookers are fitted free of charge for new tenants when the supply is uncapped. This is helping to minimise costs to customers and is also increasing the level of assurance regarding safety of appliances and fittings.
- 101** It is positive that HHL has extended the service to leaseholders. Options and pricing for the service were explored and agreed at the Leaseholder Forum, and included comparison to private sector prices and services. The cost to leaseholders is £58. Every leaseholder has been contacted recently regarding the option to buy in, and approximately 20 have taken up the service so far. This is providing increased choice for leaseholders.
- 102** Procedures to address risks associated with tenants sleeping in rooms which contain open flue appliances are not fully developed or embedded. HHL has recognised this as an issue, and it developed procedures to tackle this in April 2009. However, they focus on actions to be taken by gas engineers, and do not include guidance for housing colleagues, who spend more time with tenants, or links to other organisations, for example, the Primary Care Trust (PCT) regarding hospital discharge. Neither have housing colleagues been trained on the importance of identifying this issue and the actions they should take. Precautionary measures are therefore not being targeted effectively at those tenants for whom this poses a risk.

How good is the service?

Aids and adaptations

- 103** In the previous inspection, this was an area where strengths outweighed weaknesses. Equipment was being provided quickly, without any waiting list, and access to occupational therapists was arranged for tenants receiving major works to their homes. However, there was some confusion amongst staff about what could be provided, value for money was underdeveloped and the association was not matching potential tenants to suitably adapted properties.
- 104** This is now an area where strengths significantly outweigh weaknesses. The service is well promoted and publicised. Adaptations are completed through the improvement programme, and the association invests its own resources to minimise delays for tenants. It is an active advocate for tenants who require grant funding. Arrangements for reuse and recycling are effective, and satisfaction with the service is high.
- 105** The service is well publicised and promoted. Specific information is contained in dedicated leaflets which are available in reception areas and on the website. In addition, resident census information has led to targeted promotion of the service based on reported and known need, which in turn has doubled the number of works applied for and completed, matched by increased resources. More tenants are benefiting from adaptations as a result of this publicity.
- 106** HHL is continuing to complete minor aids and adaptations quickly, by using its own resources to do so. It designed a policy with customers and the Herefordshire Tenants' Disability Group, which means it funds all adaptations which cost less than £2,000, with works under £250 completed without the need for referral from an Occupational Therapist (OT). The budget for 2008/09 was £203,000, which has been fully spent. In March 2009, all adaptations costing under £1,000 were completed in ten days or less, and all those below £2,000 were completed in 20 days or less. This is minimising delays in providing minor adaptations quickly to residents who need them.
- 107** Satisfaction with the service is high. Surveys collect data about different aspects of the service, from provision of a start date, waiting time, and quality of the work. At the end of 2008/09, 98 per cent of customers reported that they were satisfied with the overall service they received. The year-end satisfaction level is slightly below the target of 100 per cent, due to delays in completing the work during the summer of 2008. HHL however, has tackled contractor issues relating to delays, and satisfaction and performance have significantly improved as a result.
- 108** Adaptation work is effectively linked into the improvement programme. Needs for any adaptations are explored with customers when planning the work to their home, which are funded by HHL ahead of any DFG application. HHL buys in OT services where necessary to minimise delays and its surveyors liaise with them to ensure that designs are practical and possible within the property layout. This reduces disruption for tenants and ensures that improvements meet individual needs.

- 109** Recycling arrangements are in place and working well for both minor and major items. HHL makes use of the local PCT store for adaptations removed from empty properties, and stores minor items at its depot for re-use. HHL also uses a local company to store, re-use and recycle whole or parts of equipment. This is supported by the use of an adaptations register, which allows development of maintenance schedules, and which is also helping to inform lettings. As a result, HHL is able to provide more assistance to more people through re-use of its resources.
- 110** There is a small backlog of requests which the association is working hard to reduce. There are approximately 40 customers who are waiting for major adaptations which require Disabled Facilities Grant (DFG) funding from the local authority. The association monitors and discusses individual needs and cases with the Council at regular meetings, which has resulted in additional Council funding being made available for 2010/11. In addition, close monitoring of cases has enabled the association to identify and fund two cases originally thought to require major works, which are now estimated to be below £2,000. It is now funding these through its minor adaptations budget. This approach is making it easier for tenants to access funding and support to which they are legally entitled.
- 111** Follow up checks are not fully customer focused. HHL does not complete follow up checks on completed adaptations beyond a post inspection and satisfaction survey. These provide valuable feedback and provide a check on the quality of the installation, with surveyors liaising directly with contractors on behalf of customers. However, HHL is not completing a further follow up to ensure that equipment is still meeting needs, which is a missed opportunity to identify if needs have changed or if further support is required.

Income management

- 112** In the previous inspection, this was an area where strengths and weaknesses were balanced. The association was collecting a high percentage of rent, through a wide range of payment methods, with the provision of clear and accurate information. Debt advice and support services were effective, with good partnership working to prevent homelessness. However, current rent arrears were high with a large number of substantial debts, the strategic approach to poverty and debt was underdeveloped and leaseholder related services were weak. The collection rate for former tenant arrears was low.
- 113** This is now an area where strengths outweigh weaknesses. Performance in collecting rent and leaseholder service charges is strong. There is a wide range of payment methods and extended opening hours for rent payments. Procedures and working practices are preventing arrears and helping to sustain tenancies. Effective benefits advice is also helping tenants to maximise their incomes. The association's strategic approach to financial inclusion is still developing, and it is not maximising the impact of partnership working. Service charges remain pooled in the rent, and collection of former tenant arrears is not fully effective.

How good is the service?

- 114** Performance in collecting rent and leaseholder service charges is strong. In 2008/09, the association collected 101.10 per cent of rent due and has continued to collect a similar level in the current year to date, which places HHL among the best performing 25 per cent of associations in its chosen benchmarking peer group. In the same year, 91 per cent of leaseholder service charges were collected, with 95 individual arrangements in place to collect arrears. This is significant in the context of the current economic climate, which is placing pressure on all housing providers to maintain high performance.
- 115** A wide range of payment methods is available. They include online payments via a link on the HHL website, by telephone on weekdays up to 8pm, using payment cards at different outlets, and payments by direct debit. Approximately 38 per cent of customers use direct debit, the most cost effective payment option, and the association is now exploring the introduction of flexible payment dates. It is using resident census information to target promotion and take up. Providing choice to tenants is important given the rural and dispersed nature of the housing stock.
- 116** Working practices reflect a strong focus on preventing arrears and evictions. At the end of 2008/09, the level of current tenant arrears was 3.7 per cent, better than the average of the association's chosen peer group, and compares to over 6 per cent in the previous inspection. This is particularly positive given that the level of former tenant arrears has also reduced by £44,000 over the past two years, showing the reduction is not simply because tenancies are ending with arrears still owed. Prevention of arrears is built into working practices, from sign up, to early intervention and timely support and specialist advice. Joint working with the local homelessness prevention team prevented 15 potential evictions during 2008/09. This has helped HHL to reduce the number of evictions for arrears from 33 in 2006/07 to 14 in 2008/09.
- 117** The association provides effective benefits advice to individual customers. The tenancy support officer role enabled over £220,000 of additional benefit to be awarded in 2008/09 which may not otherwise have been claimed. This related to a range of benefits, for a diverse section of customers. In addition, the association has invested in a post dedicated to providing financial support, and this is starting to help lever in funding from charitable agencies to help support more tenants. It is also beginning to undertake wider benefit 'take-up' campaigns, with some targeting at particular customer groups. This support complements the preventative approach to arrears recovery and means tenants are more able to maximise their incomes.
- 118** The association has a positive relationship with Housing Benefit partners. It has a service level agreement setting out basic service levels and there are good contact arrangements to deal with complex individual cases. Staff have been trained to verify claims which are then fast-tracked for assessment. This is helping to minimise delays in processing claims and resolving queries.

- 119** HHL is not maximising the impact of its relationship with the Citizen's Advice Bureau (CAB). Although the service provided by the CAB is used as part of its support to customers its service level agreement with the CAB expired in April 2009 and has not been robustly reviewed. An initial agreement was made to increase funding by 50 per cent, but this did not consider the actual level of referrals made in the previous year, which was higher than the amount the agreement provides for. The agreement also does not provide for fast tracking of cases, which the association relies on in a number of serious arrears cases, as the target timescale for cases to be seen is one month, which is a significant delay. This means that at times, its own support officers fill in when the CAB does not have capacity, which is at odds with the association's view that the CAB offers greater value for money than an in house resource. It also means that HHL is therefore in part reliant on the goodwill of the CAB for the service level it actually receives.
- 120** The association's strategic approach to financial inclusion is still developing. A strategy is now in place which covers most key elements, but only covers 12 months to September 2009, and so lacks clarity on the long term outcomes the association is seeking to achieve. Positively, there is a good understanding in the service of the financial inclusion agenda and some initiatives, such as a 'credit crunch' open day in December 2008, where HHL joined with the CAB and HB service to offer a drop in advice service in Newton Farm, resulting in some tenants receiving backdated housing and other benefit payments. However, overall, the relatively recent development of the strategy means a structured approach is only now emerging and this is not yet delivering clear improvements and measurable outcomes for customers.
- 121** The association is not making use of all available information to ensure that the impact of its approach is fully effective. For example, it is not tracking changes in the levels of legal action taken alongside the reduction in the number of evictions, which is important to be able to determine the effectiveness of early intervention. It is not properly considering the relationship between current and former tenant arrears and write-offs in understanding its performance, and there has been little profiling of which tenant groups are most likely to fall into arrears and at which stages. This means HHL is not yet fully effective in identifying where to target its resources to maximise impact.
- 122** The approach to recovering former tenant arrears is not fully effective. Former tenant arrears (FTA) are relatively low at 0.48 per cent in 2008/09, but this has only been achieved, in significant part, due to write-off levels exceeding the new FTA created each year. Although a review is now planned, the performance and cost of external recovery agents has not been tested against others, there has been no assessment of the level of successful tracing achieved in house, and no comparison against best performers or what external agencies might achieve. The association has achieved collection of £53,580 in 2008/09, but without testing these issues, it can not be sure its performance is maximised.

How good is the service?

- 123** It is a weakness that most service charges are still pooled within rents. Other than for a limited number of charges, such as those in sheltered-type housing schemes, service costs for items such as communal cleaning and grounds maintenance are pooled and charged to all tenants. The association now has a clear, but challenging plan to separate these charges out by April 2010. It is approaching the process, which is complex, in a thorough manner, to ensure consultation with customers and outcomes which provide improved value for money and transparent, fair charging, everyone can understand. Nevertheless, at the current time, this means that some customers may be paying for services that they don't receive.
- 124** The extent and quality of information on charges provided to customers is mixed. Quarterly rent statements include a clear explanation of what the statement contains, payment methods and available support, and customers receive good quality information about any increases and how they are calculated. However, there are some gaps. Where service charges are made to tenants, such as those in sheltered-type housing, they do not receive service charge statements. Leaseholders have recently received their first full estimate of service charges, but these do not give clear details on how they were calculated or the association's management fee. Leaseholders will also only receive their first ever full set of accounts in September 2009⁵. This means some customers lack clear information to understand the charges made.

Tenancy and estate management

- 125** In the previous inspection, this was an area where strengths and weaknesses were balanced. HHL had an effective dedicated team, using a range of enforcement measures with some positive results. However, there was a weak focus on outcomes and a lack of confidence among service users, with limited options for support.
- 126** In this inspection we found that strengths outweigh weaknesses. Anti-social behaviour is tackled effectively, with a positive level of support for both complainants and for perpetrators. There is also a focus on preventing anti-social behaviour through estate improvements, design and diversionary activity. Partnership working is strong and is delivering positive outcomes. Customers have been involved in shaping the service, and satisfaction with the service is high. However, the out of hours reporting service is not fully effective and the association is not making best use of its own data to target resources. Estates are generally clean and tidy although there are some weaknesses in the approach to estate management.

⁵ Accounts relate to the year ended March 2009 - it is normal practice for these to be provided six months after year-end. However, no accounts were provided in previous years - this is the first year leaseholders will have these details.

- 127** Tenancy sustainability is a priority for the association, supported by a clear strategy. It uses a range of tools which include pre-allocation interviews, accompanied viewings, starter tenancies, and support packages for vulnerable people, supported by joint working with specialist organisations. The association is also using a local lettings policy effectively. The recently developed Neighbourhood Management Strategy aims to build on these existing initiatives and link them into other services, for example, provision of money advice and financial training, as part of a county wide approach to developing sustainable communities. Combined with activities to tackle and prevent anti social behaviour (ASB), this provides HHL with a strong toolkit to minimise the circumstances in which tenancies fail.
- 128** The association has a strong focus on addressing ASB behaviours, rather than solely focusing on enforcement. It works closely with complainants and perpetrators to understand the nature of the ASB and the reasons for it, in order to determine a solution which allows both tenancies to be sustained. Examples include avoiding legal action through voluntary acceptable behaviour contracts, often in liaison with the police, and offering extra support to enable people to change their behaviour, such as parenting support classes. This is helping to sustain tenancies, and is also helping to ensure that the ASB does not recur or escalate.
- 129** Serious cases of ASB are managed effectively by a specialist team. The service seeks to address behaviours, through multi-agency intervention, but where efforts are not successful, effective action is taken to enforce tenancy conditions. There is a focus on avoiding repossession if possible by using a wide variety of tools, with the help of partner organisations. Examples include seeking injunctions, with and without power of arrest attached, anti-social behaviour orders and recently, the first tenancy demotion achieved in the county. This sends a clear message to residents and communities that enforcement action will be taken to deal with ASB.
- 130** Investigations are effectively supported through the use of modern technology. Equipment such as spy hole and mobile CCTV cameras, digital date-stamped still cameras and the association's own noise monitoring equipment are used to capture evidence. In addition, the association has considered the needs of its customers and has purchased digital voice recorders and remotely operated equipment, so that older or less mobile residents can operate the recorders more easily. This demonstrates to customers that their complaint is valued and will be taken seriously.
- 131** Appropriate support is offered to complainants. This includes participation in the local sanctuary scheme for survivors of domestic violence, fitting extra locks or CCTV cameras, as well as referral to the in house support team and specialist support agencies, including victim and witness support. Personal contact is made within set timescales based on the severity of the case, with individual targets then set and agreed based on individual circumstances. A support pack is also provided, setting out details of the service and the range of potential remedies that can be provided. Effective support minimises the risk that victims will not see their complaint through.

How good is the service?

- 132** Strong partnership working in this area is benefiting victims and perpetrators. HHL is an active member of the local multi-agency tasking group, supported by an agreement to share information between the different agencies, which helps the partners to more clearly understand levels of crime and ASB in the area. This has resulted in many joint interventions, for example, with the youth offending service and the charity MIND to address behaviour and offer support. Excellent relationships with the police and the Council also enable joint visits to perpetrators, shared investigations and surveillance, and multi-agency criminal and civil proceedings to be undertaken. Close working with the police has also enabled HHL to seek compensation orders for criminal damage. These are outcomes which may not have been possible had HHL not sought to be an active partner.
- 133** The association has taken a positive approach to involving customers in the ASB service. Its customer survey found 70 per cent of tenants were satisfied with the service, which is high, given the nature of the service. HHL sought to understand the reasons for dissatisfaction, breaking down the responses by diversity strands and seeking more detail from those most dissatisfied. This was followed up by a complainant's focus group and more recently one for perpetrators, which has provided a better understanding of customer views. Resulting changes to the service include an improved action plan for complainants, provision of an action plan and follow ups for perpetrators, and earlier communication with individuals about the impact of ASB on tenancies.
- 134** The association is not maximising opportunities to promote positive outcomes from its work in this area. Although the association uses press releases in more serious cases, it does not consistently use its newsletter to promote its approach and the different successes it has achieved. This is a missed opportunity to provide reassurance and promote confidence in how the association responds to reports of ASB.
- 135** The association undertakes a range of diversionary activities for young people. In addition to the crucial crew initiative, which, with partners, seeks to help educate all year 11 schoolchildren about health, safety and ASB issues, HHL has worked with youth groups and others to provide school holiday activities for young people. These have included football coaching, play sessions, litter picking in various estates, and an ASB poster and song scheme with the Herefordshire Academy. Although the association is not effectively recording outcomes from these activities to identify their impact, it does demonstrate a focus on positive engagement with young people, to help use their energy and talent in a positive way within the community.
- 136** The association is not making fully effective use of its own data to inform its use of resources. It is developing its REACT database to improve recording and seeking to integrate this more closely with police and other partner's data. However, currently, it is over-reliant on data from the police, such as in its review of its local lettings scheme and in measuring outcomes from ASB action taken. It can show it has analysed data from its system in response to other data or anecdotal evidence, but this it is not yet using it proactively and systematically to understand trends and direct resources effectively. In addition, data from its estate inspections is not being comprehensively recorded, to ensure it has a comprehensive record of the levels and types of both ASB and estate management issues.

- 137** The out of office hours ASB reporting service is not providing a fully effective service. The association expanded the service to enable reports of ASB to be taken when the office was closed, to reduce gaps in evidence which could inform investigations or potential action. However, although tenants can now report cases, our test found that we were discouraged from making a report. Further, a sample of cases shows examples of where recorded information lacks sufficient detail and no advice is offered to complainants. The association has not tested the quality of the service nor is this included in ongoing external assessments and mystery shopping. As a result, the association cannot demonstrate that the service is meeting its intended outcomes.
- 138** The association is taking positive steps to design out crime. Examples of preventative actions include use of fencing and anti-climb paint at a garage scheme to prevent it being used as a cut-through, extra lighting has been fitted at various schemes to eliminate poorly lit areas, and 'smartwater' kits have been provided, jointly with the police, in response to growth in burglary in a particular area. Demolition and rebuild schemes also incorporate secured by design standards. This helps to reduce the scope for ASB or crime recurring, and fear of crime for residents.
- 139** There are effective arrangements in place to deal with most key estate management issues. It has procedures for typical issues such as sub-letting, abandonment, rubbish dumping and fly tipping. For the latter issues, it has arranged 'skip days' on large schemes, while using CCTV to provide evidence for enforcement action against persistent offenders. It also has arrangements in place with the Council for issues such as abandoned vehicles and dog nuisance. In addition, housing officers are able to determine the use of a dedicated £1,000 for their area to provide small improvements, such as improved signage or lighting. As a result, estates are generally clean and tidy and provide a pleasant living environment.
- 140** However, there are some aspects of estate management that are not yet fully developed. For example, there are few recycling facilities provided at schemes, but the association is seeking to work with the Council to improve this situation, which it reports is only in the early stages of developing a local strategy. In addition, communal cleaning services are not currently provided in all flatted accommodation. Although the association is now undertaking pilot programmes of communal cleaning in some blocks, there are areas where the cleanliness of blocks is poor or mixed and overall, there is a reliance on the goodwill of residents to maintain standards in other areas.
- 141** Estate inspections, which are a recent initiative, are not fully effective. Positively, the association consulted with residents of different schemes to find out what their key concerns are, for example, dog fouling or litter. These have been drawn up into checklists, but there are no common basic standards that all schemes should meet in addition to tackling local concerns. Checklists do not provide clarity in terms of action taken to follow up on issues and this information is not always recorded in the appropriate IT system. This limits the ability of the association to provide feedback on outcomes to customers, and means that analysis to identify and target resources towards priority areas or issues is more difficult.

How good is the service?

142 The association is investing significant sums in estate improvements, but lacks formal criteria for prioritising different projects or suggestions from customers. During 2008/09, an Estate Improvement Budget of £220,000 delivered capital programme improvements to lighting, fencing, new footpaths and parking bays. Over 400 properties benefited in some way from this investment. Approximately £75,000 of the budget was devolved to a service review group, which includes customers. However, the criteria for award for the devolved budget is not fully developed. This is important to ensure that when more or different projects are suggested that funds are awarded in a fair and transparent way.

Is the service delivering value for money?

143 In the previous inspection, this was an area where weaknesses outweighed strengths. The association lacked comparative information in all areas, had weak procurement arrangements, and had some working practices which did not provide value for money. The strategic approach to value for money was underdeveloped. There were some strengths, in that the association was generally a low to medium cost housing association, it had some information about comparative costs, some benchmarking was being undertaken and some modern procurement arrangements were in place.

144 This is now an area where strengths and weaknesses are balanced. The association has collected comprehensive cost and performance information, but outcomes from this are extremely limited, and analysis is not being balanced by consideration of quality. A clear strategy is guiding work in this area, but there are some gaps in the strategic approach to procurement. Significant cashable efficiencies have been achieved and there has been good progress in embedding a culture of VFM. There have been efficiencies generated through procurement and productive time, although ICT is not fully supporting efficient ways of working throughout the association.

How do costs compare?

145 HHL now has a good understanding of its costs and how they compare to others in relation to performance. The association uses a range of benchmarking services and clubs in order to compare the cost and performance of its services. This covers key frontline service areas, such as repairs and tenancy management, as well as back office functions through specific networks. This provides HHL with a clear basis on which to target further investigation and improvement work.

146 Costs and performance levels are mixed compared to others. The association has identified from its own initial analysis that core housing costs are low overall, and that overall satisfaction as reported in the 2006 STATUS survey is comparatively high. However, satisfaction information is due to be updated, and areas including voids, arrears management, and tenancy management are comparatively high cost and low performance compared to others in 2007/08. Work is now underway to explore the reasons for this, for example, to determine whether high cost areas are a result of policy choices, or because more could be done to improve the efficiency of the service.

- 147** Consideration of quality is not yet embedded into cost and performance comparisons. For example, analysis to date has not included the use of satisfaction information, which the association collects on an ongoing basis for the majority of its services. This is important to provide a more rounded picture of value for money, for example, when determining the impact of policy choices on cost and performance. However, HHL is already starting to take this work forward as part of its strategy for achieving value for money.
- 148** Outcomes from the use of benchmarking data are extremely limited to date. Membership of benchmarking clubs varies from two years for some and more recently for others. In addition, turnover in key posts following the previous inspection has meant that the association has only recently had the capacity to drive this work forward, with 2008 being a planned baseline year for the association to collect and understand its cost and performance benchmarking information. As a result, HHL cannot yet demonstrate the impact of this information on service delivery.

How is value for money managed?

- 149** Clear direction for establishing and improving value for money is provided by a comprehensive strategy. The original 2007-2010 strategy was revised and updated in early 2009 to capture progress and so inform the future direction and priorities of the association's work in this area to 2012, and fully supports the association's corporate objectives. Key areas of progress include collecting a complete baseline of cost and performance information, establishing an efficiency register, creating a contracts database and reviewing all contracts, and completing value for money exercises in relation to the Direct Service Organisation (DSO). HHL can demonstrate how its strategy is being turned into action to improve value for money.
- 150** HHL is taking positive steps to embed a culture of value for money across the organisation. A specific working group, which involves a range of officers and the board champion, has helped to translate the different elements of value for money into a message all colleagues can understand. This is now being supported by a campaign called 'I Give Good Value' to encourage all staff to think about how they can contribute ideas and savings. Efficiency targets of 2 per cent are also built into the budget setting process, with managers and staff expected to identify how this can be achieved, or to be able to justify growth items. This is resulting in a range of savings and efficiencies being generated throughout the organisation.
- 151** The association is delivering significant cashable efficiency gains across key areas of its work. In 2008/09, it made savings of over £700,000, and reported in-year cashable efficiency gains of £151,000 in 2007/08 in addition to over £2 million recurring gains from previous years. The majority of gains are coming from negotiation with suppliers and procurement, but also include treasury management, improvements in performance such as voids, and numerous smaller items captured on the efficiency register. This is enabling the association to support improvement or growth bids within the budget setting process, for example, investment in additional front line staff or additional services.

How good is the service?

- 152** Inward investment and external funding are helping to support the delivery of strategic objectives. The association contributes significant funding to the county Choice Based Lettings scheme and also provides financial support for the Rural Housing Enabler, which is helping to increase choice and address housing need. HHL has remodelled its sheltered service to provide floating support for a higher number of customers, which is now fully funded by the Supporting People programme. In addition, funding secured from utility companies is helping to improve the energy efficiency of customers' homes, making them easier and more affordable to heat. This is enabling the association to do more with the resources it has.
- 153** More efficient ways of working are also delivering savings in productive time. Examples include the restructure of the DSO into dedicated teams, rather than generic patch based teams, which has improved performance across the board. Other examples include batching certain types of routine repair into a planned programme, and reducing the level of high cost emergency and urgent repair jobs. In addition, the use of laptops is enabling visiting officers in rents and support services to spend more time with customers rather than travelling to the office to complete their paperwork, and using Possession Claims Online is reducing administrative costs. This is enabling a more efficient use of staff time.
- 154** Despite improvement, there are several areas where the association is not maximising the productive time of its staff. There are a number of service areas which are not yet supported by fully automated systems, and rely on manual processing by staff, for example, within responsive repairs scheduling and completions, or managing refusals within the improvement programme. Not all ICT systems in use are fully integrated, which also relies on manual checks on the system for details required. HHL has recognised this and has set aside investment to increase the productive time of its staff.
- 155** The association is making reasonable progress in improving the value for money of the DSO. A recommendation from the previous inspection was to complete market testing of the in house repairs service, which has been progressed in a logical way. Market testing has been completed for some elements of the service, such as kitchen and bathroom replacement, and soft market testing completed for others, supported by an independent assessment of value for money. This has provided a focus for the organisation to develop the DSO into a fully fit for purpose service before exposure to open competition, with work now progressing well to modernise the service.
- 156** The approach to procurement is mixed. Positively, HHL has undertaken a complete review of its existing contracts to ensure that they are up to date, and this has led to some savings through re-negotiation on existing contracts and savings from new arrangements. Examples include tendering for materials for the DSO, which generated savings and improved delivery times, and maintaining 2006 prices on the gas servicing contract.

- 157** However, some of the more strategic elements of procurement are underdeveloped. The procurement strategy sets out broad aims and principles, but is not supported by an analysis of risk and volume to help inform procurement and purchasing choices for existing contracts. It also lacks information and guidance for staff on ensuring compliance with EU procurement rules and thresholds. Guidance notes for staff about procurement are limited to a 'hints and tips' document, and in the absence of dedicated procurement advice within the organisation, this is not sufficiently robust. This increases the risk of missing opportunities to maximise strategic efficiencies from procurement.
- 158** The approach to involving residents in value for money is mixed. Residents involved in service review groups have helped to influence decisions based on provision of cost information for different options. For example, tenants have been involved in designing the re-let standard, and there has been a positive level of resident involvement in procurement activity, for example, selecting and monitoring contractors. However, residents are not fully involved in exploring how planned efficiency savings should be prioritised and redirected, which is a missed opportunity to ensure that priorities for reinvestment match the needs and priorities of customers.
- 159** HHL has not assessed whether partnerships are delivering value for money. In key areas, partnership working is a strength for the association. However, there are areas where HHL is contributing funding to support delivery of partner services, but has not assessed how well that contribution is delivering against expectations, and so cannot be sure that arrangements are providing good value for money.
- 160** Customers are not receiving value for money from service charges. Currently, except in some limited areas, service charges are pooled within rents. While the association is now actively seeking to address this by April 2010, until then, some customers are paying for services they do not receive.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 161** In the previous inspection, weaknesses outweighed strengths in the association's track record on delivering improvement. The association was not effective in delivering what it intended to, did not respond effectively to national priorities, did not meet all legislative requirements and had not made positive change happen for many customers. However, the track record on housing income management showed sustained improvement, as did dealing with ASB, some aspects of customer care and gas servicing.
- 162** This is now an area where strengths significantly outweigh weaknesses. The association has made strong progress in delivering recommendations from the previous inspection, and has sustained improvement in performance in key service areas. It has delivered a wide range of improvements that customers would notice, which includes development of some new services. There has been significant improvement in the areas of access and customer care, diversity, and value for money. Limited use of cost and performance comparisons means that the association cannot demonstrate a robust track record of improving value for money over time.
- 163** The association has made strong progress in completing recommendations from the previous inspection. Of the 22 recommendations made, 20 have been completed in full, and two are ongoing, having been partially completed, which is reasonable progress given the complex nature of the work required to meet them. Full details of progress against the recommendations are contained within Appendix 2.
- 164** Performance indicators show a positive direction of travel. This includes sustained improvement in the time taken to repair and let empty homes, rent collection and arrears, repairs completed in target time, and gas servicing. Customers are receiving a more responsive service.
- 165** The association has, in the last two years, delivered a wide range of improvements that customers would notice. They include:
- completion of transfer promises for improvements to people's homes and an accelerated programme of work to meet the Decent Homes Standard;
 - improved lighting, fencing and footpaths on estates;
 - repairs which are completed more quickly;
 - offices which are accessible to people with disabilities;
 - extended services for reporting ASB and making rent payments, and outreach services for customers who find it difficult to get to an office;

What are the prospects for improvement to the service?

- improved promotion, support and availability of aids and adaptations for customers requiring both minor and major adaptations; and
 - a wider range of ways for tenants and leaseholders to influence service delivery.
- 166** HHL has also developed new services for customers. Examples include investment in dedicated posts for tenancy support and sustainment, a resident liaison officer for improvement works, a floating support service, a visiting officer for rents, and it has also extended its gas safety check and service programme to leaseholders. This has enhanced the flexibility and effectiveness of services to more closely meet needs.
- 167** For context, the three-year gap between STATUS customer satisfaction surveys means that it is difficult for HHL to demonstrate a track record of improving customer satisfaction. The last survey was completed in 2006, and the next is planned to start in June 2009. In addition, some ongoing surveys are more embedded than others which means that comparison over time is not possible. However, tenant satisfaction with gas servicing has improved between 2007/08 and 2008/09, from 99.1 per cent to 99.8 per cent, and satisfaction with responsive repairs has remained high at 99 per cent. Additionally, residents we saw and spoke to consistently reported that services have improved, and better meet their needs.
- 168** There is now a much stronger focus on customers. Residents we saw agreed that the organisation is better at communicating with them about issues that affect them, and that the organisation does what it says it will do. They also consider that HHL is placing a higher value on their feedback and ideas, and that they are now able to influence the way services are delivered. This includes areas like selecting contractors, identifying estate improvements and improving the specification of the improvement programme. The association's 'Big Day Out' also saw every employee, including senior managers, spending time door-knocking on estates to meet customers and find out their concerns and needs. As a result, services are more focused on meeting the needs of customers.
- 169** Improved leadership and commitment to diversity is delivering improvements in service delivery. The association is now both meeting legal and regulatory requirements in relation to equality and diversity and implementing good practice. As a result, it is now able to identify and tackle inequality in service provision, and is using comprehensive profile information effectively to explore and implement the need for change in the way services are delivered. Examples include increased investment and targeted promotion of the aids and adaptations service, and effective joint working with support networks to help engage with hard to reach groups and to sustain tenancies.
- 170** There have been improvements to the way the association manages value for money, but some areas remain underdeveloped compared to other organisations. The association has generally met or exceeded its efficiency targets, and has worked hard to establish a good understanding of its costs. Awareness raising has also led to staff having a good understanding of what value for money means. However, cost and performance benchmarking has only recently started to be used to target areas for improvement. As a result, the association cannot demonstrate a robust track record of improving the value for money of its services.

What are the prospects for improvement to the service?

How well does the service manage performance?

- 171** Previously, this was an area where weaknesses outweighed strengths. Aims and priorities were not clear, there were gaps in plans and the arrangements to support a culture of continuous improvement were weak. There was a mixed quality and calibre of leadership at all levels. There was also a lack of self awareness and a lack of learning from other organisations. The positive features were a performance management framework, with regular reporting, some effective plans and strategies and a recent focus on making improvements in key areas.
- 172** In this inspection we found that strengths significantly outweigh weaknesses. Aims and priorities are driven by effective leadership. The culture of the organisation is focused on continuous improvement, supported by self awareness. The association uses a range of tools effectively to review and improve service delivery, and involves customers in this work. Plans are well co-ordinated and robust, and ongoing improvement is supported by stretching targets. There are some weaknesses, in that data quality has not been fully assessed, and there are some gaps in what is measured through the performance management framework.
- 173** The association is benefiting from strong leadership and has a clear vision of what it wants to achieve and by when. Its corporate plan, which customers helped to develop, guides investment towards priorities, which reflect the needs of customers as well as national and local priorities. Supporting strategies and action plans, such as customer access, asset management, and neighbourhood management, are linked together and to the overall vision. Objectives are integrated into service delivery plans and improvement plans. This is providing strong direction and impetus for change and improvement.
- 174** HHL has worked hard to change the culture of the organisation, and this is now supporting continuous improvement. Staff understand and are committed to the organisation's values, and feel empowered to suggest changes and improvements. Improved communications and information sharing, supported by regular conferences which all staff attend, are also helping teams to work more effectively together. There is now a strong culture of 'doing what we say we will do', and this has been recognised by partners. This increases the association's capacity to deliver future plans and improvements.
- 175** The association effectively uses a number of different tools to support its approach. Cross cutting groups have been established to monitor and review progress against equality and diversity and value for money. All staff have regular performance meetings with their line managers, supported by annual formal appraisals. Team meetings and toolbox talks are also used to review and explore performance against targets and customer feedback. Staff are focused on targets, but are also seeing the impact of their efforts, which is resulting in high levels of motivation and commitment to improve further.

What are the prospects for improvement to the service?

- 176** HHL manages performance effectively. Detailed performance information is captured for key areas of service, with reports tailored to different levels of reporting, for example, strategic information to the Board and more detailed reports to managers and teams. Reports highlight where action is needed, and include commentary on what actions have been taken to date. A positive example is taking action to address poor contractor performance and capacity for delivering aids and adaptations, with a resulting improvement in performance. As a result, the association is able to identify, challenge and correct underperformance.
- 177** There are however some gaps in what is measured. Examples include evaluating the effectiveness of different stages of the access procedure for gas servicing, tracking the movement of arrears across different stages to assess the impact of early intervention, and making more use of in-house data for targeting interventions at ASB to maximise the impact of the team and wider resources such as estate improvement funding. This is important in ensuring that HHL is able to maximise the impact of its resources.
- 178** In addition, the association has not fully reviewed the quality of the data it uses. It has completed an external audit of key performance indicators which are submitted to the regulator, but has not assessed the robustness of the systems used to generate more detailed performance information. This is important given the reliance in many service areas on manual processes for data capture.
- 179** Risk is managed effectively. The association has a comprehensive approach to mapping and reviewing risk on an ongoing basis, supported by external analysis, a dedicated IT system, and training for managers and the Board. Risk management is also linked into the planning process for internal audits, and integrated into delivery plans. This is helping to minimise the impact of factors which are likely to prevent or impede delivery of the association's plans.
- 180** It is positive that the association has integrated diversity into its performance management framework. Indicators and targets are in place to monitor the diversity of the Board and the workforce, profile of involved residents, procurement, and service delivery in relation to lettings, and harassment. This is helping to ensure that there is a consistent focus on improving diversity.
- 181** The approach to target setting is robust. The association sets annual performance targets based on top quartile performance of its peers, and where this has been achieved, it aims to deliver performance comparable to the top 10 per cent of associations. Targets and performance against them are reviewed and discussed regularly in relation to available resources and capacity. This is supporting the organisation's focus on continuous improvement by stretching and increasing expectations of staff performance in a measured and realistic way.
- 182** Improvement and service planning are supported by a good level of self awareness. The association uses its performance management framework, customer profile information, feedback from customers and learning from other organisations to explore where improvements could be made. Because of this, its improvement and service plans address key weaknesses, and provide a strong basis for further improvement.

What are the prospects for improvement to the service?

- 183** The association uses a wide range of tools to monitor and drive service improvement. Benchmarking is now being used to explore costs and performance, and although there are limited outcomes from a VFM perspective, it is being used to inform learning visits and target setting. The association also uses an external organisation to mystery shop its frontline services, with approximately 1,000 tests and surveys completed over the last 12 months. Service reviews, which involve customers, use best value principles, and more recently, the association has completed a review using 'lean' principles. This provides a valuable external perspective of how the organisation is performing.
- 184** Residents are playing a key role in monitoring and managing performance. They help to test service standards, for example, through void challenge days. The association has recently trained 27 residents to act as mystery shoppers, and customers are actively involved in reviewing services through membership of Service Review Groups. The association also uses customer feedback from complaints and ongoing satisfaction surveys effectively, publicising changes to customers. This is providing a focus on outcomes and is delivering changes and improvements that are meaningful for customers.
- 185** The association is learning from its own experience and that of others to inform improvement. Visits to other organisations are also used to explore new ideas, with outcomes from visits captured in a database. Examples include taking a payment from new tenants when they sign up, including vulnerability information on repairs job tickets, and setting up a contracts register. The association has also, with the help of residents, captured valuable learning about partnering arrangements, which provided a more robust basis on which to specify and procure current arrangements.

Does the service have the capacity to improve?

- 186** In the previous inspection, this was an area where weaknesses outweighed strengths. HHL did not have the right skills in the right places to deliver improvement, there was a lack of effective planning, procurement practices were flawed and the organisational culture did not support continuous improvement over time. However, medium term financial planning was sound, and training provision to enable staff to deliver effective services was working well.
- 187** This is now an area where strengths outweigh weaknesses. Restructuring has increased capacity and the board is operating effectively. People and finances are well managed, and investment is aligned to strategic priorities. Partnership working is delivering positive outcomes for customers. ICT does not fully support all areas of the service effectively, but the association has a clear strategy and funds in place to address this. Procurement practice is delivering efficiencies, but there are gaps in the strategic approach, and the association is not routinely ensuring that partnerships are delivering value for money.

What are the prospects for improvement to the service?

- 188** Organisational restructuring has increased capacity. At a senior level this enabled the association to bring in new skills and expertise to successfully steer the organisation through a period of significant change. At a more operational level, the responsive repairs service and accommodation based support services have been restructured, leading to a more responsive repairs service and support provided to a wider range of customers. A specialist team has also been created to improve performance and service delivery, and additional posts created to support financial inclusion and customer care within the improvement programme.
- 189** The Board is operating effectively. Members bring a range of skills and experience, and are committed to improving services to customers. Skills are developed through a targeted learning and development programme, supported by external expertise, and all committee chairs have been appraised by the Chair of the Board. This is helping to ensure that Board members have the skills they need to be effective in their strategic role.
- 190** Human resources (HR) are being managed effectively. Implementation of its HR strategy resulted in the association achieving Investor in People accreditation in March 2009. Sickness absence is average compared to peers in a dedicated benchmarking group at 3.6 per cent. It is largely made up of long term absence which is being actively managed. Staff turnover, at 10 per cent, is less than that of peers. Appraisals are supported by investment in learning and development opportunities. A focus on empowering staff and equipping them to do their jobs more effectively has resulted in a committed and motivated workforce.
- 191** Financial resources are in place to deliver improvement plans and strategies. The association has revised its Long Term Financial Forecast to take account of current market conditions, validated stock condition information, and targeted efficiency gains. The review also ensured that investment was aligned to support delivery of key strategies, such as the asset management strategy, within existing financial arrangements. In addition, because strategies are integrated and well co-ordinated, resources are being targeted effectively to deliver priorities.
- 192** The use of ICT to streamline working practices and increase productivity is mixed. Some areas are making use of ICT effectively, such as visiting officers using laptops linked to the association's IT systems. Other key service areas are using systems which are not fully integrated with each other and which mean that manual processing is still necessary, such as managing the investment programme and responsive repairs. This means some, but not all services are benefiting from increased efficiency.
- 193** However, the association recognises the value of ICT to improve the quality of service delivery and value for money, and it is investing resources accordingly. A fully funded ICT strategy, which runs to 2013, addresses weaknesses in current provision, guided by the organisation's priorities and strategies for improved service delivery. Work already underway, for example, includes the introduction of handheld technology to the responsive repairs service.

What are the prospects for improvement to the service?

- 194** Partnership working is increasing the association's capacity to deliver strategic objectives. This is particularly strong in relation to joint working with the police and the Council when tackling ASB, but is also evident in the associations approach to diversity and neighbourhood management, for example, to sustain tenancies. It is also actively helping other organisations to meet their objectives, such as helping to set up a local forum to improve co-ordination and practice in relation to mental health. As a result, residents and partners are benefiting from shared expertise.
- 195** Inward investment and external funding are also helping to increase the impact of the association's resources. The association contributes significant funding and staff time to support county wide initiatives such to increasing housing choice and provision, providing expert money and debt advice and preventing ASB through diversionary activities. It has also reconfigured its housing support service to attract external funding and extend the service to more customers. This is helping to ensure improved outcomes for residents and the wider community.
- 196** However, the association is not routinely testing or evaluating the value for money of its investment in partnership working. For example, the agreement with the CAB, which is supported by funding from HHL, has not been robustly reviewed. In addition, financial support for the county choice based lettings scheme has not been reviewed in relation to the contributions of other partners. As a result, the association is not able to assess whether investment is delivering against expected outcomes.
- 197** Procurement practice is helping the association to get more from its resources. Customer involvement, supported by training, is resulting in a strong focus on quality, and there are many examples of where the association has improved contract specifications within carefully managed costs.
- 198** However, there are some limitations on the current strategic approach to procurement. The association makes some use of modern methods of procurement, for example, testing contracts through consortia and clubs, although it acknowledges through its improvement plans that this could be developed further. It also recognises it lacks sufficient 'expert' skills, and is seeking to address this through joint working with other organisations, and investment in professional development for a key member of staff. As a result, opportunities to maximise capacity through procurement practice may be missed.

Appendix 1 – Performance indicators

Performance Indicator	2006/07	2007/08	2008/09*	2007/08 Quartile Position^
Stock failing Decent Homes Standard (%)	16	2.4	0.5	2
Average SAP rating	68	72.5	73.2	1
Routine repairs completed in target (%) **	90.8	97.5	99.5	-
GN re-let time (for managed stock, days)	31.3	26.5	18.1	2
Current tenant arrears at financial year-end (%)	4.7	4.0	3.7	2
Tenant satisfaction overall (% , 2006 STATUS survey)	84.6	84.6	84.6	2
Tenant satisfaction with participation (% , 2006 STATUS survey)	53	53	53	4
Tenants satisfied with repairs and maintenance (% , 2006 STATUS)	85	85	85	1

* 2008/09 HHL data. All other data (except as described below) is taken from published performance information on the Tenant Services Authority website.

** HHL data. No data or comparison data is available from the Tenant Services Authority (TSA) website.

^ Quartile positions are as published by the TSA, compared to housing association performance nationally. They are referred to in the report as best performing, top half, bottom half and worst performing, for each of the four quartiles, respectively.

Appendix 2 – Previous recommendations

Recommendation	Progress
R1 Ensure compliance with statutory and regulatory requirements by:	
<ul style="list-style-type: none"> establishing an action plan to comply with the CRE code of practice in rented housing (published 2006), Housing Corporation good practice notes, leaseholder legislation, and the Disability Discrimination Act 2005 with regular reporting of progress to the board; 	Complete
<ul style="list-style-type: none"> putting in place effective arrangements for the servicing of solid fuel heating systems, and rapidly ensuring that all outstanding checks on these systems have been completed; 	Complete
<ul style="list-style-type: none"> ensuring compliance with all legislative and regulatory requirements in the area of diversity; and 	Complete
<ul style="list-style-type: none"> ensuring that legislation relating to leaseholders is being met. 	Mostly complete, will be fully completed by September 2009
R2 Improve the strategic direction of the association by:	
<ul style="list-style-type: none"> developing more effective and comprehensive asset management strategies covering stock retention, investment planning and procurement; 	Complete
<ul style="list-style-type: none"> devising and implementing a customer access strategy to address the currently restrictive nature of service delivery; 	Complete
<ul style="list-style-type: none"> devising and implementing a fuel poverty and energy efficiency strategy; 	Complete
<ul style="list-style-type: none"> increasing the capacity of middle managers to identify learning from other organisations and develop service improvements within a local context; 	Complete
<ul style="list-style-type: none"> ensuring that all plans and strategies are SMART; and 	Complete
<ul style="list-style-type: none"> developing a skills audit for the association and using this to inform the human resources strategy. 	Complete

Appendix 2 – Previous recommendations

Recommendation	Progress
R3 Improve performance management by:	
<ul style="list-style-type: none"> • putting an effective performance monitoring regime in place for service standards; 	Complete
<ul style="list-style-type: none"> • obtaining a complete customer profile to ensure services are tailored to needs; and 	Complete
<ul style="list-style-type: none"> • showing clear and visible leadership is in place. 	Complete
R4 Improve the focus on service users by:	
<ul style="list-style-type: none"> • using the service review groups and mystery shoppers effectively to drive service improvements; 	Complete
<ul style="list-style-type: none"> • putting in place more effective and customer friendly appointments and access arrangements based on customer involvement and feedback; and 	Complete
<ul style="list-style-type: none"> • working more collaboratively to involve and consult with leaseholders. 	Complete
R5 Improve the approach to value for money by:	
<ul style="list-style-type: none"> • moving expenditure away from responsive repair categories to more cost effective planned maintenance programmes; 	Complete
<ul style="list-style-type: none"> • developing a SMART action plan to reduce the number and percentage of emergency and urgent responsive repairs; 	Complete
<ul style="list-style-type: none"> • implementing an effective recharge policy for all tenants; 	Complete
<ul style="list-style-type: none"> • market testing in house repairs services; 	Partly complete and progressing
<ul style="list-style-type: none"> • obtaining comprehensive benchmarking information across all services; and 	Complete
<ul style="list-style-type: none"> • establishing clearer value for money strategies with challenging targets. 	Complete

Appendix 3 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - focus groups with staff, tenants and contractors;
 - interviews with staff, board members and partners;
 - viewing property improvements and repairs;
 - inspection of ready to let properties;
 - shadowing staff carrying out their activities;
 - observation of the customer contact centre;
 - visits to local offices;
 - estate inspections;
 - a tour of the housing stock:
 - talking to tenants;
 - observation of meetings and tenancy sign up;
 - various file checks;
 - review of Housing Association’s website and customer information; and
 - mystery shopping.

Appendix 4 – Positive practice

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

Success in collecting a high proportion of comprehensive customer profile information

- 1** The association is genuinely committed to understanding the needs and preferences of its customers so that it can shape services to meet their needs. At the time of the inspection, it had collected more than 80 per cent profile information. The information collected includes age, gender, ethnicity, sexuality, disability, communication preferences, and wider information, such as experience of debt, anti-social behaviour and harassment. This has enabled the association not only to adjust services, but also to compare customers' experiences of harassment, for example, across the diversity strands.
- 2** A targeted and measured approach has been taken to collect information for both tenants and leaseholders. The collection process began with postal and telephone surveys by staff, but was supplemented at later stages by out of hours contact, independent collection of data by a market research company, face to face collection by operatives, and by all staff, including senior managers, through the association's 'Big Day Out' exercise. This has enabled the association to reach those tenants who were not responding to telephone and postal surveys. The information is being used on a daily basis to adjust services, but also strategically, to inform investment plans for reshaping access to services.

Breaking down barriers with hard to reach groups

- 3** Profile information has enabled the association to understand and respond to the needs of customers who may be traditionally regarded as hard to reach. Analysis of the information collected highlighted that a higher proportion of LGB customers had experienced harassment, but that reporting of incidents was low. The association worked with local networks to understand the reasons for this, and has introduced and publicised an independent, local reporting facility as a result, to increase the level of reporting which in turn enables the association to tackle harassment more effectively.
- 4** The association has also engaged with both victims and perpetrators of antisocial behaviour to better understand behaviours and tailor service delivery as a result. Focus groups were used to explore how well the service was meeting needs, and changes as a direct result of feedback from both groups included a stronger focus on explaining the consequences of antisocial behaviour at an early stage to perpetrators in terms of victims' experiences and the potential impact on current and future tenancies. Earlier use of tenancy support services for perpetrators is also helping to reduce the risk of cases escalating and is helping to maintain tenancies.

Appendix 4 – Positive practice

Identifying and responding to vulnerability through the use of 'concern cards'

- 5 The association has developed a system where trades operatives are trained to recognise and report concerns they may have about the vulnerability of customers they meet when they are completing repairs. Operatives call in any concerns to office based colleagues who complete a checklist called a 'concern card' to identify where any additional help or support is required for the customer. Approximately four cards per week have been completed since the scheme started, with the most frequent outcome being provision of tenancy or specialist support following discharge from hospital, or increased frequency of housing officer visits where the customer is already in receipt of support from other organisations.

Training customers to monitor the quality of work delivered by contractors

- 6 The association has implemented a 'resident inspector' programme to monitor the quality of the improvement programme. The association currently has nine resident inspectors, who inspect the quality of new kitchens, bathrooms and rewires, following training on specifications and agreed standards. The inspectors have spent time interviewing and shadowing both the in-house team and external contractor, and have developed a questionnaire which they use to interview tenants who have had work completed to their homes. The inspectors collate their results and then report their findings, with recommendations for improvement, to the association's Asset Management Group. This builds on a previously successful exercise to improve the quality of improvement work under a previous contract, and provides the association with a valuable, ongoing customer view of the management and quality of the current arrangements.

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