

**Pathfinder Inspection Report**

**February 2004**

Rosehill  
Housing  
Co-operative



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# 1. Introduction

## The role of Communities Scotland

- 1.1 Communities Scotland is the executive agency for regeneration and housing, directly responsible to Ministers. Our aim is to work with others to improve the quality of life for people in Scotland.
- 1.2 The Housing (Scotland) Act 2001 gives Communities Scotland the role of regulating Registered Social Landlords (RSLs) and the landlord, homelessness and factoring services of local authorities. Our purpose as a regulator is to promote quality, continuous improvement and good practice in these services, for the benefit of current and future tenants, and other service users. One way we do this is through the inspection of RSLs and local authorities. Inspections provide an in-depth assessment of an organisation, its service quality and its ability to improve. Our *Guide to Inspection* describes how we carry out inspections.

## The standards we use

- 1.3 We have published *Performance Standards* with the Convention of Scottish Local Authorities (CoSLA) and the Scottish Federation of Housing Associations (SFHA). These standards set out our joint expectations for the performance of all social landlords and homelessness functions. The inspection process is built around an assessment of how well these standards are being met. We tailor our inspections to take account of the RSL's role, the local context in which it operates and the standards the RSL and local authority has agreed with its own tenants and service users.
- 1.4 The Guide to Inspection and Performance Standards are available on our website at <http://www.inspection.communitiesscotland.gov.uk>

## How we assessed performance

- 1.5 Our inspectors asked three key questions about this RSL:
  - How good are the services we have inspected?
  - How well are the RSL and its services being managed?
  - Are the services and the RSL likely to improve?
- 1.6 In order to answer these questions inspectors:
  - spoke to tenants and staff at Rosehill and to members of Rosehill's governing body;
  - asked other organisations that work closely with Rosehill for their views;

- visited homes that it owns and manages;
- saw and tested first hand how well services were being delivered and how well Rosehill responds to its service users by doing things like shadowing and observing staff and sampling cases;
- checked key policies, publications and information for service users; and
- took account of Rosehill's self-assessment submission.

1.7 You will find more details about who we spoke to, what kind of checks we carried out and what documents we reviewed in Appendix 1. Aspects of Rosehill's performance that we consider to represent particularly positive practice are highlighted in Appendix 2.

1.8 Following our assessment, we awarded grades for:

- the overall performance of the RSL;
- governance and financial management;
- housing management services;
- property management services; and
- property development services

1.9 This is what our grades mean:

A	Excellent	Major strengths
B	Good	Many strengths and some areas where improvement is needed
C	Fair	Some strengths, but with significant areas where improvement is required
D	Poor	Major areas where improvement is needed

### **The inspection of Rosehill**

1.10 The inspection team for Rosehill was led by Scott Crossley (Inspector) and supported by Erika Hudleston (Inspection Officer) and Murray Smith (Financial Analyst). We were on site at Rosehill between 6 October 2003 and 24 October 2003. We would like to thank everyone involved in the inspection, particularly Rosehill's management committee, staff and tenants for their time and co-operation.

1.11 This report presents our findings and recommendations. It is published, together with a summary, on our website at <http://www.communitiesscotland.gov.uk>. Rosehill must make the summary available to anyone that wants it, report our findings to tenants and other stakeholders and implement an improvement plan to respond to our recommendations and the issues raised in this report.

## 2. Context

### Rosehill Housing Co-operative

2.1 Rosehill Housing Co-operative was registered with the Housing Corporation as a fully mutual housing co-operative in 1987. It became a landlord in 1988 when it acquired 375 houses from Glasgow District Council. Since then, Rosehill has modernised those houses and increased its rented stock to 706, 40% of which are new build. Rosehill operates out of a single office located in the Pollok area of Glasgow.

Rosehill's management committee must be drawn from its tenant members, although it does have the ability to co-opt up to a third of the management committee from non-members. Rosehill has 11 committee members; 10 tenants and 1 co-opted shared owner. There is an even mix between members who have been in place for some time and newer recruits, three of whom came onto the committee in 2002.

### Key statistics

2.2 Rosehill's original housing stock of 375 had risen to 706 at March 2003 as a result of an ongoing programme of building new homes. All its houses are situated in the greater Pollok area of Glasgow.

2.3 Rosehill owns a range of houses types. As the table immediately below shows, houses and four in a block flats make up 89% of its properties.

#### Rosehill's Property Types

	Number and %
Tenement Flats	78(11%)
Four in a block flats	185(26%)
Houses	443(63%)
Total	706(100%)

Source: Rosehill's Annual Performance and Statistical Returns 2002/2003

2.4 The table below presents summary contextual information for Rosehill, showing trends over the last three financial years.

## Key Statistics

Number of properties owned	558	692	706
Number of properties factored	9	9	9
Number of members	558	692	712
Number of board members	11	10	12
Number of tenant board members	10	10	11
Number of employees	10	10	12
Annual turnover	£1,248,000	£1,488,000	£1,760,000
Total possible rental income	£1,225,138	£1,420,196	£1,729,030
Rental income from housing benefit (%)	NA	67.3%	68.7%
Average weekly rent	£41.54	£42.85	£46.70
Average rent increase	3.5%	3.9%	1.7%
Number of relets	33	38	41
Number of responsive repairs	1,554	1,552	1,548
Number of Right To Buy Sales	0	0	0

Source: Rosehill's Annual Performance and Statistical Returns / annual accounts

### 3. Overall Performance

- 3.1 Rosehill Housing Co-operative is an excellent landlord. It has very strong performance in all of its services, is well managed and is financially sound. The Co-operative is very aware of its performance and has a proven track record in managing change and improving services.
- 3.2 The overall grade takes account of Rosehill's performance in governance and financial management, performance in each service area, its organisational effectiveness, its commitment to social inclusion, and its likelihood of improvement.

A	<p>Rosehill is an excellent performer with major strengths</p> <p>The prospects for improvement overall are promising</p>
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- 3.3 These are the inspection grades achieved by Rosehill for its main areas of service delivery:

Governance and Financial Management	A	<p>Rosehill is an excellent performer in governance and financial management with major strengths</p> <p>The prospects for improvement in governance and financial management are promising</p>
Housing Management	A	<p>Rosehill delivers an excellent housing management service with major strengths</p> <p>The prospects for improvement in housing management are promising</p>
Property Management	A	<p>Rosehill delivers an excellent property management service with major strengths</p> <p>The prospects for improvement in property management are promising</p>
Property Development	A	<p>Rosehill delivers an excellent property development service with major strengths</p> <p>The prospects for improvement in property development are promising</p>

## Key findings on overall performance

3.4 Overall, these areas are working well in Rosehill:

- ✓ Services are accessible to tenants and other service users.
- ✓ Tenants are at the heart of decision-making in the Co-operative.
- ✓ Tenant participation clearly influences service delivery.
- ✓ Rosehill communicates with its service users clearly, provides them with good quality information and is responsive to their feedback.
- ✓ Rosehill accounts for its performance to its tenants and service users.
- ✓ Rosehill is committed to promoting equality of opportunity, although it does need to improve its information base on equalities.
- ✓ It has helped to create a popular and sustainable community.
- ✓ Rosehill has a very effective strategic planning framework, and shows a high level of awareness of its own strengths and areas where further improvements can be made.
- ✓ It has good policies and procedures.
- ✓ Rosehill makes good use of its staffing resources and has achieved Investors in People status.
- ✓ Rosehill has started to procure services in line with Communities Scotland's Building a Better Deal policy.

3.5 This is our key recommendation:

- ❖ Rosehill should ensure that timetables for policy development or revision allow it to meet the requirements of the Housing (Scotland) Act 2001 to consult with tenants.

## How good are the services overall?

3.6 This section assesses how good the services are overall that people get from Rosehill. We have considered services against the five broad criteria of accessibility, participation and responsiveness, accountability, equalities, and sustainability. Some issues outlined here are dealt with in more detail in later parts of the report. We have not, therefore, repeated all the recommendations about service improvements in this section.

### Accessibility

3.7 Rosehill makes information about how to access its services readily available in a wide range of ways including its tenants handbook, newsletters, posters and leaflets. Rosehill provides good access to its services; tenants have a range of options for paying rent and reporting repairs, and it is easy to make a complaint.

3.8 Rosehill's office is centrally located to all of its houses and is easily reached by public transport. The office is accessible to disabled people and has good facilities to allow them to use the office. Rosehill has identified a number of further improvements for its office to meet the requirements of the Disability Discrimination Act 1995. The Co-operative is currently considering all the improvement options and aims to have implemented its preferred outcome by October 2004.

### **Participation and responsiveness**

3.9 As a fully mutual co-operative, Rosehill's tenants are all members and the management committee consists almost entirely of tenants. In this way tenants are at the heart of decision-making at Rosehill. Rosehill is committed to involving all of its tenants in the management of the Co-operative. Rosehill has a tenant participation strategy in place and it plans to employ a tenant participation development officer from January 2004 to take forward its developments in this area. Although Rosehill has no formal or registered tenants organisations, it has set up structures to promote involvement, and we found good examples of how participation influences service delivery:

- the Co-operative proactively seeks contributions and views from tenants in its quarterly newsletters;
- Rosehill involved tenants through focus groups in the drawing up of its tenant satisfaction survey;
- it surveyed tenants on what issues they would like further consultation on; and
- feedback from new build tenants has influenced the designs of subsequent development projects.

While Rosehill's general approach to tenant participation is very good, it did not involve its tenants in the revision of its allocations policy as this involved mainly, but not exclusively, changes resulting from new statutory provisions. Rosehill should have taken the opportunity to consult with its tenants on the amendment of its allocations policy.

#### **Recommendation 1**

Rosehill should ensure that timetables for policy development or revision allow it to meet the requirements of the Housing Scotland (2001) Act to consult with tenants.

3.10 The standard of Rosehill's correspondence and verbal communication to service users is very good. In particular we found, through speaking to

tenants and shadowing staff, that Rosehill's staff are helpful and responsive to enquiries and requests for information.

- 3.11 Rosehill provides tenants and other service users with a range of high quality written information on its services, including a new tenants handbook and a quarterly newsletter. We found a very good range of written information available at the office reception area. Rosehill also promotes the benefits of the Scottish Federation of Housing Association's home contents insurance to its tenants through its newsletters.
- 3.12 Rosehill asked tenants for their views on the Co-operative's rent levels as part of the tenant satisfaction survey in November 2002; the majority of tenants felt that they would be happy to pay more for expanded services. Rosehill then sought to establish a number of focus groups to consult further on the proposed annual rent increase, but could not take this initiative further due to a poor response from tenants. Rosehill will review the consultation process for its next rent increase.
- 3.13 Rosehill surveyed tenants to identify their preferred methods for future consultation. Tenants expressed satisfaction with Rosehill's current approaches, but the Co-operative has made the improvement and expansion of participation a key role of the planned tenant participation development officer.

### **Accountability to service users**

- 3.14 Rosehill's commitment to the provision of information about its performance to tenants and other service users is a key strength. It provides regular and good quality feedback, mainly by newsletter, on performance and the outcomes of consultation exercises. Every tenant receives a summary copy of the annual accounts and the annual report.
- 3.15 Rosehill's complaints and appeals procedure is well publicised. The Co-operative has received few recent complaints and we found that those that were received were dealt with satisfactorily. Neither the Scottish Public Services Ombudsman nor the Care Commission for Scotland had received complaints about Rosehill. The Ombudsman advised us that Rosehill's complaints procedure is good, but has suggested the following revisions to reflect current good practice:
- details of whistle-blowing procedures should be included in the policy;
  - complaints against staff should be sent to the director and complaints against the director should be sent to the chair; and
  - update the contact details for the Ombudsman.

## **Promoting equality and embracing diversity**

- 3.16 All RSLs have a statutory duty under the Housing (Scotland) Act 2001 to act in a manner which encourages equal opportunities. Rosehill collects information on equalities issues for people applying to it for houses and reports on this to the management committee. Rosehill is aware that it does not have comprehensive information on equalities issues for its existing tenants and that it missed an opportunity to collect this through the SST sign up process. However, the Co-operative has committed to collecting this information about its tenants through the next major consultation exercise it does. We saw evidence of Rosehill responding to equalities issues, for example the removal of age as a criterion to be included in its garden maintenance scheme.
- 3.17 Rosehill can make information available in other languages, large print, Braille and on tape if required.
- 3.18 Rosehill is an equal opportunities employer and successfully retained its Disability Symbol in August 2003.

## **Sustainability**

- 3.19 Rosehill has helped to create a popular and sustainable community. We saw evidence of high demand for Rosehill's houses, relatively low levels of turnover and few abandoned tenancies. Tenants are very satisfied with their houses, the neighbourhood and the services provided by the Co-operative. Rosehill further promotes sustainable tenancies by providing access to support and advice services, and all of its new houses are designed to meet the changing needs of tenants.
- 3.20 Through its wider action activities, Rosehill has shown that it understands the importance of a proactive and co-ordinated approach to tackling local sustainability issues. It is working well with a wide range of partners including Glasgow City Council, the Wise Group and other local RSL's, to contribute to the development of an economically sustainable wider local community.
- 3.21 Rosehill has a very good sustainability policy with targets against a wide range of environmental issues, covering both the Co-operative's houses and its provision of the service. Targets for 2002/03 include:
- to reduce the use of paper in the office by 20%;
  - to reduce the Co-operative's consumption of electricity by 5%; and
  - to reduce the Co-operative's consumption of gas by 5%.

Performance against these targets will be reported to the management committee annually. Rosehill's new houses are very fuel-efficient and the Co-operative has introduced the use of recyclable materials and uses whole life costing approaches to reduce the environmental impact of future maintenance activities. Further assessment of sustainability issues is covered in the property development section of this report.

## **How well is Rosehill managed overall?**

### **Planning and performance management**

- 3.22 Rosehill has a thorough, structured and continuous approach to strategic and operational planning. There is a strong commitment to the process from the management committee and senior staff. This provides effective and clear leadership for the Co-operative.
- 3.23 The management committee is actively involved in setting the future direction for Rosehill, developing key plans and reviewing progress against these. Staff at all levels are aware of Rosehill's objectives and are clear about how they contribute to meeting these objectives.
- 3.24 Rosehill has a framework of plans developed through annual committee member and senior staff away days, using tenant and service user feedback, and input from Rosehill's partners. Rosehill's plans clearly identify strengths and weaknesses as well as areas of threat and future opportunity. The outcomes from the strategic planning process feed into operational objectives for each department and clear responsibility for planned actions are identified.
- 3.25 Rosehill reviews performance against plans on a regular basis with a full mid-year review of individual departments' plans against both current and projected performance. The quality of performance management across service areas is very good, and Rosehill wants to develop it even further. Rosehill monitors and regularly reports performance in all key activities to the management committee, and it intends to broaden its use of targets and monitoring to give a more comprehensive view of performance over a wider range of service areas. Rosehill is a member of the Comares benchmarking club and benchmarks its performance in key areas against peer RSLs.
- 3.26 Rosehill produced an assessment of its own performance in preparation for our inspection. We found this assessment extremely useful, and it shows that Rosehill understands where its strengths lie and is able to recognise where it could improve.

## **Policies and procedures**

3.27 Rosehill has a good policy and procedure framework in place across all of its activities. Policies are written clearly, and in general reflect current legislative requirements and good practice. The Co-operative has an effective system for prioritising policies for review, and we found that Rosehill generally achieves its targets for reviewing its policies.

## **Managing its resources**

3.28 Rosehill makes good use of its staffing resources. It operates a comprehensive staff appraisal system, supported by a good training evaluation and planning process. Rosehill successfully attained Investors in People status in 2003, at the first attempt. It has a dedicated budget for training, and both staff and committee members have achieved recognised qualifications as well as having participated in vocational training.

3.29 Rosehill's staff can raise any concerns or issues at monthly staff meetings, but managers are committed to allowing staff to discuss matters at any time. This flexibility is mainly due to Rosehill's size, but this openness is viewed very positively by staff.

3.30 Rosehill has good Information and Communication Technology (ICT) systems in place to safeguard the Co-operative's assets and support its business aims. There is no formal ICT strategy in place, but we could see no evidence that this was having a negative effect on Rosehill's management of its business.

3.31 Rosehill has made a strategic decision to adopt a partnering-based approach to build longer-term relationships with proven contractors wherever possible in its procurement of goods and services. This approach is in line with Communities Scotland's Building a Better Deal policy. The Co-operative's procurement strategy for its current new build development project is based on a longer term partnering arrangement which includes its lenders. Rosehill considered all procurement options and organised management committee training before deciding to take forward the partnering arrangement. It then developed the arrangement through a series of facilitated value management workshops involving all the partners.

3.32 Rosehill let 15 small annual maintenance contracts by competitive tender in 2002/03 with a total value in the region of £48,000.00. It is now looking at letting these contracts on a longer term or through partnering arrangements. Rosehill is also considering a partnering approach for day-to-day maintenance and gas maintenance contracts.

## **How likely is Rosehill to improve**

3.33 We consider the prospects for improvement overall are promising because:

- Rosehill has a clear track record of improving its performance;
- Rosehill has the tools to deliver improvement through a very effective planning and performance management framework;
- Rosehill seeks opportunities to develop and has a strong awareness of its performance;
- Rosehill identifies performance issues early and acts quickly to resolve them; and
- staff and the management committee are clearly committed to making Rosehill better.

## 4. Governance and Financial Management

### Overall Assessment of Governance and Financial Management

4.1 Rosehill is a well governed and financially sound organisation. Rosehill has an excellent management committee and an established and effective framework for governance. Financial projections clearly indicate continuing strong financial viability and Rosehill has a well-established approach to financial management that is adequate for its needs. Given Rosehill's current excellent performance, further improvement is likely to be confined to more minor areas in governance and financial management. So, we consider the prospects for improvement to be promising.

A	Rosehill is an excellent performer in governance and financial management with major strengths  The prospects for improvement in governance and financial management are promising
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4.2 These are the areas that are working well:

- ✓ Rosehill has a strong and active membership.
- ✓ The management committee is very effective and controls all the Co-operative's activities.
- ✓ Rosehill has an excellent approach to the identification and management of risk.
- ✓ Rosehill's financial position and performance is very strong.
- ✓ Its short, medium and long-term financial projections clearly show long-term financial viability.
- ✓ The management committee receives a good presentation of the proposed annual budget.
- ✓ Rosehill accurately allocates overheads to relevant cost centres.

4.3 This is an area that could work better:

- The budget setting timetable does not allow the management committee adequate time to fully consider proposals prior to the start of the financial year.

- 4.4 These are our key recommendations. They are broadly in order of significance:
- ❖ Rosehill's budget setting process should be brought forward to allow the management committee time to review and approve the budget before the commencement of the financial year.
  - ❖ The Co-operative's budgets and management accounts could be further improved by including projected balance sheets.

## **Context for Governance and Financial Management**

- 4.5 Rosehill is a fully mutual co-operative housing association. As such, Rosehill's management committee must be drawn from its tenant members, although it does have the ability to co-opt up to a third of the management committee from non-members. Rosehill has 11 committee members; 10 tenants and 1 co-opted shared owner. There is an even mix between members who have been in place for some time and newer recruits, three of whom came onto the committee in 2002.
- 4.6 The finance staff team consists of a Finance and Corporate Services Manager and a Finance Officer. This team has responsibility for all financial matters as well as having a role across the organisation with respect to internal audit, reception services and administration.

## **How Good are Governance and Financial Management?**

### **Independence and Constitution**

- 4.7 Rosehill is working with Glasgow Housing Association (GHA) to establish a Local Housing Organisation (LHO) called Leverwood Housing Association. Rosehill and the committee of the LHO are working towards registration with Communities Scotland in December 2003. The LHO will be constituted as a subsidiary of the Co-operative and will manage the houses in the Nitshill area on behalf of GHA. It is the intention of both Rosehill and the LHO to subsequently obtain ownership of the houses through a second stage transfer as soon as practically possible.
- 4.8 Rosehill's committee has been fully involved in this process and receives regular comprehensive reports on progress of its work with the LHO. Rosehill has taken full account of the likely impact on its activities of becoming involved with the LHO and is currently working to finalise the responsibilities and relationships within its proposed group structure.

## **Membership**

- 4.9 Rosehill's constitution requires that all tenants are members and at March 2003 there were 712 members. Rosehill's Annual General Meeting (AGM) in 2002 was attended by 74 members. This is a good turnout, but Rosehill is actively seeking to increase members' interest in attending future AGMs. To this end, it is proposing to hold its 2003 AGM as part of a broader tenants' conference.
- 4.10 Rosehill has a very open approach to member involvement. It regularly seeks to promote member involvement in the management committee through its newsletters and other promotional activities. All members receive high quality and easily understood annual reports and summaries of annual accounts. Rosehill arranges meetings, including those of the management committee, in accessible locations and at family friendly times.

## **Governing body**

- 4.11 Rosehill has an excellent management committee that demonstrates strong control of the Co-operative's activities. The committee has an excellent understanding of Rosehill's business, frequently engages in a high level of discussion and regularly challenges staff. Attendance by committee members over the last two years has been good with an average attendance of 74%, compared to a national average of 72.4%.
- 4.12 Rosehill has continued to recruit new people to the management committee and has maintained a healthy turnover in its members. Three of the management committee members were elected in 2002, and less than half of the current committee have been involved for more than five years. The management committee reflects the diversity of its membership in terms of age, gender and the neighbourhoods which it serves. Rosehill has a broad-based active committee, but the Co-operative has identified this as an area that it will continue to monitor to maintain the current high levels of participation.
- 4.13 Rosehill's management committee has a broad range of skills, experience and length of service. All of its members have had their training needs fully assessed and can access a wide-ranging and effective ongoing training programme. A strong, committed and professional staff team supports the committee.
- 4.14 There are clear remits and delegated authorities in place for Rosehill's full management committee, sub-committees and staff. We could see that

this framework of remits and delegated authorities contributes to the efficient and effective running of the Co-operative.

## **Risk management**

- 4.15 Rosehill has an excellent approach to the identification and management of risk. The Co-operative identifies strategic and operational risks through a well structured and continuous appraisal process, which involves the management committee, senior staff and the audit sub-committee. All risks are categorised as low, medium or high. This then feeds into a strategy to minimise and manage risks across all areas of its activities. Rosehill is very aware of the wider environment and the possible impacts on its business.
- 4.16 Risk management forms an integral part of Rosehill's day-to-day operations and long-term business planning. For example, Rosehill's financial projections take account of not only financial risks but also strategic and operational risks across each of its areas of operation. Where a risk is identified Rosehill uses policies and procedures to prevent the occurrence of the risk or to minimise the effects where it materialises.
- 4.17 The effectiveness of Rosehill's management of risk was demonstrated by the identification of performance issues around the internal delivery of the gas maintenance service. As a result of this, Rosehill initiated a full audit of the gas maintenance service and put in place a remedial action plan.
- 4.18 The Director and the Finance and Corporate Services Manager have responsibility for the internal audit function, and this operates effectively. However, Rosehill has recognised that this function must develop to respond to the expansion and increasing complexity of the activities of the Co-operative. It is currently considering how it can best manage the internal audit process.

## **Financial Viability**

- 4.19 Rosehill's financial position and performance is very strong. Its annually updated short, medium and long-term financial projections clearly show long-term financial viability. Interest cover and surpluses are very strong and Rosehill's net debt per house has increased but remains better than the national level. All of Rosehill's financial trends show a continuing strong financial performance.

## Key Financial Ratios

	<b>Sector Median</b>	<b>Rosehill</b>	<b>Rosehill</b>	<b>Rosehill</b>
	<b>2002/03</b>	<b>Sep 2002</b>	<b>Sep 2001</b>	<b>Sep 2000</b>
Interest Cover (%)	187.5	392.7	360.3	476.2
Net Debt per House (£)	5,743	1,487	-	638
Gross Surplus (%)	28.5	55.4	49.9	51.6
Net Surplus (%)	8.8	37.0	35.8	38.3

Source: Rosehill's annual accounts – an explanation of the ratios and terminology used may be found in the Financial Glossary at the end of this report.

## Financial Management

4.20 Rosehill has a good financial management framework. This covers budget setting, reporting and performance monitoring and is underpinned by annually reviewed financial policies and procedures.

4.21 Rosehill's budget setting process is well established and works on an incremental or update basis. Staff produce budget proposals based on income & costs for the previous year adjusted for any known projects & developments for the forthcoming year. This is then discussed and agreed by the finance sub-committee before being presented to the management committee for approval. The presentation to management committee is detailed and clearly sets out the implications of the proposed budget. However, the budget for 2003/04 was presented to the management committee for approval on 1 October 2003, the first day of the new financial year. This does not provide time for a full discussion or amendment of the proposed budget.

### Recommendation 2

Rosehill's budget setting process should be brought forward to allow the management committee time to review and approve the budget before the commencement of the financial year.

4.22 Rosehill's budget includes a projected income & expenditure account, analysis of management expenses, sensitivity analysis, narrative explanation and a list of the key financial performance indicators to be used throughout the year for performance monitoring. This is good, but Rosehill does not prepare a projected balance sheet. This would allow a fuller review of performance against all of Rosehill's own financial performance indicators.

**Recommendation 3**

The Co-operative's budgets could be further improved by including projected balance sheets.

4.23 Rosehill's management committee gets good quarterly management accounts comprising of an income and expenditure account with variance analysis against budget and a balance sheet for the period to date. Variances are analysed for the Co-operative as a whole and are not broken down by area of activity and budget holder responsibility. The quarterly management accounts also include an analysis of key financial performance indicators. The management committee is also provided with a monthly statement of expenditure highlighting payments made to contractors. We found that Rosehill's budget was a very accurate projection, as management accounts show similar actual financial performance with only small and easily explained variances.

4.24 Rosehill uses detailed staff time recording as an effective way to accurately allocate overheads to relevant cost centres.

4.25 Rosehill has an appropriate treasury management policy for an organisation of this size and nature. The Co-operative has built up large cash balances; at 30 September 2003, it had over £3.8million in cash deposits. Rosehill has adopted a very cautious approach to using its cash deposits, although it has funded works in excess of £1million from its cash resources. Rosehill has made an informed judgement to retain sufficient cash balances to cover future major repairs spending.

4.26 Rosehill reports annually to the management committee on lenders covenants, all of which it continues to meet.

## **How likely is Governance & Finance to Improve?**

4.27 Rosehill's strong performance across many of the critical areas in governance and financial management means that room for improvement will be confined to the more minor areas. The Co-operative has a clear and positive pattern to its financial trends and a stable staff and committee, and it is performing well where it matters. This leads us to conclude that the general prospects for improvement are promising.

## 5. Housing Management

### Overall Assessment of Housing Management

- 5.1 The outcomes of Rosehill's housing management service are excellent. It has continued to deliver high levels of service during a period of organisational change. Rosehill manages the service very well and has a high level of self-awareness of its performance. We saw real improvements in its housing management service since our audit of its performance in June 1998.
- 5.2 Our grading takes account of the areas of excellent performance as well as identifying areas of potential improvement. A key influencing factor in the grading is our confidence in the likelihood of continued improvement.

A	Rosehill delivers an excellent housing management service with major strengths  The prospects for improvement in housing management are promising
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- 5.3 These are the areas that are working well:
- ✓ Rosehill provides open access to its housing list and minimises suspensions.
  - ✓ Rosehill's allocations policy aims to meet housing need and includes a number of positive practices.
  - ✓ Rosehill has made excellent progress in signing up tenants to the Scottish secure tenancy.
  - ✓ Rosehill provides a highly valued home visit service for vulnerable tenants.
  - ✓ Rosehill has high demand for its houses, and its management of empty houses is excellent.
  - ✓ Rosehill has a very good approach to setting the rents for its houses
  - ✓ Rosehill's performance in rent collection is very good and it has low levels of arrears.
  - ✓ Rosehill minimises its use of evictions.
  - ✓ Rosehill has comprehensive arrangements for the management of anti-social behaviour.
  - ✓ Rosehill takes a proactive and strategic approach to estate management.
  - ✓ Rosehill recognises weaknesses in its performance and takes action that leads to early improvement.

5.4 These are the areas that could work better:

- Although Rosehill has reviewed its allocations policy following the commencement of the Housing (Scotland) Act 2001, there are a few aspects of its policy and procedures which do not fully reflect statutory requirements and good practice.
- Rosehill generally maintains information in a consistent way, but some housing management decisions are not fully documented.

5.5 These are our key recommendations. They are broadly in order of significance:

- ❖ Rosehill should revise its allocations policy to ensure that it fully meets statutory requirements and good practice.
- ❖ To ensure full transparency of decision-making, Rosehill should formalise the use of consistent audit trails.

## **Context for Housing Management**

5.6 An in-house staff team of a Member and Community Services Manager, a Housing Officer, two Housing Assistants and a Clerical Assistant delivers all of Rosehill's housing management services.

5.7 In April of this year the housing management and day-to-day maintenance sections came together to form the new Member and Community Services team, under the control of the Member and Community Services Manager.

## **How Good is the Service?**

### **Access to houses**

5.8 Rosehill gives access to its housing list to anyone aged 16 and over, and they can apply at any time. Rosehill widely and actively publicises the availability of its housing. Examples of Rosehill's promotion of its housing list include:

- prominent billboards identifying Rosehill's housing;
- posters encouraging applications in a number of strategic locations, such as local libraries, leisure facilities and shopping centres; and
- a regular, prominent, clear and informative advert in the local community newspaper.

- 5.9 Rosehill provides applicants with helpful information and advice on completing a housing application, including a summary of Rosehill's allocations policy. Applicants can also request an appointment for assistance in completing the relevant forms. The summary of the allocations policy includes a statement that people with a substantiated history of anti-social behaviour will have their applications rejected. It is for Rosehill to decide whether such applicants will be suspended from receiving offers of housing, but they must be admitted to its housing list. The statement in the summary of the allocations policy does not accurately reflect the position set out in Rosehill's full allocations policy, and may act as a deterrent to some people applying for housing. Rosehill has decided that it may make use of the short Scottish secure tenancy (SSST), but its allocations policy does not provide for the use of the SSST as an alternative to suspension for anti-social behaviour.

**Recommendation 4**

Rosehill should amend its references in the summary of its allocations policy on the exclusion of people with a history of anti-social behaviour to reflect its full policy and legislative requirements. Rosehill should also consider the use of the short Scottish secure tenancy as an alternative to suspension for anti-social behaviour.

- 5.10 Rosehill's staff provide helpful information on its allocations process to applicants at interview, provide good opportunities to ask questions, and are flexible and responsive to applicants' needs. Rosehill also provide applicants with wider housing options advice on request.
- 5.11 Rosehill has demonstrated a commitment to simplifying access to social housing through its effective operation of nomination and referral agreements and mobility arrangements. Together with other Glasgow RSLs, Rosehill has concluded that it would take considerable time and effort to have a city-wide common housing register (CHR) and that local CHRs are a more realistic first step. Rosehill advised that it is not presently active in developing a local CHR and does not view this as a priority. CHRs are a key tool in maximising access to social housing, and a major Scottish Executive policy objective is to ensure full participation of all social landlords in CHRs.

**Recommendation 5**

Rosehill should work more proactively with partner landlords to maximise and simplify access to all social housing in its area through the development of a common housing register.

- 5.12 Rosehill completed its review of its allocations policy in September 2003 to reflect the legislative changes introduced by the Housing (Scotland) Act 2001. In general, the revised policy allows Rosehill to comply with statutory requirements. The policy is clearly based on meeting housing need and Rosehill is committed to allocating 75% of its houses which become available for let to applicants who are not existing tenants of Rosehill; last year, Rosehill allocated 78% of its vacant houses to new tenants.
- 5.13 A number of features of the policy, however, need to be further reviewed to fully address the requirements of the statutory provisions. These relate mainly to the written policy, as we found that Rosehill's practice was generally in accordance with the statutory provisions.
- The Housing (Scotland) Act 1987, as amended, requires landlords to give reasonable preference to, amongst other, applicants who are overcrowded and those with large families. Rosehill's policy states that the Co-operative will not allocate houses to applicants who would remain overcrowded, even where such allocations would reduce applicants' level of overcrowding. Rosehill is right to try to minimise lettings which would result in overcrowding, and the policy also seeks to deal with anticipated future overcrowding. However, a rigid application of this rule may prevent the improvement of the circumstances of severely overcrowded applicants, particularly those with large families.
  - Rosehill's policy on the treatment of rent arrears is different for existing tenants who are applying for a move and applicants who are not existing tenants. This introduces the potential for inequalities in the outcomes for different types of applicants.
  - Rosehill awards points to applicants who are over 60 years old and have no medical needs, but who are living in upper flats. It is sensible for Rosehill to try to anticipate and address future housing need, and the level of points awarded is relatively small. However the Housing (Scotland) Act 1987 prohibits the consideration of an applicant's age when allocating general needs housing.

#### Recommendation 6

Rosehill should ensure that its policy allows it to give reasonable preference in the allocation of its house to all applicants who are experiencing overcrowding.

To ensure fairness and transparency in allocations, Rosehill should amend its policy on the treatment of tenants' arrears to be consistent with the requirements of the Housing (Scotland) Act 1987 and the approach taken for external applicants.

Rosehill should review its policy to ensure that its objective of anticipating future need is not based on a consideration of applicant's age.

- 5.14 As noted earlier, Rosehill's tenants had not been involved in the revision of the allocations policy.
- 5.15 Rosehill minimises suspensions from its housing list. We found only 3 cases that had been suspended from over 400 applicants, and that each suspended applicant's circumstances were taken into account. This is a very positive approach to maximising access to housing.
- 5.16 Rosehill's policy states applicants who have declined two offers of housing within a year will be suspended for one year. However, Rosehill advised us that it has never implemented this part of its policy. Removing restrictions on the number of offers is one way to extend applicant choice in allocations.

#### Recommendation 7

Rosehill should revise the clauses in its allocations policy on suspending applicants particularly those who refuse offers of housing to match its more positive practice.

- 5.17 The process of sensitive letting to achieve sustainable tenancies and communities is provided for in Rosehill's published allocations policy, and the Co-operative assesses each applicant's circumstances before making decisions on by-passing. However, the wording of the policy does suggest that Rosehill may take account of factors when letting sensitively which are prohibited by the Housing (Scotland) Act 1987, such as the age of applicants. Rosehill does not by-pass applicants in this way very often. We found only four cases where Rosehill had by-passed applicants in the allocation of houses, but decisions were made on the

basis of applicants' age and sex in these cases. We also found that in one case the audit trail was not complete.

#### Recommendation 8

Rosehill should review its procedures for by-passing applicants to ensure they comply with legislative requirements, and that clear audit trails are maintained to ensure that all decisions on lettings are transparent.

- 5.18 Rosehill actively manages its housing list to ensure that it is accurate and up-to-date. Rosehill sets a points threshold with those applicants above it being considered likely to be offered housing and these are reviewed annually; those below the threshold are reviewed every three years. However, Rosehill actively encourages all applicants to notify the Co-operative of any changes in their circumstances. As part of Rosehill's annual review process applicants receive information on their housing prospects. Rosehill may wish to consider providing this information to all applicants to ensure that those below the threshold have information to allow them to make better-informed decisions about their housing options.
- 5.19 Rosehill's allocations policy includes a number of examples of positive practice such as:
- a streamlined approach to the assessment of medical priorities; and
  - the immediate award of points for harassment followed by verification to reflect the urgency of such cases.
- 5.20 Rosehill participates in the HOMES scheme and has a mutual exchange scheme in place, both of which are advertised in the office.
- 5.21 Rosehill has signed the Glasgow-wide Homelessness Protocol and has met with the local homeless team to establish local referral and liaison arrangements. To date, Rosehill has only received one referral under section 5 of the Housing (Scotland) Act 2001; this person was housed quickly in suitable a property in an area of her choosing.

#### **Tenancy sign-ups**

- 5.22 Rosehill uses the model Scottish secure tenancy (SST) agreement with only minor changes. At the time of our inspection, Rosehill had made excellent progress in signing up 95% of tenants to the SST. Rosehill used a number of novel approaches to achieve this, including group briefing sessions where tenants were happy to do so and has also organised a raffle for all tenants who kept agreed appointment times.

- 5.23 We saw that Rosehill's staff fully explain details of the tenancy agreement to tenants at the time of signing and they make tenants aware of their rights and the duties of Rosehill as a landlord. The process could be further improved by using the model summary agreement to make the process as understandable to tenants as possible. Rosehill intends to revise the tenant's handbook, due to be issued in 2004, to take account of the changes in legislation and to provide more information on tenants' rights and responsibilities.
- 5.24 New tenants we spoke to expressed satisfaction with the tenancy commencement process and with the level and quality of information provided by Rosehill.

### **Supporting Tenants**

- 5.25 Rosehill provides some housing support services directly and also works in partnership with organisations that provide support to its tenants. Partners include the YMCA, as part of the Supporting Young Tenants Initiative, and Turning Point who manage two supported homes for Rosehill. Feedback shows that Rosehill's partners are positive about working with the Co-operative.
- 5.26 Rosehill also provides a home visit service for up to twelve elderly or disabled tenants by its housing management staff. This service provides vulnerable tenants with regular contact and assistance helping them to maintain their households. Tenants we spoke to valued this service highly.

### **Empty houses**

- 5.27 The Rosehill community is popular and residents want to live there. Turnover of houses is relatively low at less than 5%, abandonments are rare (only 2 in the last year) and tenant satisfaction with the neighbourhood is very high. In this context, empty houses are not a significant issue for Rosehill.
- 5.28 Rosehill's management of empty houses is excellent. The level of rent money lost through empty houses for 2002/03 was 0.06% of the annual rental income, below Rosehill's own target of 0.2%. This performance is better than that of its peer group average of 1.1%. Rosehill's average relet time is excellent, at 5 days compared to a peer group average of 23.
- 5.29 New tenants we spoke to confirmed that they were very satisfied with the quality of their new homes.

## Rents

- 5.30 As part of the tenant satisfaction survey carried out in November 2002, 94% of Rosehill's tenants said that they got value for money for the services paid from rent, and 83% were satisfied with the level of information provided on the rent review exercise.
- 5.31 Rosehill sets rents using a systematic and transparent model, which takes account of the amenities of each property. Rosehill's proposed annual increases are compared with other local landlords and peer RSLs. As part of the tenant satisfaction survey Rosehill obtained feedback about tenants' income and benefit uptake which, together with SCORE information, was used to apply the SFHA affordability criteria to the proposed annual increases. The rent increase process is well integrated with the budget setting process.
- 5.32 In this way, Rosehill established that its rents were broadly comparable, affordable for the majority of its tenants, and ensured that the Co-operative remains viable. This is a very good approach to rent setting.
- 5.33 Rosehill's tenant satisfaction survey identified that tenants would be prepared to pay more for increased level of services. Following on from this, Rosehill tried to set up a focus group to further consult with tenants on the rent increase, however no tenants responded to the invitation to participate. Rosehill is clear that it will need to consider revised approaches to consult on the rent increase for 2004/05 to meet its statutory duties.
- 5.34 Tenants get 28 days notice of the rent increases and are given a six monthly rent statement.

## Arrears

- 5.35 Rosehill's performance in rent collection is very good. Rosehill's current non-technical rent arrears<sup>1</sup> as a percentage of gross rental income March has improved over the last year having reduced by 0.9 % of gross rental income.

### Rent Arrears Performance

Rosehill	Current non technical arrears as % of gross rental income
March 2002	3.81
March 2003	2.83

Source: Annual Performance and Statistical Returns, Communities Scotland 2002/2003

- 5.36 Rosehill has in place an arrears policy and strategy, which offers a wide range of payment methods and provides early referrals to relevant agencies for advice on benefits and debt management. We found that Rosehill makes early contact with tenants in arrears and has a clear process for escalating action where the level of arrears increases.
- 5.37 Rosehill recognises that there is potential for improvement in its arrears performance, and has taken positive steps to improve its management approach. Rosehill no longer carries out an income and expenditure exercise as part of making a repayment agreement, as it found that tenants did not wish to divulge details of all their debts. Rosehill will propose a repayment arrangement and asks the tenant to identify whether they consider it to be affordable. Rosehill also advises tenants in arrears of the services provided by the Citizens Advice Bureau (CAB) or Pollok Credit Union. This has resulted in the CAB making offers of repayment on behalf of some tenants.
- 5.38 In 2003/04, Rosehill has pursued orders for recovery of possession to actual decree for only three cases, all of which related to arrears of rent. Rosehill obtained orders for recovery of possession in two of these actions (the third was ongoing at the time of inspection), but subsequently agreed repayment arrangements and allowed both tenants to remain in their houses. Rosehill has had only two abandoned tenancies this year, neither of which were the subject of arrears actions. We found that in each of the actions for recovery of possession Rosehill had taken all reasonable steps to recover the arrears before the decision was made to take the tenants to court. We also found that Rosehill has started to advise the local homeless and social work teams when it is serving notices for recovery of possession.

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<sup>1</sup> Non technical arrears are non payment of rents by tenants and exclude outstanding housing benefit not yet received by the landlord

## **Tackling anti-social behaviour**

5.39 Rosehill has comprehensive anti-social behaviour policy and procedures, that include:

- clear tenant and landlord responsibilities;
- definitions of what constitutes anti-social behaviour;
- promotion of acceptable behaviour;
- a framework for categorising complaints, ranking on a scale of 1 to 3 for severity, and clear timescales for responses;
- a range of actions to prevent anti-social behaviour;
- a range of tools available to deal with anti-social behaviour; and
- a detailed appeals procedure.

5.40 All of Rosehill's new houses now meet Secure by Design standards. This will help to minimise conflict or fear promoted by the physical environment. Rosehill also tries to prevent neighbour disputes and anti-social behaviour by providing information on tenant responsibilities, and through the provision of support to vulnerable tenants and residents to help them sustain their tenancy. For example, Rosehill refers new tenants under the age of 25 to the YMCA as part of the supporting Young Tenants Initiative.

5.41 Rosehill is committed to dealing robustly with complaints about anti-social behaviour, including those that are made anonymously. Rosehill can call on a number of methods to deal with anti-social behaviour including professional witnesses and mediation services. One member of staff is trained as a mediator and is ideally placed to deal with low level neighbour disputes. Rosehill is keen to expand the role of mediation in partnership with other local landlords.

5.42 Rosehill has effective housing management procedures to reduce the impact of anti social behaviour through measures such as the early removal of graffiti.

5.43 The majority of cases of anti-social behaviour reported to Rosehill are in its least severe category, and are therefore of a relatively minor nature. Rosehill dealt with only two cases in its most severe category in the last year. We found that all cases were dealt with in the appropriate timescale, and saw some evidence of Rosehill advising complainants of progress. Rosehill monitors its performance on responding to complaints of anti-social behaviour within the timescales, but Rosehill has recognised that it needs to improve its monitoring and reporting of the outcomes of actions taken.

- 5.44 Rosehill is committed to further improving its approach to the management of anti-social behaviour and to ensuring that staff are aware of the most current methods available to deal with the problems. An early task for the tenant participation development officer, when appointed, will be to work with tenants to revise procedures and policies for dealing with anti-social behaviour.

### **Estate management**

- 5.45 Rosehill has a pro-active and strategic approach to the management of its houses and local neighbourhoods. It has clear policies and procedures for estate management which adhere to legislative requirements and established good practice.
- 5.46 We saw that the houses and surrounding environment are maintained to a very high standard. Tenants we spoke to are very satisfied with their houses and neighbourhoods. Rosehill's tenant satisfaction survey found 94% of tenants were satisfied with the methods used to manage their houses.
- 5.47 Rosehill works in partnership to improve the physical quality, safety and attractiveness of its estates and neighbourhoods. It is currently working with the Wise Group on an environmental improvement project for its oldest houses.
- 5.48 Rosehill carries out follow up visits to all new tenants and those that we spoke to were satisfied with their new homes. Rosehill also organises garden and best close competitions to encourage tenants to maintain their home and surrounding areas.

### **How Well is the Service Managed?**

- 5.49 Rosehill's housing management service is run in an efficient and responsive way. The Co-operative has a range of generally very good policies and procedures to support service delivery, and staff deliver the service in line with these.
- 5.50 Rosehill has a very good framework for monitoring and reporting performance across the housing management service. Staff prepare monthly or quarterly reports for the Management Committee, which include trend information but not comparisons with peers. Rosehill has identified that it wants to further improve its monitoring and reporting in a number of service areas, particularly in relation to outcomes. Rosehill's information systems are both manual and IT based. These generally work well and we found that Rosehill maintains information in a

consistent way, although some housing management decisions were not fully documented.

**Recommendation 9**

To ensure full transparency of decision-making, Rosehill should formalise the use of consistent audit trails in housing management.

5.51 The most significant improvement in Rosehill's housing management has been in the area of performance planning. Rosehill's development of its internal planning process has had a positive impact on performance.

**How Likely is the Service to Improve?**

5.52 We consider that the prospects for improvement in housing management are promising because:

- we saw that Rosehill is continuing to seek ways to improve its housing management service;
- it is very aware of most of the areas where performance could be better and has plans in place to address these; and
- trends in key performance indicators are getting better.

## 6. Property Management

### Overall Assessment of Property Management

- 6.1 Rosehill's houses are in excellent condition and are being well maintained. The Co-operative has continued to deliver high levels of service during a period of organisational change. Rosehill manages the service well, has a high level of self-awareness of its strengths and weaknesses, and has identified and actioned areas of improvement.

A	Rosehill delivers an excellent property management service with major strengths  The prospects for improvement in property management are promising
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- 6.2 These are the areas that are working well:

- ✓ Rosehill's houses are well maintained.
- ✓ Tenants are very satisfied with the property management service.
- ✓ Rosehill has challenging timescales for completing responsive repairs and its performance against these is excellent.
- ✓ Rosehill's contractors sign up to customer care standards.
- ✓ Rosehill obtains and uses tenant feedback on the quality of the responsive repairs service. However, response rates have been relatively low.
- ✓ Rosehill manages its repairs in a cost efficient way.
- ✓ Rosehill has comprehensive information on its housing stock, and is currently updating this.
- ✓ Rosehill has successfully identified and managed risks in the provision of gas safety checks.
- ✓ Rosehill has a tenant centred approach to medical adaptations.

- 6.3 This is an area that could work better:

- Pre and post inspection of responsive repairs. Rosehill has plans to address this area for improvement.

- 6.4 These are our key recommendations. They are broadly in order of significance:

- ❖ Rosehill should refer to published good practice information when considering the level of, and approach to, pre- and post-inspections.
- ❖ Rosehill should explore ways to increase the response rate to its quality satisfaction questionnaires.

## Context for Property Management

- 6.5 Rosehill's property management services are delivered by two in-house staff teams; the new Member and Community Services team is responsible for the management of responsive repairs in addition to providing housing management services, and the Projects team manages cyclical and planned maintenance and adaptations. The Project team is also responsible for delivering Rosehill's development programme.
- 6.6 The Member and Community Services and the Projects team were formally established in April 2003. Rosehill introduced these organisational changes to achieve service improvements and to respond performance issues.

## How Good is the Service?

### Responsive repairs

- 6.7 Rosehill's houses are well maintained to a high standard through both reactive and ongoing cyclical maintenance programmes.
- 6.8 Rosehill's tenants can access the repairs service by phone, in writing, by e-mail or by calling in person at the office. Rosehill's staff fully understand all aspects of the repairs service and provide good advice and information to tenants who are reporting repairs in a courteous and professional manner. The quality of written information available to tenants about the repairs service is good. Staff advise tenants of both parties' repairs responsibilities at the tenancy sign up, and the tenant handbook and newsletters have useful repairs information.
- 6.9 Rosehill sets challenging targets for timescales for the completion of responsive repairs, which are shorter than the RSL national average targets. Rosehill's performance in 2002/03 has exceeded these targets and is consistently high with only relatively minor variations in performance over time.

Repair Type	% Completed within Target			
	National	Rosehill		
	2002/03	2002/03	2001/02	2000/01
Emergency	97.06	100	99.6	100
Urgent	93.12	99.6	99.5	99.2
Routine	92.92	96.1	94.5	92

APSR 2002/03 all figures are better than the national average

- 6.10 Rosehill has for a number of years operated a voluntary right to repair scheme, and is now operating this to discharge its statutory duties on right

to repair following the introduction of the Scottish secure tenancy. Staff inform tenants of all qualifying repairs and provide clear information on completion timescales and alternative contractors. Rosehill has responded effectively to the expanded statutory requirements on right to repair.

6.11 Rosehill's Tenant Satisfaction Survey in November 2002 found that 95% of tenants were satisfied with the repairs service. Tenants we spoke to felt that the repairs service was flexible, quick and very efficient, and that work is completed to a high standard.

6.12 Rosehill used to do 100% pre inspections of responsive repairs. Rosehill identified that this level of inspections was not sustainable and, as an interim measure, have reduced the target number for pre inspections. Rosehill plans to introduce new pre and post inspection procedures in December 2003, including the level of post and pre inspection to be carried out. Pre- and post-inspections are an important tool to help landlords diagnose work accurately and ensure the quality of repairs. However, there is a need to strike a balance between the level of inspections and an appropriate use of staff time. Rosehill was right to review this aspect of the service.

Recommendation 10

Rosehill should refer to published good practice information when considering the level of, and approach to, pre and post inspections.

6.13 Rosehill issues a monthly quality satisfaction questionnaire to 20% of tenants who have had repair work carried out. Returns from this survey are analysed and reported to committee with recommendations for action. This practice had been suspended for four months during the service reorganisation, and has now restarted. Responses from tenants indicate high levels of satisfaction, although overall the response level is relatively low at about 5% of all repairs. We saw examples of tenant feedback through the quality satisfaction questionnaire leading to action against poorly performing contractors. This is a good approach to obtaining tenants' perspectives on the effectiveness of the repairs service.

Recommendation 11

We recommend that Rosehill explores ways to increase the response rate to its quality satisfaction questionnaires. We suggest that obtaining completed questionnaires at post-completion inspection may be one way to achieve this.

6.14 Rosehill now requires contractors on its approved list to sign up to a code of behaviour which sets customer care standards, which their staff must achieve. Rosehill then actively monitors contractors' performance against the code through the quality satisfaction questionnaires; 92% of responding tenants for the period April to August 2003 were satisfied with contractors' performance against the code.

6.15 Rosehill's risk management review in April 2003 identified a number of performance issues around the internal delivery of the gas maintenance service. As a result of this, Rosehill initiated a full audit of the gas maintenance service and put in place a remedial action plan. This plan included:

- the appointment of an external contractor to undertake gas safety checks;
- fitting of carbon monoxide monitors in all of the properties with gas fires; and
- the establishment of a 10 to 11 month cycle of gas safety inspections to minimise the risk of any lapse of annual certificates.

6.16 Rosehill has successfully implemented the action plan and is now considering longer-term improvements to the service, including:

- a proposed partnering arrangement for the delivery of gas maintenance; and
- proposals to fully audit the current contractor's work.

Rosehill is now effective in ensuring that its tenants' gas heating systems are checked annually in line with its statutory duty. Tenants we spoke to were aware of the changes to gas maintenance and were happy with the service, particularly the level of quality control by the contractor.

6.17 Rosehill identifies commonly occurring responsive repairs and takes a proactive approach to deal with them through more efficient approaches than as individual response repairs. An example of this was where a number of repairs were reported for a group of houses relating to problems with porch tiles. Rosehill identified these as a common problem and initiated a planned replacement of all the defective tiles. This approach is good practice.

6.18 Rosehill delivers very good responsive repairs service, but continues to look for ways to further improve the service. One improvement proposal currently being considered by Rosehill is to enter into a partnering agreement with one main contractor for responsive repairs.

## **Lifetime maintenance**

- 6.19 Forty percent of Rosehill's houses are new build and the remainder were fully modernised following receipt of the properties through stock transfer. Therefore, Rosehill until now has needed only limited cyclical and planned maintenance programmes. Rosehill has comprehensive information on its housing stock through whole-life costing exercises for its new build stock and life-cycle costing exercises for its modernised properties. Rosehill has now employed external consultants to carry out a revised full stock condition survey with a review of previous planning assumptions. This will be used to inform the development of a full thirty-year lifetime maintenance program which will in turn lead to a review of Rosehill's business plan. Rosehill currently has cash reserves of £3.5 million set aside for future maintenance. Rosehill is in a strong position to ensure that its houses continue to be well maintained in the future.
- 6.20 Rosehill lets a significant number of low value contracts for cyclical maintenance on an annual basis, and recognises that this is an inefficient use of its resources. Rosehill plans to use the information from the stock condition survey to review its approach to cyclical maintenance and aims to include as much as possible of the cyclical works into long-term or partnering contracts. Rosehill intends to have all of the revised contract allocation procedures in place by April 2005 at the latest with a target to have as many as practically possible in place by April 2004. This is a sensible approach to the improvement of Rosehill's cyclical maintenance service.

## **Adaptations**

- 6.21 Rosehill provides an adaptations service for tenants, funded by Communities Scotland and from its own resources. We found that this service is very responsive to the needs of individual tenants. In 2002/03 Rosehill provided adaptations, ranging from a major conversion to provide an ensuite bathroom with bath lift, secondary wet bathroom and wheelchair store to the provision of handrails to allow tenants to remain in their homes.
- 6.22 Rosehill sought the views of tenants who have used the service and found that there were high levels of tenant satisfaction. Tenants we spoke to also expressed a high degree of satisfaction with this service.
- 6.23 We found that Rosehill makes best use of its housing stock by ensuring that information on adapted houses is always used in the allocations process. Rosehill also has strong liaison arrangements with the Centre for Independent Living in Glasgow to identify people who could make best use of adapted houses.

- 6.24 Rosehill has identified a number of future improvements to its adaptations service, including improved response times and enhanced customer liaison. To address these issues, Rosehill is revising its procedures for the procurement and management of adaptations and aims to have these in place by April 2004.
- 6.25 Rosehill has a simple and effective framework to monitor and manage the adaptation process. Adaptations are completed within reasonable timescales, and Rosehill reports performance and outcomes to the management committee.

### **Services to owners**

- 6.26 Rosehill provides a factoring service to nine owners who became customers of the Co-operative at the time of the stock transfer from Glasgow District Council. As a fully mutual Co-operative most of Rosehill's tenants do not have the right to buy their homes. Twenty-three tenants whose houses transferred to Rosehill from Hurlet Housing Association retain their right to buy, but to date none has applied to buy.
- 6.27 As this is not a significant activity for Rosehill, we did not inspect services to owners beyond noting that Rosehill provides a comprehensive handbook for owners, charges a reasonable factoring fee and issues clear quarterly invoices.

### **How Well is the Service Managed?**

- 6.28 Rosehill's property management service is well managed, with good systems that support the delivery of the service. We saw clear evidence of a strong performance culture amongst management and staff dealing with the maintenance of Rosehill's houses. The quality of performance management and contract management is good.
- 6.29 Rosehill's property management service is going through a period of change, but we found that the process of change is being well managed and tenants have continued to receive a good service. We expect that once completed the review will further increase the service's effectiveness.

## **How Likely is the Service to Improve?**

6.30 There are a number of signs that performance continues to improve across the property management service. We consider the prospects for further improvement are promising because:

- Rosehill's performance has remained strong during a period of major change for the service;
- Rosehill demonstrates a high level of self-awareness of the strengths and weaknesses of the property management service; and
- Rosehill has identified areas of improvement and has taken action to address these or has put in place plans to do so.

## 7. Property Development

### Overall Assessment of Property Development

- 7.1 Rosehill has a proven track record in building quality new houses. It has a clear development strategy and works very well with relevant partner organisations. The Co-operative is enthusiastic about sustainability and new procurement methods. The key outcomes of Rosehill's work has been safe, warm homes which meet the needs of tenants and a considerable improvement in the townscape of Pollok.

A	Rosehill delivers an excellent property development service with major strengths  The prospects for improvement in property development are promising.
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- 7.2 These are the areas that are working well:

- ✓ Rosehill's contribution to the redevelopment of Pollok is highly valued by its strategic partners.
- ✓ Rosehill builds houses to a very high standard.
- ✓ Tenants are very satisfied with their new homes.
- ✓ Rosehill's new houses meet tenants' current and future needs.
- ✓ Rosehill's new houses make a significant contribution to environmental sustainability.
- ✓ Rosehill plans and manages its development activities in a highly effective way.
- ✓ Rosehill uses tenants' feedback to improve its designs and approach to building new houses.
- ✓ Rosehill is working in partnership to improve the quality and efficiency of its building of new houses.

- 7.3 This is an area that could work better:

- Prospective tenants' involvement in the design stage.

- 7.4 This is our key recommendation:

- ❖ Rosehill should explore with its partners ways to provide prospective tenants with opportunities to influence the design of their new homes.

## **Context for Property Development**

7.5 An in-house staff team of Projects Manager and Clerk of Works delivers all of Rosehill's Property Development functions. Since 1995 the Co-operative has built over 280 new houses. Rosehill is engaged in an on-going development programme to build over 200 new houses over the next few years to assist Glasgow City Council and Glasgow Housing Association to achieve their strategic objective of clearance and demolition of the Craigbank estate. This will involve Rosehill in the development of a number of sites, some yet to be identified, to provide housing for Glasgow Housing Association tenants currently living in Craigbank. This development programme is being funded through Housing Association Grant and borrowing from Rosehill's lenders.

## **How Good is the Service?**

### **Partnership working**

- 7.6 Rosehill has a good track record of working in strategic partnerships for the redevelopment of the Pollok area. For its current development project at Darvel Street, as part of the Craigbank redevelopment, Rosehill is working with both Glasgow City Council and Glasgow Housing Association.
- 7.7 We considered feedback from key local organisations, including the Communities Scotland local area office. Rosehill has very good working relationships with its partners and its development activities fit with those of other local organisations; Rosehill's own strategic development plans clearly fit within the wider proposals contained in the Council's Greater Pollok Housing Plan. Rosehill's partners highly value its contribution to the redevelopment of Pollok.

### **Physical Quality**

- 7.8 Rosehill's new houses have been designed and built to very high standards. All Rosehill's new houses:
- are built to Secure by Design standards to create safe homes and minimise the risks of crime and anti-social behaviour;
  - are very fuel efficient and some have features to maximise natural heat gain, such as sun porches;
  - have good room sizes and many exceed defined space standards;
  - have a high internal finish specification, including a good number of sockets in kitchens, lockable ground floor windows, good storage space and TV and telephone points in bedrooms.

Tenants expressed high levels of satisfaction with their new homes, both through Rosehill's post completion surveys and in our discussion with tenants. Rosehill's success in building new homes is also shown by the high demand for its houses. Rosehill's redevelopment activities have significantly improved the townscape of its area.

- 7.9 Rosehill's houses are built recognising that people have various housing needs and these will change through a lifetime. Rosehill's new houses are flexible enough to accommodate a range of these needs.
- 7.10 As referred to earlier, Rosehill has a sustainability policy, which covers all of its activities, including its development programme. Rosehill's new houses exceed the standards for thermal insulation and all of its developments are on brownfield sites. Rosehill has introduced the use of low maintenance, recyclable materials in its new houses, such as metal roofs. Rosehill uses whole life costing approaches to reducing future maintenance activities and costs, thereby further contributing to reductions in the consumption of energy and materials.

### **Tenant involvement in development**

- 7.11 Rosehill has had limited opportunities to involve prospective tenants in the development process. Currently Rosehill's partners nominate tenants to most of Rosehill's new houses when they are ready to let. As a result, Rosehill has not always known who will be rehoused in its new built properties at an early enough stage, and so has not had access to prospective tenants to involve them in the design process.

<b>Recommendation 12</b>
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Rosehill should explore with its partners ways to provide prospective tenants with opportunities to influence the design of their new homes.
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- 7.12 Rosehill does arrange early access for people who will be housed in its new build properties through organised open days. The prospective tenants can view their future homes and get information on Rosehill, including details on membership and limitations on the Right to Buy. This is a good example of early contact with new tenants and the provision of useful information.
- 7.13 Rosehill always evaluates its new build projects through post completion surveys of new tenants. It then uses the feedback from these surveys to improve future planning, design and process decisions. We saw clear examples of tenants' feedback influencing subsequent designs, including the introduction of porches on the back doors and turfing back gardens rather than using grass seed.

## **How Well is the Service Managed?**

### **Development Planning**

- 7.14 Rosehill's Strategy and Development Funding Plan (SDFP) fits with Glasgow City Council's draft local housing strategy and the Greater Pollok area housing partnership plan, but the Co-operative has a very clear awareness of its own objectives. One of Rosehill's key objectives is to retain a strong local community identity and Rosehill assesses all proposed developments against this.
- 7.15 Rosehill's partnership with Glasgow City Council and Glasgow Housing Association means that it has limited influence on the size of houses to be built in the current phase of redevelopment. Rosehill has identified a local shortfall in the supply of smaller accommodation, and is now discussing with its strategic partners a more appropriate mix of houses types in future developments.
- 7.16 Rosehill sets clear strategic objectives for all of its development projects through a very good and comprehensive strategic design brief, which the management committee reviews regularly. Rosehill uses this strategic design brief to ensure that its consultants and contractors have a clear understanding of the Co-operative's preferred approach to building design and project specification.

### **Building a Better Deal**

- 7.17 Rosehill are very enthusiastic about partnership working and have a proven long track record of working with private developers, including a joint mixed tenure project ten years ago.
- 7.18 Rosehill have agreed a partnering arrangement with a construction company, a team of consultants and the Co-operative's lenders for its current three to four year development programme. Included in this is Rosehill's current design and build project at Darvel Street. Rosehill expects to achieve significant cost savings over the lifetime of this partnering arrangement when compared to traditional procurement methods. The partnering agreement was established through a series of structured workshops using value management techniques. Rosehill intend to adopt this approach for all future projects.

## **Quality of development management**

- 7.19 Rosehill's management committee and development sub-committee play a key role in managing the development process. The committees are supported in this activity by good quality training, including how to assess tender submissions in the context of Rosehill's new partnering approach. The Committees also get regular high quality reports covering all stages of each development project, including information on the performance of contractors and consultants and on the management of costs and funding.
- 7.20 We found that Rosehill's management of its development programme and projects is excellent, and that all necessary funding and planning submissions were of an excellent quality and projects are consistently completed on cost and within projected timescales. These findings are confirmed by Communities Scotland's April 2003 post completion review of Rosehill's Hurtlehill development.
- 7.21 Rosehill recognises that the cost of its new houses is high. However, it is able to demonstrate that it achieves value for money through its development projects through its use of high quality materials and whole life costing approaches.

## **How Likely is the Service to Improve?**

- 7.22 Rosehill's strong performance in development means that there is only marginal room for improvement. The Co-operative hopes to achieve efficiency savings through its partnering arrangement and continues to use new tenant feedback to improve its design and specifications. This leads us to conclude that the prospects for improvement are promising.

## 8. Wider Action

### Overall Assessment of Wider Action

- 8.1 Rosehill has a strong commitment to meeting the wider needs of its tenants and other residents in its area. Rosehill has a clear rationale for its involvement in wider role activities based on identified community needs and the Co-operative's ability to contribute to meeting them.
- 8.2 Rosehill is involved in a number of partnership-based wider action projects and activities:
- it was instrumental in forming, and remains actively involved in, the Greater Pollok Properties Ltd, a not for profit company developing workspaces for local businesses;
  - it helped to establish and continues to support the Pollok Citizens Advice Bureau and works with the Pollok Credit Union;
  - it is currently working with the Archdiocese of Glasgow to secure funding for the redevelopment of the respite care centre in Pollok; and
  - Rosehill has been involved in a feasibility study on the future of Househillwood Community Centre and is about to assist another local group with the management and maintenance of their hall.
- 8.3 Rosehill has also used its own activities to achieve wider action objectives:
- it has recently completed a self-build project, which included college-based and on-the-job training for the eight self-builders;
  - it has employed the Wise Group to deliver environmental improvements and provide training and employment opportunities for local people; and
  - it provides accommodation in its offices to allow local community groups to meet (Rosehill's conference room is designed to be isolated from the main office).
- 8.4 Rosehill has ensured that any risk attached to its wider role activities does not affect its delivery of its core activities and services to its members and tenants.

## 9. Next Steps

- 9.1 This report is not the end of the process. We have asked Rosehill to produce an improvement plan within eight weeks of the publication of this report. This plan should show how it intends to respond to all our recommendations. The plan will be agreed with us.
- 9.2 If you would like to see the improvement plan you should contact:
- Rosehill Housing Co-operative  
250 Peat Road Glasgow  
G53 6SA  
Tel: 0141 881 0595  
Email: [admin@rosehillhousing.co.uk](mailto:admin@rosehillhousing.co.uk)
- 9.3 We will re-inspect Rosehill in five years' time.

## APPENDIX 1 – List of Evidence Sources

### **Groups and third parties consulted**

- Focus groups of Rosehill's tenants
- Scottish Public Services Ombudsman
- Care Commission
- Communities Scotland Area Team
- Glasgow City Council
- YMCA
- Turning Point

### **Interviews / meetings**

- Chairperson and management committee of Rosehill
- Director
- Member and Community Services Manager
- Finance and Corporate Services Manager
- Projects Manager
- Frontline staff

### **Reality checks**

- Review of arrears cases
- Review of legal actions against tenants
- Review of anti-social behaviour cases
- Review of gas servicing documents
- Review of complaints
- Review of abandoned house files
- Review of repairs information
- Review of adaptations files
- Review of factoring cases
- Review of housing list applications and allocations
- Review of tender register
- Shadowing application for housing
- Shadowing allocation points calculation
- Review of tenancy files
- Review of void management records
- Review of staff appraisals
- Shadowing repairs staff
- Shadowing arrears visit
- Shadowing tenancy sign-up
- Shadowing open day for new houses
- Estate visits
- Review of information for applicants and tenants
- Observation of the provision of information and advice

## Key documents reviewed

- Inspection submission
- Draft annual accounts for year ending 30 September 2002
- Budget 2003/04
- Management accounts (Quarter ending 30 June 2003)
- Risk management policy
- Strategy and Development Funding Plan
- Loan covenants
- Fixed asset register
- Reports on outcome of strategy days
- Register of benefits to committee members (schedule 7 Register)
- Internal management plan 2003/04
- Treasury management policy
- Financial policies and procedures
- Strategic internal audit plan and internal audit report (April 2003)
- Tenant participation strategy
- Complaints policy
- Equal opportunities policy
- Anti-social behaviour policy
- Allocations policy
- Void management policy and procedures
- Arrears policy and procedures
- Sustainability Policy
- Guide to factoring and owners
- Darvel Street Balancing Price and Quality. Consultant Recruiting
- Strategic Development Brief
- Annual Report 2001/02
- Annual performance and statistical returns to Communities Scotland
- Performance monitoring reports for arrears, voids, allocations and repairs response times (period ending 30 April 2003)

## APPENDIX 2 - Key Examples of Positive Practice

These are areas we would highlight as working particularly well, taking account of Rosehill's operating context:

- the approach to involving tenants in the design of the Co-operative's tenant satisfaction survey;
- its provision of regular and good quality feedback to tenants on performance and the outcomes of consultation exercises;
- its sustainability policy and actions;
- its development of partnering arrangements through a series of facilitated value management workshops involving all the partners;
- its approach to training for members of the management committee;
- its approach to risk management;
- its publicity for access to its housing list;
- its minimisation of suspensions from its housing list;
- a streamlined approach to the assessment of medical priorities; and
- the immediate award of points for harassment followed by verification to reflect the urgency of such cases;
- its management of empty houses;
- its comprehensive anti-social behaviour policy and procedures;
- its pro-active and strategic approach to the management of its houses and local neighbourhoods;
- its practice of identifying commonly occurring responsive repairs and taking a proactive approach to deal with them through more efficient approaches than as individual response repairs;
- its use of low maintenance, recyclable materials in its new houses and its use of whole life costing approaches to reducing future maintenance activities and costs, thereby further contributing to reductions in the consumption of energy and materials; and
- its use of new tenant feedback to improve future planning, design and process decisions in its new build projects.

## Glossary

<b>Annual Statistical and Performance Return (APSR)</b>	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
<b>Benchmarking</b>	A process used by organisations to systematically compare service processes and performance to identify best practice.
<b>Citizens Advise Bureau (CAB)</b>	Giving Advise on housing CAB prevent homelessness by helping people claim housing benefit, negotiating with landlords representing clients in court to prevent eviction- Annual Report 2003
<b>Common housing registers</b>	A register of all applicants for social housing used by two or more landlords within an area.
<b>Convention of Scottish Local Authorities (COSLA)</b>	The membership body for local authorities in Scotland.
<b>Focus Groups</b>	A group of people brought together to have a structured discussion on a specific subject or set of subjects, facilitated by an independent person.
<b>Housing list</b>	A list of applicants for housing which is used by the RSL to allocate its housing stock.
<b>Life cycle costing</b>	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
<b>Fully Mutual Housing Co-operative</b>	A registered social landlord with a constitution which means that all members must be tenants or prospective tenants, or vice versa.
<b>Ombudsman</b>	The independent body appointed to investigate individual complaints against Registered Social Landlords (RSL).

<b>Partnering</b>	A structured contract management approach to improve efficiency and reduce confrontation between the RSL and its consultants and contractors. Partnering requires formalised objectives, agreed problem solving methods and an active search for continued measurable improvements.
<b>Peer group</b>	A group of organisations facing similar tasks and challenges with which comparisons can be made.
<b>Performance indicator</b>	A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
<b>Planned maintenance</b>	The planned renewal or maintenance of key property components.
<b>Procurement</b>	The way an organisation obtains services or materials from other organisations or agents.
<b>Re-lets</b>	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
<b>Right to buy</b>	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
<b>Registered social landlord (RSL)</b>	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
<b>Scottish secure tenancy</b>	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
<b>Scottish Federation of Housing Associations (SFHA)</b>	The membership body for RSLs in Scotland.
<b>Shadowing</b>	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.

**Sustainability**

Improving the economic, social and environmental circumstances of the wider communities to create and maintaining communities where people positively want to live.

**Tenancy agreement**

Legal document or contract between landlord and tenant setting out the rights and responsibilities of each.

**Void**

A property without a tenant. Voids occur in the period between one tenant leaving and another taking over the tenancy.

## Financial Glossary

### Financial Ratios

#### Interest cover

Most RSL's take out loans in order to help finance, for example, the building or purchase of houses. Such loans attract annual interest payments and it is important that the RSL can afford these payments.

The RSL should be able to pay the annual interest out of its rental income. It must, however, first use its rental income to cover its operating costs. Operating costs include repairs and maintenance, staff costs etc. Any money remaining is called the gross or operating surplus and it is this operating surplus that is used to meet the annual interest payments.

The interest cover ratio simply indicates how many times the annual interest payments could be met from the operating surplus. If the operating surplus is large compared to the annual interest payments then this could be viewed as a strength of the organisation.

E.g. 110% (or 1.1 times) interest cover indicates that gross surplus covers interest payments 1.1 times.

#### Net housing debt per unit

Housing debt is the total amount of money borrowed. Net debt is the amount borrowed less any cash held. The net housing debt per unit is simply the net debt figure divided by the number of houses owned. A higher value suggests higher borrowings & as a result, higher interest costs to be met from surpluses.

#### Gross surplus (or operating surplus)

An RSL receives an income mainly from the rent paid to it by its tenants. This rental income, turnover, is used to meet the operating costs. Such costs include repairs and maintenance, staff salaries etc. Any left after deducting operating costs from turnover, is called the gross surplus. The gross surplus ratio shows the gross surplus as a percentage of turnover. A high percentage could be interpreted as a sign that the RSL is operating efficiently.

#### Net surplus

Net surplus is all income less all costs, including interest payments. The net surplus ratio shows the net surplus as a percentage of turnover. If this ratio is high then this could indicate that the RSL is performing well, generating more money than it is spending.