

# Inspection report

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## Lanarkshire Housing Association

April 2005

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## Summary

The inspection of Lanarkshire Housing Association took place in November 2004. We awarded Lanarkshire the following grades:

Housing management	A	Excellent	Major strengths.
Property maintenance	A	Excellent	Major strengths.

### Inspection Findings

Lanarkshire Housing Association owns 743 houses dispersed throughout Motherwell and in the surrounding areas. It is run by a Committee of skilled and experienced people, including two of the Association's tenants. The Association is financially viable and has a good financial management framework.

The Association's staff are focused on meeting the needs of its customers and are committed to improving the already excellent services provided to tenants and other service users. The Association has a clear track record of achieving and sustaining service improvements.

Strengths in Lanarkshire's services:

- its houses are in good condition and residents are happy with their neighbourhoods;
- it works hard to make sure its houses and services are accessible to people who need them;
- it lets its houses to people in housing need;
- it gives all its tenants a full Scottish secure tenancy;
- it supports people who are experiencing difficulties to stay in their homes;
- it is responsive to feedback from tenants and service users;
- it has successfully reduced the level of arrears while also reducing its use of legal action against its tenants;
- it has reduced the level of turnover of its houses, abandonments and the time it takes to re-let empty houses; and
- it completes its repairs in challenging timescales and to high standards.

Key areas for improvement in Lanarkshire's services:

- its use of targets and how it reports performance against these;
- its collection and use of feedback from users of its housing management services; and
- information on housing options and prospects for people who apply for its houses.

### Next steps

Lanarkshire should respond to our findings. It does not need to submit an improvement plan.

## How to get more information and contact details

If you would like to find out how Lanarkshire plans to respond to the findings of this inspection you should contact:

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The full report is on our website at <http://www.communitiesscotland.gov.uk> .  
This Summary can also be made available on tape, in Braille, large print and community languages. For information please contact Janette Campbell on 0131 479 5163 or email: [janette.campbell@communitiesscotland.gsi.gov.uk](mailto:janette.campbell@communitiesscotland.gsi.gov.uk).

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# 1. Introduction

## About this inspection

1.1 This inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of *Performance Standards*.

## How we assessed performance

1.2 Our inspectors asked two key questions:

- How good are the services we have inspected?
- How well are these services being managed for improvement?

1.3 In order to answer these questions inspectors:

- spoke to tenants, staff and members of the governing body/council;
- asked other partner organisations for their views;
- visited homes and local areas;
- saw and tested first hand how well services were being delivered;
- examined key policies, publications, information and the organisation's self-assessment submitted for this inspection; and
- analysed published performance and financial information.

1.4 We have awarded grades for housing management and property maintenance. 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 many areas where improvement is required or with a small number of significant weaknesses
D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.

## The inspection team

1.5 The Lanarkshire inspection was managed by Michael Cameron (Inspection Manager). The lead inspector was Scott Crossley, who was supported by Jonathan Grant (Inspector), Louise Irving (Inspection Officer) and Murray Smith (Financial Analyst). We were on site between 29 November and 10 December 2004. We would like to thank everyone involved in the inspection, particularly Lanarkshire's committee, staff and tenants for their time and co-operation.

## **Responding to this inspection**

- 1.6 We expect all inspected bodies to make the summary of this report available to anyone that wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report.

## 2. Context

### About the organisation

- 2.1 Lanarkshire Housing Association was registered with the Housing Corporation in Scotland as West Motherwell District Housing Association in 1978, and changed its name to Lanarkshire Housing Association in 1992. The Association is an industrial and provident society. Its office is in central Motherwell.
- 2.2 Lanarkshire owns 743 houses, 16 of which it acquired through a voluntary transfer from Scottish Homes. Its houses are dispersed throughout a number of neighbourhoods in Motherwell and in the surrounding areas of Bellshill, Carfin, Newarthill and New Stevenson. Of these, 83% (616) have been built since 1982, and 47% (350) are either detached, semi-detached houses or cottage flats and the rest are flats; 91% of its houses have 1 or 2 bedrooms.
- 2.3 The Annual Performance and Statistical Return asks RSLs to select a peer group which best describes their organisation. Lanarkshire selected the group described as RSLs that operate in an urban area with more than 250 houses. This is the group we use to compare Lanarkshire's performance.
- 2.4 Lanarkshire is governed by a voluntary management committee elected annually at its Annual General Meeting. The Association currently has 9 committee members, 2 of whom are Lanarkshire tenants and 2 are factored owners.
- 2.5 Lanarkshire's market context and housing needs analysis shows that the population it is serving is gradually declining, and while it has a younger age profile than the national profile, it is projected to get older. The Association projects that there will be an increase in the number of household in its area, particularly one-person households.
- 2.6 Lanarkshire is continuing to build new houses and directly manages its development activities. It also provides factoring services to 127 factored owners. In 2002 Lanarkshire published a low demand and wider action strategy and is working with a range of local partners agencies on a range of initiatives, including:
  - the recently established Town Centre Community Warden Scheme with North Lanarkshire Council;
  - membership of the North Motherwell Partnership Forum which involves local residents; and
  - the Forgewood Community Development Trust which aims to promote economic development, sustainability and crime reduction strategies in the area.

## Key Facts

2.7 The table below presents summary of key information for Lanarkshire, showing trends over the last three financial years

	<b>2001-2002</b>	<b>2002-2003</b>	<b>2003-2004</b>
Houses owned	675	723	744
Employees	20	17	19
Annual turnover (£,000)	1,662	1,753	1,975
Total possible rental income (£,000)	1,626	1,812	1,948
Rental income from housing benefit	47.7%	49.0%	53.0%
Average weekly rent (£)	43.17	44.82	48.04
Average rent increase	3.9%	3.0%	5.5%
Houses re-let	72	122	81
Responsive repairs carried out	1,672	2,450	2,363
Maintenance spend per house (£)	n/a	381	367
Right To Buy sales	2	2	0

### 3. Housing management

3.1 The grade awarded for housing management is:

A	Excellent	Major strengths
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We explain at the end of this section how the assessments we have made result in this grade.

#### **How good is the service?**

##### **Access**

*Social landlords should provide open, fair and equal access to their housing lists and should work with partners to simplify and maximise access to housing*

- 3.2 We found that Lanarkshire operates an open housing list and people aged 16 or over can apply at any time. Lanarkshire advertises access to its housing list in the offices of other local housing providers and advertises details of the lists of those landlords in its office. It also provides useful information about the location and type of houses it owns on its website. We found that the Association's staff offer helpful information and assistance to people applying for a house, and are very responsive to people with particular needs; its housing application form is available in large print, and information on applying for a house can be made available in other formats and in community languages.
- 3.3 At the time of our inspection Lanarkshire had 781 people on its housing list, a slight decrease on the figure for two years ago. It is letting 40% of its available houses to people nominated to it by North Lanarkshire Council, and it is working with the Council and other local landlords to develop a common housing register.
- 3.4 The Association has a target of 5 days for completing initial assessments of applications for housing and 28 days for full assessments. We found that Lanarkshire performs better than its target for initial assessments and is routinely putting people on its list in 3 days. The Association reviews applications annually on the anniversary date of each application and manages its list effectively.
- 3.5 Lanarkshire minimises the number of people it suspends from receiving offers: 17 people (or 2.2% of people on its list) were suspended at the time of our inspection and we found none had been excluded. The Association provides staff with clear guidance on suspensions. It regularly reviews suspensions and gives people advice on how to have suspensions lifted, including referral to specialist advice agencies. We found that Lanarkshire did not notify suspended people in writing of the reasons for suspension or of their right to appeal, and relied solely on

verbal advice. This Association changed its practice as soon as we made it aware of this weakness, and it now advises suspended people in writing.

- 3.6 Lanarkshire collects good information on the ethnicity and disability of all people who apply for its houses. By using this information it has identified that black and minority ethnic groups are underrepresented on its housing list. The Association plans to target information to black and minority ethnic groups through specialist language newspapers and community group newsletters. It hopes to encourage participation in the upcoming review of its allocation policy and intends to consult all people on its housing list.
- 3.7 Lanarkshire is good at providing open access to its housing list, and is actively working to ensure that it is providing equal access to its houses.

### **Meeting need and maximising choice**

*Social landlords should meet housing need through lettings and should maximise choice for applicants.*

- 3.8 Lanarkshire prioritises allocations based on a range of housing needs which clearly reflect the statutory reasonable preference categories; all of the allocations we reviewed were to people who were homeless, living in unsatisfactory housing conditions or overcrowded. Lanarkshire allocated 101 houses in 2003/04; 39.6% to single parent households and 37.6% to single people under the age of 65.
- 3.9 Lanarkshire closely monitors the household composition of the people it allocates its houses to, and the needs factors that led to each let. It compares the profile of new tenants to information on the communities it serves, and reports this information annually to committee. In this way the Association knows who it lets its houses to and can demonstrate that it is making a significant contribution to meeting the housing needs of people in the North Lanarkshire area. We saw that Lanarkshire uses this outcome information to inform its future development programmes and that it plans to use it to assess the effectiveness of its policy in its forthcoming allocations review.
- 3.10 In 2003/04, Lanarkshire allocated 13.9% of its houses to people who were homeless. The Association agreed a protocol in 2003 with North Lanarkshire Council to manage referrals under section 5 of the Housing (Scotland) Act 2001. By the time of our inspection, Lanarkshire had received relatively few referrals and had housed all of the homeless people involved.
- 3.11 Lanarkshire provides staff with excellent written guidance on how to assess housing applications and all applications are checked by two members of staff. While it does not use any other mechanisms to control or monitor the quality of decision-making in allocations, all the applications we reviewed were assessed in accordance with the

Association's policy and guidance. The Association has a well managed and proportionate approach to verifying applicants' circumstances:

- it awards priority on the ground of health without the need for confirmation from medical experts, except for complex or unfamiliar conditions;
- it does not require confirmation from legally authoritative sources for circumstances such as applicants' contact with their children;
- it verifies only a limited range of applicants' circumstances at the time of application, unless there are unusual circumstances; and
- it visits all applicants in their home to fully verify their circumstances when they are likely to start receiving offers.

3.12 Lanarkshire provides good information to applicants on the level and range of points they have been awarded, and its notification letters include clear information on the right to appeal these decisions. To date the Association has received no appeals relating allocations, but is increasing its promotion of the process to ensure that all applicants are fully aware of this right.

3.13 The Association provides basic housing options information and advice to applicants when they apply. Following assessment, it provides only limited information on housing prospects and does not advise applicants of their relative priority on its list or of the likely availability of suitable houses in their preferred areas. We saw that Lanarkshire does provide more detailed and personalised advice to applicants when it visits them to verify their circumstances, although this can be some time after they first applied.

3.14 Lanarkshire's policy allows it to suspend people on its list after they refuse two offers of housing, but we found that it does not do so in practice and no-one is suspended on its list for refusing offers. The Association has a number of discrete letting areas and allows people to select as many of these as they wish to choose. It confirms applicants' preferences when it visits them to verify their circumstances.

3.15 Lanarkshire achieves good outcomes in meeting the housing needs of people on its list and offers them a good level of choice. It manages its list well and has an excellent understanding of the outcomes of its allocations, although it could improve the information it gives applicants on housing options and prospects.

### **Sustaining tenancies and preventing homelessness**

*Social landlords should maximise security of tenure for all residents of their accommodation, and should work to sustain tenancies and prevent homelessness through their delivery of housing management services.*

3.16 Lanarkshire has signed all but one of its tenants to Scottish secure tenancy (SST) agreements. The Association gives staff clear guidance on when short SSTs can be provided, but to date it has not used this form of tenancy. Over the last two years Lanarkshire has replaced all of

its leases to support providers with management agreements and SSTs for all residents; this is a positive development.

- 3.17 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. Lanarkshire provides good information to new tenants at the start of their tenancy including a guide to being a good neighbour and a copy of the tenant's handbook. It visits new tenants, generally within three months, to reinforce their rights and responsibilities and to identify any early difficulties in maintaining tenancies. The Association also gives tenants further information on the services it provides during these visits.
- 3.18 Lanarkshire is committed to helping people sustain their tenancies. It is working well with the Council's social work department to provide independent living to a number of people with a range of support needs. It also works with a number of local agencies to provide support packages to people it identifies as needing help to sustain their tenancies. Lanarkshire is working in partnership with Motherwell college on an innovative scheme to provide training events for young people with learning difficulties that aims to prepare them for tenancies and living independently.
- 3.19 All recent legal actions taken by Lanarkshire to recover vacant possession of its houses have been for rent arrears. In 2003/04 it issued notice of proceedings for recovery of possession to 68 of its tenants and qualifying occupiers. In the same year it recovered vacant possession of six houses and a further two tenants abandoned their homes after decree had been granted before Lanarkshire had recovered vacant possession. This equates to eviction of 1.08% of its tenants and is significantly higher than the average for Lanarkshire's peer group of 0.18%.
- 3.20 Lanarkshire reviewed its approach to managing rent arrears during 2003 to refocus on preventative measures and alternatives to legal action (see 3.34). As a result, Lanarkshire has reduced its use of legal action in the first six months of 2004/05: it issued 18 notices of proceedings. It initiated court action against 6 tenants and has been granted 4 orders for recovery of possession, although a number of these were for longer standing arrears. It recovered vacant possession of one house and one further tenant left before Lanarkshire had recovered vacant possession. The Association gave new SSTs to the remaining two tenants after they had agreed repayment arrangements.
- 3.21 Lanarkshire maximises security of tenure for residents of its houses, provides good support and information to help people maintain their tenancies, and it is working to reduce its use of legal action against its tenants.

### **Quality of neighbourhoods**

*Social landlords should deliver services to ensure that neighbourhoods are attractive, well-maintained and safe places to live. They should deal appropriately with antisocial behaviour.*

- 3.22 Lanarkshire's houses are located in 24 neighbourhoods, and more than 88% were built or refurbished in the last 10 years. The Association's 2004 tenant satisfaction survey found that 94% of respondents were happy with the neighbourhood they live in, an increase of 17% since 2000. The neighbourhoods we visited during our inspection had little graffiti, vandalism or litter and tenants we spoke to confirmed that they were happy with their homes and surrounding areas. In the first six months of 2004/05 Lanarkshire had received 26 complaints about estate matters – mostly minor issues relating to noise and loitering – and all but two had been resolved by the time of our inspection.
- 3.23 The level of turnover in Lanarkshire's houses has reduced from 25.7% in 2002/03 to 13.6% in 2003/04. The number of tenants who abandoned Lanarkshire's houses had risen to 12 in 2003/04, but has reduced to only 2 for the first six months of 2004/05. The Association attributes these improvements to its shift to a more proactive management of its estates following its introduction of a low demand and wider action strategy in 2002. It is working in partnership with local agencies and the community in a number of its neighbourhoods to manage a range of initiatives to improve local areas. In Forgewood, it surveyed all residents to identify their concerns and priorities for action, and as a result changed access routes into houses and common areas to tackle problems of loitering and vandalism.
- 3.24 The Association tries to involve the wider community in aspects of its new build developments; for example, it involved local schoolchildren and young people in the design of railings in a recent project. The Association also:
- actively monitors and reports on terminations and abandonments by neighbourhood;
  - provides estate caretaking services in all its neighbourhoods;
  - has a regular programme of visits – daily or weekly in some neighbourhoods – by the estate caretaker and housing officer.
- 3.25 Lanarkshire does not have a significant problem with antisocial behaviour. It has a well developed approach to managing incidents and provides staff with comprehensive guidance. It is achieving quick responses to complaints, although its published target timescale for initial responses has not been updated to the more challenging three day target it is now working to. We saw that Lanarkshire:
- promotes its good neighbour guide to all tenants;
  - encourages all residents and visitors to its neighbourhoods to report any incidents of antisocial behaviour or harassment;

- uses a range of tools to manage antisocial behaviour and that it keeps complainants informed throughout the lifetime of a complaint;
- works well with the North Lanarkshire Anti Social Task Force; and
- reports progress of all complaints and final outcomes regularly to its Committee, and separately identifies any incidents of racial harassment.

3.26 The Association's tenants are very satisfied with the areas they live in, it has a clear proactive approach to managing its neighbourhoods and antisocial behaviour, and it is reducing the level of turnover and abandonments of its houses.

### **Responsiveness to tenants**

*Social landlords should place the people they serve at the heart of their work, treat them with respect and be responsive to their views and priorities*

3.27 Lanarkshire's survey of tenants in 2004 found that 90% of respondents were happy with the Association as a landlord and that 88% thought the quality its services were either good or very good.

3.28 The Association is committed to encouraging service users to participate in its housing management services. It carried out a significant level of consultation with tenants on the Housing (Scotland) Act 2001 and the introduction of the SST, including a tenant conference; this is now an annual event, and this year's conference focused on the Association's review of allocations. Lanarkshire consults all tenants on its proposed annual rent increase and, while response rates have been low, we saw that the Association has used feedback from previous consultation exercises to amend its proposals. Lanarkshire recognises that some tenants are difficult to reach using the traditional consultation methods, and plans to introduce less formal ways to engage with them, such as telephone contact and estate visits.

3.29 Beyond its four-yearly satisfaction survey, Lanarkshire relies on regular contact with users of its housing management services to gather feedback. However, the Association does not systematically gather or analyse this information. Lanarkshire does analyse and use the results of tenant feedback from complaints to help it improve its housing management services; we saw an example of changes to its allocations procedures as a result of an applicant's complaint.

3.30 Lanarkshire is committed to providing equal access to its housing management services. Its offices have good physical access and it can make information available in a number of formats, community languages and it provides access to signers for the deaf. Lanarkshire knows the profile of its tenants; it has established good equalities information on all of its tenants, by including information requests in its annual tenant visits, sign-up to the SST and its tenant satisfaction survey. It has already used this information to identify differences

between the profiles of its tenants and the community it serves, and is developing ways to reach underrepresented groups.

3.31 The vast majority of Lanarkshire’s tenants are satisfied with it as a landlord and it is generally very responsive. It uses a good range of methods to consult with its service users, but its routine use of feedback is underdeveloped.

## **Is the service managed for improvement?**

### **Resource Management and efficiency**

*Social landlords should maximise their income, in a way that is fair to service users, and manage costs effectively.*

3.32 Lanarkshire offers its tenants a wide range of accessible and easy-to-use ways for tenants to pay their rent. Lanarkshire’s survey of tenants found that 99% of were satisfied with the methods for paying their rent.

3.33 The table below summarises Lanarkshire’s performance in collecting rent arrears.

	At March 2003	At March 2004			2004/05 to Date
	Lanarkshire	Lanarkshire	Peer Group	National Median	Lanarkshire
Total arrears as % of total gross rental income	8.4%	4.2%	6.8%	6.2%	5.1%
Total current arrears as % of total gross rental income	6.6%	3.5%	4.9%	4.4%	4.2%
Current arrears (non technical) as % of total gross rental income	4.3%	3.1%	3.3%	3.0%	2.8%
Current arrears (technical) as % of total gross rental income	2.3%	0.4%	1.6%	1.4%	1.4%
% of current tenants in serious arrears	6.7%	4.4%	5.8%	-	4.7%

3.34 In 2003 Lanarkshire recognised that its performance in collecting rent was deteriorating: total arrears had risen to 8.4% and 6.7% of its tenants were in serious arrears. It put in place an arrears strategy that aimed to prevent the build up of arrears and recover arrears effectively but in a sensitive way. By March 2004 it had reduced total arrears by half to 4.2% and had the 15<sup>th</sup> lowest figure of the 51 RSLs in its peer group. At that time, Lanarkshire’s performance was better than its peer group figures in all categories of arrears, including former tenant arrears. At the time of our inspection the Association’s performance had dipped slightly in all categories of arrears – except current non-technical arrears<sup>1</sup>

<sup>1</sup> Non-technical arrears exclude outstanding housing benefit not yet received by the landlord.

which continue to decrease – but remain below the figures for its peer group in the previous year.

3.35 Lanarkshire has been very effective at managing its level of technical arrears. It has established close liaison with the Council's benefits team and has agreed a protocol for benefit verification. The Association profiles the differences across the financial year between payment dates of benefit and dates when it charges rent, and monitors its performance against this profile.

3.36 Lanarkshire has good procedures for managing arrears which provide staff with clear guidelines. We saw that its responses to tenants in arrears are proportionate and effective, and that it is treating tenants consistently and fairly. It uses a clear escalation of action, with increasing levels of authorisation culminating in the Committee taking all decisions to evict. Strength in Lanarkshire's handling of tenants in arrears include:

- early, regular and sustained contact with tenants in arrears;
- provision of clear advice to tenants and referral to specialist advice and services, including access to the Council's money advice service in the Association's office; and
- an appropriate use of suspension of legal action to negotiate repayment arrangements.

3.37 Lanarkshire has started to use a professional recovery agent to try to negotiate repayment arrangements with tenants in arrears before the Association initiates court action. Lanarkshire believes that this measure emphasises the seriousness of the situation to tenants before it has to take recovery action. The Association carried out rigorous checks before it appointed its agent, but it does not monitor the quality of the service delivered by the agent; in particular, it does not obtain the views of tenants on how they experienced working with the agent.

3.38 The table below summarises Lanarkshire's reported performance in letting houses that have become empty.

	2002-03	2003-04		2004-05*	
	Lanarkshire	Lanarkshire	Peer Group	National Median	Lanarkshire
Rental income lost due to empty houses	£102,563	£14,174	-	-	£13,713
As % of total rental income	5.7%	0.7%	1.6%	0.9%	0.7%
Total no. of re-lets	122	81	-	-	51
% re-let in <2 weeks	32.8%	42.0%	44.4%	39.1%	39.0%
% re-let in 2-4 weeks	9.0%	25.9%	24.0%	24.0%	24.0%
% re-let in >4 weeks	58.2%	32.1%	31.7%	36.6%	37.0%
Average time to re-let (days)	99	25	32	25	31

\* For the period April to September 2004

3.39 In 2002/03 Lanarkshire lost 5.7% of its possible rental income because of houses lying empty and it took on average 99 days to re-let 122 houses.

This dip in performance coincided with the Association also letting a large number of newly built houses for the first time. During 2003/04 Lanarkshire refocused on achieving quick re-lets and significantly improved its performance, reducing its lost rent to 0.7% and taking an average of 25 days to let 81 empty houses; at March 2004 its performance was better than that of its peer group and was around the national medians. However, at the time of our inspection its performance had declined and it has already lost almost the same amount of rent in the first six months of 2004/05 as it did for the whole of the previous year.

- 3.40 Lanarkshire estimates that there is low demand for 16% of its houses, the majority located in Forgewood; this compares to an average figure of 10% for the 77 RSLs that participated in a recent study into low demand in Scotland<sup>2</sup>. Lanarkshire takes an average of 48 days to re-let its low demand houses compared to 55 days for the study RSLs. The Association has identified the level of low demand for some of its houses as a significant factor in its recent downturn in performance. In response, it is implementing crime reduction strategies and environmental improvements in the Forgewood area, and on completion of these it plans to market its houses through advertising and a lettings initiative. Lanarkshire has also set a challenging target of 30 days to re-let its low demand houses. It was too early at the time of our inspection to assess the impact of these initiatives.
- 3.41 The Association has recently implemented changes to its lettings procedures following recommendations from an internal audit review in April 2004, and it is now using pre-termination visits to help with early identification of repairs that will need to be done when houses become empty. We found that Lanarkshire is now starting to re-let its houses – outwith the Forgewood area – in shorter timescales.
- 3.42 Lanarkshire has recently introduced a time recording system to respond to weaknesses it identified in the way it apportions costs to individual service areas and, as a consequence, how it calculates the costs of these services. The Association is aware that these weaknesses limited its ability to compare its costs, but is now confident that its costs for 2004/05 will be accurate. Lanarkshire spent £650 per house in 2003/04 to deliver all of its services, including its property maintenance services. This compares favourably with the average for its peer group for the previous year of £772 per unit. Lanarkshire's 2004 tenant satisfaction survey found that 62% of tenants who responded felt that their rent represented good value – 9% less than the average of 61 RSLs who used the same survey method.
- 3.43 Over the last two years Lanarkshire has significantly improved its performance in collecting rent and minimising losses through empty houses. There are early signs of a downturn in its performance in re-

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<sup>2</sup> *Managing housing voids – the impact of low demand*, (July 2004), Accounts Commission and Communities Scotland

letting empty houses, but Lanarkshire is continuing to implement improvements to how it manages this activity and it is actively tackling low demand for some of its houses.

### **Performance management**

*Social landlords should have clear objectives, standards and targets for housing management services, should monitor achievement of these, and should work to continuously improve services.*

- 3.44 Lanarkshire's mission statement in its Internal Management Plan includes a broad statement on what it aims to achieve through the delivery of its housing management services. Its housing management plan translates this in to SMART<sup>3</sup> short and medium term objectives and standards for the full range of its housing management services. Lanarkshire intends to further develop its service planning by putting in place estate level plans together with devolved estate budgets, and intends to involve residents in their development. At the moment, the majority of Lanarkshire's targets for housing management focus on financial performance in the key areas of rent arrears and empty house management; its use of qualitative targets and its reporting of service outcomes is underdeveloped.
- 3.45 Lanarkshire's approach to performance monitoring and reporting is good. The Committee gets a wide range of reports on its on housing management service and regular reports on performance against targets, albeit within the limits we outline above. These reports contain clear trend information, benchmark its performance against that of its peers operating in North Lanarkshire, and report user satisfaction where this is available. They do not routinely include recommendations for improvement action, but we saw examples of separate reports to Committee that proposed actions and improvements identified from its monitoring of performance. Lanarkshire's staff also use more frequent and more detailed reports to monitor performance.
- 3.46 Lanarkshire has a good framework of policies and provides staff with excellent and comprehensive guidance on how to implement its policies in its regularly reviewed staff handbook. It has an effective framework for the review of policies and procedures and this is regularly monitored by its housing services sub-committee.
- 3.47 Lanarkshire has a track record of improving services and identifying and tackling areas of weaker performance in its housing management services. It is clearly committed to achieving continuous improvement and it has already been very responsive to our early findings.

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<sup>3</sup> SMART objectives are Specific, Measurable, Achievable, Relevant and Timebound.

## **Grade and overall assessment of housing management**

- 3.48 Our overall assessment is that Lanarkshire's housing management service is excellent.
- 3.49 In coming to our overall assessment we have taken account of the number of major and significant strengths in key areas of the Association's service. It provides open access to its housing list and achieves good outcomes in meeting the housing needs of people on its list. Lanarkshire maximises security of tenure, actively helps people to maintain their tenancies and is reducing its use of legal action against its tenants. The Association's tenants are very satisfied with it as a landlord and with the areas they live in.
- 3.50 Over the last two years Lanarkshire has successfully reduced its rent arrears, turnover of its houses, the level of abandonments, and the time it takes to re-let empty houses. It is continuing to seek improvements in its performance in these areas.
- 3.51 We found a clear culture of continuous improvement in the service, supported by good management systems. Lanarkshire has a proven track record of delivering improvement, and it accepted our early findings and addressed a number of these during our inspection.
- 3.52 We found a small number of minor weaknesses in Lanarkshire's housing management service: it could improve the information it gives applicants on housing options and prospects, and both its routine use of feedback and its use of qualitative targets are underdeveloped. We found that none of the identified weaknesses significantly detract from the major strengths evident throughout the service.

## 4. Property maintenance

4.1 The grade awarded for property maintenance is:

A	Excellent	Major Strengths
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We explain at the end of this section how the assessments we have made result in this grade.

### **How good is the service?**

#### **Access to the repairs service**

*Social landlords should have arrangements in place that make it easy for tenants to report repairs and to have them carried out.*

- 4.2 Lanarkshire's tenants can report repairs by telephone, in writing and by calling in person at the office. The Association is committed to improving access and has recently introduced an e-mail repairs reporting service. Tenants can also report repairs when its office is closed by using an easily accessed out-of-hours service. The Association's recent tenant survey showed that 97% of tenants found it easy to report repairs.
- 4.3 Lanarkshire provides good information on the repairs service to its tenants and can make this available in other languages and formats on request. Information on all aspects of the repairs service is set out in the Association's regular newsletters, its website, and the repairs section of the tenant's handbook. Staff are very knowledgeable and provide good advice to tenants on all aspects of the repairs service.
- 4.4 Lanarkshire operates an informal appointment system for repairs; this works well and helps the Association to complete repairs quickly (see 4.). Staff confirm access arrangements with tenants and the contractor and pass on relevant contact details as required. While Lanarkshire does not systematically monitor the outcomes of these informal appointments, its recent survey found that 93% of tenants are satisfied with the arrangements. Lanarkshire plans to introduce a formal appointment system in 2005.
- 4.5 Access to Lanarkshire's responsive repairs service is good, and the Association is continuing to make improvements.

#### **Speed and quality of response repairs service**

*Social landlords should set challenging targets for completing repairs, strive to achieve them and ensure repairs are completed to a high quality.*

- 4.6 The targets Lanarkshire sets itself for completing repairs are more challenging than the national medians of 6 hours for emergency repairs, 3 working days for urgent repairs and 10 working days for routine

repairs. The table below summarises the Association's performance against these targets over the last three years.

	LHA target response time	Performance				
		Lanarkshire			National median 2003/04	Peer group 2003/04
		2001/02	2002/03	2003/04		
<b>Emergency Repairs</b>	2 hours	96.7%	99.5%	99.7%	99.2%	98.3%
<b>Urgent Repairs</b>	2 working days	97.1%	97.2%	97.8%	96.0%	95.8%
<b>Routine Repairs</b>	7 working days	94.3%	97.5%	95.9%	95.7%	95.7%

4.7 The Association's reported performance in completing repairs against its target timescales has improved between 2001/02 and 2003/04. Its performance in 2003/04 is above the national median and the performance for its peer group in all repairs categories. Lanarkshire's recent survey found that 89% of tenants were satisfied with how promptly repairs are carried out. In the context of significantly more challenging targets than for its peers and nationally, Lanarkshire's performance in completing repairs against its target timescales is excellent.

4.8 Pre- and post-inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. While Lanarkshire does not set a target for the proportion of repairs to be pre-inspected, it uses good selection criteria to ensure that it effectively and efficiently targets repair work; it pre-inspected 17% of all repairs in the last year.

4.9 The Association has a target to post-inspect 15% of all repairs; in 2003/04 it inspected 26% of all repairs. The Association has identified weaknesses in the way its ICT system automatically generates post-inspections. It wants to improve efficiency in this activity and is currently working to upgrade its system to achieve better targeting of repairs for post-inspection. We saw that the Association takes prompt remedial action where post-inspections identify works as sub-standard or where tenants report dissatisfaction. Lanarkshire's staff make good use of information from post-inspections to monitor contractors' performance throughout the year. The Committee also makes effective use of this information in its annual assessment of contractors, but does not get this information on a more regular basis.

4.10 Lanarkshire operates a Right to Repair scheme that allows it to fully comply with its statutory duties. The Association's staff clearly understand the scheme and we found that qualifying repairs are completed within the statutory time-scales. Lanarkshire provides good information to tenants on all their rights when they report repairs and through its repairs-receipts. It also provides good general information on Right to Repair through its newsletters – including an annual reminder of the scheme – and in its leaflets and website.

4.11 Lanarkshire provides an excellent response repairs service and completes repairs quickly and to good standards. Despite some minor weaknesses in its management of post-inspections, this is an area of major strength.

#### **Physical quality of houses**

*Social landlords should have good information about the condition of their houses and should deliver effective maintenance programmes that take account of housing quality and home safety needs.*

4.12 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords are required to prepare a plan showing how they will achieve this, by April 2005. As the Association had not completed its plan at the time of our inspection, it is too early to assess how it will be implemented. Production of Lanarkshire's delivery plan is well advanced and the Association has identified all of its stock that requires improvements to achieve the SHQS. Lanarkshire intends to work towards quality standards for its houses that go beyond those set in the SHQS and will shortly consult with tenants on its proposals.

4.13 The Association has a good understanding of the current condition of its houses and the future needs for planned and cyclical maintenance. Its most recent stock condition survey found 87% of its houses in good condition, with the remainder assessed as being in fair condition. Lanarkshire reviews its stock condition information annually and also updates it with information it collects throughout the year from its inspections of repairs and empty houses. The Association uses this information well to plan future major repairs and the regular cyclical maintenance of its houses. This process directly links to the Association's financial planning.

4.14 Lanarkshire uses its future maintenance plans to put in place annual programmes of planned maintenance. It manages these programmes effectively and efficiently, and achieves consistent tenant satisfaction of over 90% with the work done. The Association also keeps tenants well informed about current and future planned maintenance projects.

4.15 Lanarkshire's new homes have been designed and built to good standards, and its recent tenant survey found that 93% are satisfied with the quality of their newly built homes. In its recent developments its houses:

- are built to Secured by Design standards to create safe homes and minimise the risk of crime and anti social behaviour;
- are almost all flexible enough to accommodate the range of housing needs that people may have through their lifetime; and
- have good levels of energy efficiency.

4.16 The Association takes action to address areas where tenants have indicated that they are not satisfied with the quality of their new homes:

for example, in a recent project it increased the amount of kitchen units and storage space in response to tenant feedback. Lanarkshire is also good at using feedback from tenants of newly built houses to improve future building projects. It has worked with a local Registered Tenant Organisation (RTO) to improve the Association's design brief; members of the RTO visited several new developments by other landlords and fed-back their views on each building. Lanarkshire is also looking at innovative ways to further improve the quality of its new homes; its proposed Mossend development will include combined heat and solar power provision which should mean lower heating costs for tenants.

- 4.17 Lanarkshire has recently improved its approach to how it identifies and manages remedial work to defects in its new houses; it has put in place improved monitoring of defects and, as part of its partnering agreement, it has also set targets to reduce the occurrence of defects. The Association is aware of dissatisfaction amongst some residents in a completed development affected by sound insulation defects. The building contractor has gone in to liquidation and the Association is currently working with its insurers to agree the extent of any remedial work required.
- 4.18 All the Association's houses have hard-wired smoke detectors, and all its houses with gas are fitted with hard-wired carbon monoxide detectors. The Association is confident that there are no lead pipes in any of its houses, but it does not yet have up to date information on this aspect for all of its houses. Most of its houses with common entries have door entry systems, and the Association has plans in place to install these in all its properties with common entries.
- 4.19 Social landlords are required to carry out safety checks every 12 months on all gas appliances and flues which they provide for tenants' use. At the time of our inspection, 6 (1.8%) of the 349 of Lanarkshire's houses with gas appliances did not have a valid safety certificate in place. In the last year, the Association did not do gas safety checks within one year of the previous check for 17.3% of its houses with gas appliances and flues. The table below summarises Lanarkshire's performance in carrying out gas safety checks.

	September 2004	
	Number of houses	%
<b>Houses with gas appliances</b>	349	
<b>Houses with current gas safety certificates</b>	343	98.2%
<b>Houses where safety check was carried out within 12 months of previous check</b>	284	82.7%
<b>Houses where safety check was up to 1 month late</b>	45	13.1%
<b>Houses where safety check was between 1 and 3 months late</b>	12	3.4%
<b>Houses where safety check was more than 3 months late</b>	2	0.5%

- 4.20 Lanarkshire's procedures for managing gas safety are generally good: it has good recording and monitoring systems and holds detailed information on its inspections. It also does post-inspection quality checks of 10% of all gas safety checks carried out by its contractors. However in preparing for this inspection, Lanarkshire identified that it was not initiating gas safety checks sufficiently early to ensure that it could always gain access to its houses with gas before relevant anniversary dates. The Association immediately reviewed its procedures, moved to an eight month cycle for gas safety checks, and briefed its staff and contractors on these changes. In this way, Lanarkshire has shown a strong commitment to improvement in this area. We found a further weakness in how Lanarkshire reports performance on gas safety to its Committee that means members are not fully aware of the Association's performance in this area.
- 4.21 From April 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Lanarkshire has a good approach to the management of asbestos, including;
- an asbestos management plan is in place;
  - it has surveyed all common areas in its properties to identify asbestos;
  - it includes asbestos warnings on works orders, to ensure contractors are aware of asbestos before they start working, and;
  - it has placed notices in common areas warning about the presence of asbestos containing materials.
- 4.22 Lanarkshire re-lets its houses to a good standard. It works to a written re-let standard which includes gas and electrical safety checks, and post-inspects all work done to empty houses. The Association does not inform prospective tenants of its re-let standard and, while it checks individual tenant satisfaction with new homes during settling-in visits, it does not systematically collate and evaluate this information.
- 4.23 Lanarkshire has significant strengths in how it manages the quality of its houses and plans their future maintenance. Its houses are generally in a good condition and well maintained. Lanarkshire aims to provide safe homes for its tenants, but its performance in achieving gas safety checks has been a weaknesses. The Association has already strengthened its management process for gas safety to tackle this weakness.

### **Responsiveness to tenants**

*Social landlords should place the people they serve at the heart of their work, treat them with respect and be responsive to their views and priorities.*

- 4.24 We report elsewhere in this section of the report on the Association's 2004 tenant survey findings on specific elements of the property maintenance service. Results from the survey show that 89% of tenants were satisfied with the overall standard of the repairs services. Tenants that we spoke to were generally very positive about the service.

- 4.25 Lanarkshire also routinely uses a postal survey of tenants who have had response repairs completed to get feedback on their satisfaction, and achieves a relatively high response rate of 32%. The Association reports the results of these surveys to all tenants in its newsletter. In 2003/04, 90% of tenants who responded felt that repairs were done in a reasonable time, and 82% were satisfied with the finished quality. The Association is currently setting up a focus group of tenants to provide feedback on proposed changes to the responsive repairs policy. It also plans to introduce targeted surveys to get feedback from tenants who use its out-of-hours repairs service.
- 4.26 Lanarkshire conducts satisfaction surveys of all tenants who have had planned maintenance work done to their homes; these show that tenants are generally satisfied with major works and the way these are delivered. Lanarkshire also has an excellent approach to getting tenant feedback to improve future planned and cyclical maintenance projects. The Association uses focus groups made up of tenants, staff and contractors to highlight areas for improvement. We saw that it makes excellent use of this feedback to improve its approach to planned maintenance, including:
- offering improved choice of heating systems and kitchen design;
  - holding meetings at convenient times and locations for tenants;
  - better information to tenants in newsletters on its future maintenance programme;
  - better information on how to operate newly installed heating systems; and
  - the introduction of a tenant representative on its tender board.
- 4.27 Lanarkshire has major strengths in its approach to, and use of, tenant feedback in its planned maintenance services. It is introducing a number of initiatives to further improve its gathering of feedback from tenants on responsive repairs.

## **Is the service managed for improvement?**

### **Resource management and efficiency**

*Social landlords should manage the cost of their services effectively and procure repairs and maintenance services in a way that takes account of quality.*

- 4.28 Lanarkshire has recently introduced a time recording system to respond to weaknesses it identified in the way it apportions service costs and, as a consequence, how it calculates the costs of its services. The Association is aware that these weaknesses limited its ability to compare its costs, but is now confident that its costs for 2004/05 will be accurate.
- 4.29 The Association's maintenance budgets take account of past performance and anticipated future needs. It monitors costs for response repairs and planned maintenance well and provides detailed

reports to the Committee. The Association manages variations in response repairs costs.

- 4.30 Lanarkshire has recognised that its performance in recovering the costs of rechargeable repairs could be improved. It invoices tenants for all rechargeable repairs, but in the last two years it recovered only 29% of the £10,792 tenants owed the Association. Lanarkshire has an improvement plan in place for this activity and is confident that its performance will have significantly improved by March 2005.
- 4.31 Lanarkshire manages the procurement of its property maintenance services very well. It has a good approach to ensuring that its maintenance contractors provide good services, give value for money and meet legislative requirements. The Association requires its response repairs contractors to tender annually and it assesses each contractor on cost, quality and tenant satisfaction. During 2004, Lanarkshire put in place a number of partnering agreements to deliver its planned and cyclical maintenance programmes. Although it is too early to assess the effectiveness of these arrangements, the Association used a quality based selection process for contractors and has set clear targets and performance indicators to measure their effectiveness. The agreements include a review process that will involve the Association and its contractors.

### **Performance management**

*Social landlords should have clear objectives, standards and targets for property maintenance services, should monitor achievement of these, and should work to continuously improve services.*

- 4.32 Lanarkshire's property maintenance services are generally well managed. It has a strong culture of continuous improvement and the outcomes show that it is improving in many areas. The Association has corporate and service level plans that outline the Association's aims and SMART objectives for the provision of high quality property maintenance services. Its regularly reviewed policies and procedures are clear, and provide staff with good direction. Lanarkshire has a strong awareness of its current performance and its service action plans identify areas for improvement. However, we found that it had not identified its weaker performance in gas safety through its own performance and risk management processes.
- 4.33 The Association sets clear efficiency and cost targets in key areas of its maintenance service to support its corporate and service level objectives. Lanarkshire has not yet set targets for improvements in repairs quality, for example in tenant satisfaction results and post-inspection outcomes.
- 4.34 Lanarkshire has a good and developing performance measurement system. The Association uses a set of indicators to measure how well it is performing and regularly reports these to Committee. It compares its

performance in some of these areas against peer organisations and to national figures. However, as mentioned above, performance reporting is under-developed in gas safety and post-inspections.

### **Grade and overall assessment of property maintenance**

- 4.35 Our overall assessment is that Lanarkshire's property maintenance service is excellent.
- 4.36 In coming to our overall assessment we have taken account of the number of major and significant strengths in key areas of the Association's property maintenance service. Its houses are in good condition and it completes repairs quickly and to a high quality. There are high levels of tenant involvement in, and satisfaction with, the service. The service is accessible to all tenants. We found a clear culture of continuous improvement in the service, demonstrated by improvement outcomes and supported by good management systems.
- 4.37 We found a small number of minor weaknesses in Lanarkshire's property maintenance service, and performance in achieving gas safety checks has been a weakness. However, the Association accepted our early findings and has shown a clear intention to address these. It has a proven track record of delivering improvement and sustaining performance, and has already strengthened its management process for gas safety. We found that none of the identified weaknesses significantly detract from the major strengths evident throughout the service.

## **5. Governance and Financial Management**

### **Governance**

#### **Leadership and direction**

*A clear vision or purpose and an inclusive, well-informed planning process are key to effectively delivering the services that tenants want.*

- 5.1 Lanarkshire sets out its vision for the future of the Association in its Internal Management Plan (IMP). While the IMP is in place for 5 years, the Committee reviews it annually and monitors progress against the plan's objectives every six months. The IMP is supported by three new departmental plans covering a three year period, and the Association plans to review these together with its IMP.
- 5.2 Lanarkshire's IMP sets out clear strategic priorities and objectives for both the short term and medium term. The plan also sets out the Association's good understanding of the context it operates in, and links well with the plans of its partner agencies. Each of Lanarkshire's departmental plans have SMART objectives flowing from the corporate objectives in the IMP, and clearly set out what it will do to deliver key areas of service. Lanarkshire's targets in its departmental plans focus mainly on cost and efficiency measures, but its use of qualitative targets and its monitoring of service outcomes is less developed.

#### **Clear functions and proper control**

*Social landlords should be clear about the functions of the governing body, and take informed, transparent decisions within a framework of controls.*

- 5.3 Lanarkshire's Committee has a clear view of its role in setting its strategic direction, taking overall policy decisions and exercising control. The Committee works well with the Association's staff and ensures that they are well supported to carry out their duties.
- 5.4 Lanarkshire's Committee receives regular and comprehensive reports on its performance in all key service areas. These reports include good information on trends and comparisons with peers which helps the committee to make informed judgements on performance and to act promptly to resolve identified problems. However, we saw that some of the corporate targets that the Committee is monitoring performance against are less challenging than those that staff are working towards.

#### **Developing capacity**

*Social landlords should ensure that their governing bodies have the skills and experience they need to perform well, develop their capacity and evaluate their performance.*

- 5.5 Lanarkshire's Committee members have a wide range of skills and experience in areas that allow them to effectively guide and control the activities of the Association at a strategic level.

- 5.6 The Association is good at helping Committee members to develop their skills and knowledge and supporting new members joining the Committee. Lanarkshire reviews the effectiveness of the Committee annually, and this feeds in to its annual assessment of members' skills and training needs. Lanarkshire uses this information to develop detailed Committee training and development plans, which include:
- identified skills gaps;
  - required training and how this will be delivered;
  - budgets for delivery;
  - timescales for completion;
  - expected outcomes from training; and
  - how training will assist in achieving the business objectives.

### **Group Structures**

*Social landlords in group structures should be able to operate independently, have clear and separate identities, control potential conflicts of interest and ensure that their assets are not put at risk by subsidiaries*

- 5.7 Lanarkshire set up a subsidiary organisation, Lanarkshire Initiatives Ltd, in late 2004 to manage the Association's redevelopment of Mossend. Lanarkshire established the subsidiary after a risk assessment on the implications for it as the parent company, and has in place arrangements to ensure that:
- it is separate from the Association;
  - both parties control potential conflicts of interests;
  - the Association's assets are not put at risk; and
  - the Association can accurately charge costs to the subsidiary.
- 5.8 The subsidiary had not started to operate by the time of our inspection, so it is too early to assess the effectiveness of these arrangements.

### **Accountability**

*Engaging stakeholders, public reporting and making accountability real.*

- 5.9 A strong membership and good levels of participation at Annual General Meetings (AGMs) are important ways for a landlord to demonstrate accountability. Lanarkshire allows a broad range of people to become members of the Association. Its membership levels have remained fairly constant over the last 3 years and it currently has 149 members. Just under 48%, or 71, of its members are tenants which means that around 10% of tenants have membership of the Association. Lanarkshire recognises the importance of a strong membership, particularly amongst its tenants, and actively promotes this by:
- encouraging tenants to join the Association at the new tenant visit;
  - regular articles in its quarterly newsletters;
  - a membership drive at its annual tenant conference; and
  - identifying potentially interested tenants through its tenant satisfaction survey.

- 5.10 Lanarkshire's last AGM was attended by 14%, or 21, of its members. This is better than the national median but below its peer group figure of 19%. Lanarkshire recognises that this is a low turn out and has a proactive approach in trying to increase attendance; staff try to directly contact members by telephone or by visiting them to encourage attendance, transport is provided on request and it has made the meetings less formal by introducing a social event at the end of the AGM. Lanarkshire has 10 elected committee members, 2 of whom are tenants of the Association. Lanarkshire included questions about membership of the Committee in its tenant satisfaction survey and intends to contact those tenants who expressed an interest in participating on the Committee.
- 5.11 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. Lanarkshire's 2004 tenant survey found that 74% of respondents thought the Association was good or very good at taking their views into account. We found that Lanarkshire is committed to encouraging tenant and service user participation. It supports two Registered Tenants Organisations (RTOs). The Association is working well with one of the RTOs and has co-opted one of its members onto its housing services sub-committee. It has experienced some difficulties in maintaining effective liaison with the other RTO, mainly because of dissatisfaction amongst some residents with the quality of the sound insulation in their homes. Lanarkshire worked with its tenants to agree its tenant participation strategy and we saw a number of examples of tenants influencing the policies of the Association.
- 5.12 Lanarkshire has also introduced a number of initiatives to broaden the ability of tenants and residents to influence its activities:
- it holds an annual tenant conference;
  - it uses focus groups to get targeted feedback on some aspects of its work;
  - it undertakes a large scale satisfaction survey of its tenants every five years;
  - in some service areas, it collects service user feedback on an ongoing basis; and
  - it has offered training for tenants interested in becoming more involved in the work of the Association.
- 5.13 Social landlords should give stakeholders the information they need about their organisations, their plans, services and performance. Lanarkshire's tenant survey 89% of respondents said that the Association was good at keeping them informed; an increase of 7% since its previous survey published in 2000. Lanarkshire keeps its tenants and other interested parties informed about what it is doing through its annual report, regular newsletters, and it now publishes minutes of its committee meetings and other key information on its website. The quality of most of Lanarkshire's written communication with its service users is good, with newsletters and leaflets written in plain language. It achieved Plain English Campaign Crystal Mark approval for its customer services charter leaflet.

- 5.14 The Association is good at reporting its performance across a broad range of its activities to its tenants and service users, although this does not include comparisons to its own targets or to the performance of its peers.
- 5.15 Lanarkshire has had a customer service charter since 2002. This includes standards for openness, confidentiality and response times for enquires. The Association promotes the charter in a leaflet which is readily available at its office and is given to all new tenants. Lanarkshire intends to review this charter in the near future to bring it up to date. It also intends to apply for Charter Mark in 2005.

### **Ethical Standards**

*Staff and governing body members should promote values that underpin good governance and should act with honesty and integrity, focusing on the best interests of the organisation and its service users.*

- 5.16 Lanarkshire is very aware of the importance of both staff and committee members maintaining the highest ethical standards. We found that Lanarkshire acts in accordance with statutory requirements relating to the granting of benefits in Schedule 7 of the Housing (Scotland) 2001, and it achieves high standards in managing potential conflicts of interest

### **Managing Risk**

*Social landlords should be aware of all the risks they face and put in place robust arrangements to minimise these risks and to deal with them if they do occur*

- 5.17 Lanarkshire is good at monitoring, reviewing and reporting on the risks it faces and it clearly assigns responsibility within its organisation for the management of these risks. The Association undertakes a quantified assessment of the range of areas where strategic and operational risks may arise, along with the potential impact on Lanarkshire and likelihood of risk events occurring. The outcomes from this are then reported to the Committee and incorporated into the Association's strategic planning process. This process gives Lanarkshire a robust view of the risks facing the organisation, although as we report at property maintenance, the Association's own systems did not identify the risks to the organisation in its management of gas safety.
- 5.18 The Association's internal audit system covers all of its areas of activity. The results from its audits are reported to the Association's audit sub-committee which then makes recommendations for action to the Committee. We saw evidence that the Association implements its audit recommendations and that the Committee and staff assess and monitor the impact of the improvements.
- 5.19 Lanarkshire has many strengths in governance. Its Committee is experienced and effective at controlling its business. The Association's strategic planning, performance management and reporting frameworks are effective, although its use of targets is an area for improvement. It has had some success in widening the opportunities for tenants and service users to participate in the Association's governance and activities. Lanarkshire is very aware of the importance of maintaining the highest ethical standards.

## **Financial viability and management**

*Social landlords should be financially viable in the medium term and sustainable in the longer term. They should have a robust financial management framework.*

5.20 The Association continues to deliver a good, stable financial performance, continuously recording surpluses in recent years. A similar pattern is being set in its medium term financial plans.

5.21 Five year medium term plans provide the Committee with a good level of detail. These plans are reviewed on an annual basis and are based around a robust set of broad assumptions that reflect anticipated changes to Lanarkshire's future activities and profile.

5.22 Thirty year cashflow projections, prepared in conjunction with recently updated life cycle costings, have been developed in a fashion that allows the Association to look at a number of possible future scenarios and key variables. These longer term projections are regularly reviewed and indicate long term sustainability.

5.23 Results over the past four years together with the forecast for the current year indicate continuing growth in turnover, in line with a steady increase in the stock base.

<b>Financial Performance</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
Turnover in £,000s	1,432.8	1,662.2	1,752.8	1,975.1	2,028.4
Operating Surplus/(Deficit) in £,000s	405.9	576.8	455.4	610.1	695.7
Net Surplus/(Deficit) in £,000s	86.3	211.5	76.7	234.8	260.0

5.24 Recent good performance has been partly influenced by low maintenance costs, which are a result of the high proportion of new build stock. There is recognition of this by Lanarkshire and an awareness that future costs are likely to be higher as the stock ages.

5.25 The budget setting process has many strengths; its timescales and procedures allow tenant consultation and committee discussion prior to approval in advance of the start of the financial year.

5.26 Quarterly financial monitoring reports provide the Committee with a good level of detail to review actual performance against budget and inform decisions. The inclusion of the previous year's figures, the budget for the current year and also any revisions to these figures based on actual performance to date increases the usefulness of these reports.

5.27 Lanarkshire is financially viable in the medium term and has a low exposure to financial risk. It has an excellent financial management framework.

## **6. Areas for Improvement Action**

These are the key areas that need to be targeted for improvement action. They are broadly in order of priority within each of the key service areas.

Across all of its activities, Lanarkshire should:

- extend the range and type of performance targets it uses and report performance against these to the Committee and its service users.

In housing management, Lanarkshire should:

- routinely collect and use feedback from users of its housing management services; and
- give better information on housing options and prospects to people who apply for its houses.

## 7. Next Steps

- 7.1 This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments overall in their housing management, property maintenance or governance and financial management to submit an improvement plan to us within eight weeks of the publication of this report. We do not require Lanarkshire to submit an improvement plan. We will inspect once every five years.
- 7.2 If you would like to find out how Lanarkshire plans to respond to the findings of this inspection you should contact:

Lanarkshire Housing Association  
191 Brandon Street,  
Motherwell  
ML1 1RS

Telephone: 01698 269119  
E-mail: [enquires@lanarkshireha.co.uk](mailto:enquires@lanarkshireha.co.uk)  
Website: [www.lanarkshireha.com](http://www.lanarkshireha.com)

### Sources of Evidence

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

- North Lanarkshire Council
- Dual and Flanigan Grove Registered Tenants Organisations
- Communities Scotland Investment Team
- Communities Scotland Tenant Participation Development Team

#### **Interviews / meetings**

- Members of the Association's Committee
- Chief Executive
- Director of Housing Services
- Director of Corporate Services
- Housing Manager
- Business Manager
- Frontline staff
- Applicant for housing
- Discussions with a range of tenants and service users
- Maintenance Manager
- Technical Services Manager

#### **Reality checks**

- Review of arrears cases
- Review of legal actions against tenants
- Review of anti-social behaviour cases
- Review of gas safety documents
- Review of complaints
- Review of reported repairs
- Review of housing list applications and allocations
- Review of empty house management records
- Review of abandoned house records
- Review of information for applicants and tenants
- Shadowing arrears visits
- Shadowing repairs post-inspection
- Shadowing tenancy sign-up
- Shadowing a new tenant settling-in visit
- Estate visits
- Observation of the provision of information and advice
- Observation of committee and sub-committee meetings
- Review of appeal and Schedule 7 registers
- Review of planned and cyclical maintenance reports

#### **Key documents reviewed**

- Inspection submission
- Allocations policy
- Section 5 Protocol

- Staff handbook (allocations, estate management and arrears)
- Tenant participation strategy
- Tenant satisfaction survey
- Procedures for consulting tenants on the proposed rent increase
- Procedures for consultation with tenants and other users on policy reviews
- Equal opportunities policy and action plan
- Estate management policy
- Arrears management policy
- Committee and sub-committee minutes
- Committee and staff training plans
- A range of written communication with tenants and service users
- Annual Report
- Internal Management Plan
- Internal Audit Report (Draft)
- Maintenance Policy
- Procurement Policy
- Contractor Reviews
- Empty house standards
- Design Brief
- Newsletters

### Examples of Positive Practice

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

#### ***Housing for young people***

As part of its commitment to provide information and support, Lanarkshire is working in partnership with Motherwell college to deliver training events to assist young people with learning difficulties to prepare themselves for independent living. This includes information and advice on how to go about applying for housing and the responsibilities they will have as tenants.

#### ***Repairs handbook***

Lanarkshire has an excellent comprehensive repairs handbook which it gives to all tenants. This details both landlord and tenant responsibilities, response times for different categories of repairs and gives examples of different types of repairs. The handbook provides guidance on how to identify a repair by clear diagrams that show all the components which make up a home. This allows tenants and staff to communicate more effectively and repairs are reported more accurately.

#### ***Forgewood***

Lanarkshire carried out a survey of all tenants in its Forgewood estate to evaluate the extent of the problems being experienced by residents and to identify actions to remedy these problems. The findings from this were presented to a meeting of tenants and residents along with the results of a Police crime prevention study.

The feedback from this meeting was used to develop an environmental improvement project which aimed to address anti-social behaviour on the estate by changing the layout of car parks, fencing and paths in areas where problems had been experienced. The work was carried out by the Wise Group and provided training places for local unemployed residents. Funding for the project has been secured from Communities Scotland, the Motherwell North SIP, New Deal, Training for Work and the European Social Fund.

#### ***Staff Handbook***

Lanarkshire provide staff with a series of excellent and comprehensive procedural guidance handbooks covering all areas of the service. The handbooks include full details on policies and procedures along with timescales for each task. These are regularly updated and allow staff to deliver services in consistent way.

#### ***Lanarkshire's website***

Lanarkshire has an excellent internet website that gives clear information on the services the Association provides. It has information on a range of topics including how to report repairs, where its houses are located, how to apply for housing and general information on its policies and plans. The website

includes guidance in community languages. Lanarkshire's website is fully interactive and service users can apply on line for housing or comment on the Association's future plans.

### ***Responsiveness to tenants and culture of continuous improvement***

Lanarkshire has successfully integrated service user views into its maintenance services and consultation is used effectively and valued by all of the staff. Key examples where feedback has produced positive changes to services include:

- delivery, information and quality of Planned maintenance programmes;
- web-site design;
- tendering (board representative);
- structure and content of Lanarkshire's annual tenants' conference; and
- design brief for new build houses.

Lanarkshire plans to use tenant feedback to further improve its services in the following key areas;

- review of the maintenance policy;
- consultation on the Scottish Housing Quality Standard; and
- review of the out-of-hours repairs service.

### ***Working with contractors***

Lanarkshire focuses on fostering effective relationships with its contractors. The Association's ability to complete repairs quickly is built on this relationship and its contractor reviews and partnering agreements ensure both parties are striving to achieve high quality service outcomes.

### ***Right to Repair***

Lanarkshire's Right to Repair service works well. The Association completes repairs within the target times, has introduced automatic prompts to staff on its ITC systems, provides training to staff, and provides information to tenants. Performance is also monitored and reported on a quarterly cycle to the Management Committee.

## 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>Average</b>	The arithmetic mean – the sum of all the values divided by the number of values.
<b>Benchmarking</b>	A process used by organisations to systematically compare service processes and performance to identify best practice.
<b>Care and Repair</b>	A scheme which aims to help elderly owner occupiers to repair their homes
<b>Common housing register</b>	A register of all applicants for social housing used by two or more landlords within an area.
<b>Cyclical maintenance</b>	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
<b>Focus group</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>Inspection submission</b>	Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured.
<b>Life cycle costing</b>	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
<b>National median</b>	The central value of the ordered performance of all Scottish RSLs.

<b>Peer group</b>	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs.
<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>Performance Standards</b>	Housing standards for all social landlords in Scotland.
<b>Planned maintenance</b>	The planned renewal or maintenance of key property components.
<b>Quartile</b>	The range represented by one quarter of the ordered performance of all Scottish RSLs. So for example, the upper quartile is the top 25% of RSLs.
<b>Serious arrears</b>	Where a tenant owes more than 13 weeks rent payments and this is more than £250
<b>Statutory reasonable preference categories</b>	People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
<b>Rechargeable repairs</b>	Work that is the responsibility of the tenant but has been done by the landlord.
<b>Registered social landlord (RSL)</b>	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
<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>Right to Repair</b>	A scheme which gives tenants legal rights to have certain repairs in defined times.
<b>Scottish secure tenancy (SST)</b>	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.

**Shadowing**

An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.