

Communities Scotland  
**Inspection report**

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**Moray Housing Partnership**

April 2006

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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;
- 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 the 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 inspection was managed by Iain Muirhead (Inspection Manager). The Inspectors were Robbie Fraser and Jonathan Grant, supported by Josephine McAloon (Inspection Officer) and Pauline McFadden (Financial Analyst). We were on site between 10 January 2006 and 25 January 2006. We would like to thank everyone involved in the inspection 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 Moray Housing Partnership (MHP) was registered with Communities Scotland in 2002 and is constituted as an Industrial and Provident Society\*. It was established in 1999 with the support of Moray Council under a successful New Housing Partnership (NHP)\* funding bid. This is MHP's first inspection.
- 2.2 The Partnership's office is in Elgin and it owns housing in eight towns spread throughout the large geographical area of Moray. It owns 319 houses, of which 8.7% (28) are flats, 7.5% (24) are maisonettes and 83% (267) are houses. Its housing is a combination of newly-built and modernised properties and includes houses transferred from the Defence Housing Executive (DHE)\*. The Partnership hopes to continue expanding and is in discussions with the local Communities Scotland office regarding future funding.
- 2.3 MHP is governed by a voluntary committee elected annually at its general meeting. The committee membership comprises three sub-groups, each with up to four places: one third tenants, one third community representatives and one third nominations from Moray Council. It currently has 10 committee members, 3 of whom are tenants.
- 2.4 The Partnership's management and staffing arrangements have undergone significant change since its registration. Initially, staff seconded from Moray Council managed and delivered its services. This changed in 2003 when the Management Committee appointed a Managing Agent and 3 full time staff. The contract with the Managing Agent was cancelled in April 2005 and the Partnership now directly employs 10 full-time staff. MHP has several service contracts with Moray Council. These include Information Technology (IT)\* support and the Council's Direct Labour Organisation (DLO)\* does the majority of the Partnership's responsive repairs. It uses another local Registered Social Landlord\* (RSL) as a development agent.

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\* see glossary

- 2.5 MHP has undergone a major change in moving from having a managing agent to employing staff. During the last 24 months, MHP has rewritten and updated policies and procedures, developed and distributed a tenants' handbook and issued regular tenants' newsletters.
- 2.6 MHP has engaged an external agency to undertake financial management. This action has been taken to recognise the gaps and improvements that are necessary in planning for the future and in establishing MHP's position.
- 2.7 The Annual Performance and Statistical Return (APSR)\* asks RSLs to select a peer group which best describes their organisation. MHP selected the peer group six, described as larger rural RSLs. This is the group we use to compare the Partnership's performance.

### Key facts

- 2.8 The table below presents summary information about MHP and shows trends over the last three financial years.

	2002-2003	2003-2004	2004-2005
Houses owned	125	266	266
Employees	0	0	2
Annual turnover (£'000)	475	475	682
Total possible rental income (£'000)	232	424	655
Rental income from housing benefit	47.5%	47.5%	39%
Average weekly rent	£46.19	£47.38	£50.9
Average rent increase	3.1%	3.6%	3.6%
Houses re-let	6	11	21
Responsive repairs carried out	29	223	429
Maintenance spend per house (£)	0	213.59	244.36
Right To Buy sales	0	0	0

Source: Annual Performance and Statistical Return (APSR), Annual accounts

### 3. Housing management

3.1 The grade awarded for housing management is:

C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
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We explain at the end of this section how the assessments and judgements 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 Moray Housing Partnership has an open housing list<sup>†</sup> and anyone aged 16 or over can apply at any time. The Partnership advertises its housing list in its newsletter, in some public buildings and in the Council's local housing options guide. It gives applicants a range of information and also plans to advertise the availability of its houses on its website when it goes live later in 2006. MHP has arrangements in place for making its application form available in other formats and community languages as required.
- 3.3 The Partnership has a nominations agreement with Moray Council which covers 50% of re-lets\* and all new houses where the Council has provided land at no cost to the Partnership. In 2004/05 it let three quarters of its new and vacant houses to people nominated by the Council. MHP is also working actively with the Council and other local landlords to develop a Common Housing Register (CHR)\* for the Moray area.
- 3.4 The number of people on the Partnership's housing list increased from 330 in 2004 to 548 at the time of our inspection. MHP reviews its housing list annually to ensure that the information it holds is accurate. The Partnership has cancelled 16 applications in 2005/06 and we found some relatively minor weaknesses in its approach to cancellations:

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\*See glossary

- it cancels some applications where applicants have been re-housed by another landlord, without confirming with the applicant that they wish to be removed from its housing list;
  - it does not always confirm in writing to the applicant that it has cancelled the application; and
  - its interim cancellations policy contains limited detail and does not give staff clear guidance explaining how the policy should be operated.
- 3.5 The Housing (Scotland) Act 1987 prohibits landlords from taking account of a household's income when making decisions about allocating housing. The Partnership asks for details of personal income on its application form. MHP does not currently use the information, either as a factor in making allocations decisions or for statistical purposes.
- 3.6 The Partnership places applicants onto its housing list in an average of 14 days, which is well within its target time of 20 days. We did see one case where the Partnership did not respond quickly to a person who was potentially homeless. It has recently begun monitoring and reporting its performance in this area to the management committee.
- 3.7 Moray collects information on the ethnicity of people who apply for its houses and of new tenants. It reports this information to the management committee but otherwise has made limited use of it.
- 3.8 Overall, MHP provides good access to its housing list.

### Meeting need and maximising choice

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

- 3.9 MHP prioritises allocations based on a range of housing needs that reflect the reasonable preference categories\*; all the allocations we reviewed were to people with one or more of these needs. The Partnership has agreed a protocol with Moray Council to help both parties meet their duties to homeless people. MHP has housed all eight households referred to it by the Council under Section

5\* of the Housing (Scotland) Act 2001 since April 2004. In 2004/05 Section 5 lets represented 10% of all lets; in the first seven months of 2005/06 this figure increased to 19%.

- 3.10 The Partnership recognises that its allocations policy has a number of weaknesses. It has not reviewed its allocations policy to take account of changes introduced by the Housing (Scotland) Act 2001, but it has firm plans to review the policy immediately after this inspection. MHP told us that it has updated its practices in some areas ahead of its planned policy review and we saw some evidence of this, for example in its minimisation of suspensions (discussed below) and the open access to its housing list. This is positive, although MHP has not given staff clear guidance explaining how and when to deviate from the policy. Until it revises the policy, it will be difficult for people who apply for housing and existing tenants to understand which elements of the published allocations policy are still in place.
- 3.11 We saw a small number of other weaknesses in the Partnership's current approach to allocations, which MHP intends to address as part of its policy review. The policy does not cover harassment and domestic abuse, and the absence of written guidance means that senior staff have considerable discretion in awarding points. The policy has provision for awarding a relatively small number of points to applicants aged over 60 who live at height. The Partnership told us that while it awards these points to applicants it does not include them when it makes allocations decisions. This practice is not transparent to tenants. The Housing (Scotland) Act 1987 prohibits the consideration of an applicant's age when allocating general needs housing.
- 3.12 The Partnership operates a single housing list. It allocates its houses on a quota basis between its housing list, transfers and nominations categories, across all its house types. MHP does not provide staff with written guidance on how to operate the quota system, and staff have discretion to choose which group they will use for individual lets; this is not transparent. It has not achieved outcomes in line with its quotas although outcomes in 2005/06 are closer to its quota targets.

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\* See glossary

More broadly, as noted already, we found that MHP is meeting need through its allocations.

- 3.13 The Partnership carries out limited monitoring and reporting on its allocations. It reports to the management committee on the numbers of houses that it lets, but it does not monitor or report on the types of housing need that it is meeting or report its performance against the quotas.
- 3.14 The Partnership ensures that all applications and letting decisions are checked by two members of staff. The allocations decisions were clear and transparent in the cases we reviewed.
- 3.15 MHP provides good information to applicants about their points level and right to appeal decisions. It supplies basic information on the number of recent lets in each area, to help people judge how long they might wait for a house. It offers little information and advice on its standard decision letters about other local housing options.
- 3.16 The Partnership's policy states that it will suspend applicants who refuse one reasonable offer of housing. MHP no longer acts in line with this, and in practice has a good approach to minimising suspensions. It interviews people who refuse a reasonable offer of housing to offer assistance to clarify and refine their choices, rather than suspending them. At the time of our inspection only one applicant was suspended. The Partnership does not do all it could to maximise choice for its housing - it allows applicants to choose only up to three areas in order of preference.
- 3.17 The Partnership achieves good outcomes in meeting housing need and is making a good contribution to alleviating homelessness. It recognises that its management of allocations has weaknesses and is working to improve these. It places some restrictions on applicant choice.

### 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.*

- 3.18 MHP has signed up all of its tenants to Scottish Secure Tenancy (SST)\* agreements. The Partnership currently leases 12 of its houses to Moray Council for use as temporary housing for homeless people.
- 3.19 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. The Partnership gives useful information to new tenants at sign-up interviews and provides an informative handbook. It has recently started to visit new tenants to identify any potential support needs, and recognises that it needs to introduce clear guidance for staff and improve how it monitors and reports on its new approach.
- 3.20 Abandonments are not a significant issue for the Partnership: none of its tenants have abandoned their home in the last three years.
- 3.21 All the legal action that the Partnership takes to recover possession of its houses is related to rent arrears. In 2004/05 Moray issued 53 Notices of Proceedings (NOP) and initiated court action against 12 of its tenants. It recognised that it was not always using notices appropriately and has amended its practices; as a result it has issued only 12 in the first 7 months of 2005/06, of which 6 went to court. It no longer automatically renews existing notices. It did not evict any of its tenants in 2004/05.
- 3.22 The Partnership works well to minimise evictions. It gives staff clear guidance on the escalation process toward legal action which emphasises prevention of eviction. It works well with a number of partners to offer support and advice to its tenants in rent arrears, is improving its approach to personal contact and is good at advising the Council's homeless team of

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\* See glossary

impending legal action. The Partnership has accepted payments into rent accounts where a decree for repossession has been granted, but plans to change its practices.

- 3.23 The Partnership is good at maximising security of tenure and is working well to help tenants sustain their tenancies.

### 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*

- 3.24 The Partnership's houses are a combination of newly-built and modernised properties, located in eight towns over a wide geographic area. It has house in mixed-tenure neighbourhoods that include rented housing owned by other RSLs, the Defence Housing Executive as well as owner occupiers. The neighbourhoods that we visited during our inspection had no graffiti and were well-maintained. We saw low levels of vandalism and litter in one mixed tenure estate. The Partnership's 2004 tenant survey - which we discuss in paragraph 3.29 - provides some anecdotal evidence of dissatisfaction with the maintenance of common areas.

- 3.25 MHP has made several environmental improvements in 2005, such as the introduction of a new estates assistant, who visits all of its neighbourhoods weekly to identify any potential problems, and new litter bins in response to complaints from tenants. The Partnership has recently developed a framework for monitoring the outcomes of visits but it does not yet effectively report its performance in this area to the management committee.

- 3.26 MHP considers that it does not have a significant problem with antisocial behaviour, although the number of cases is growing. It deals responsively with the relatively low number of complaints it receives and is working to develop links with Moray Council's community wardens and with local Neighbourhood Watch schemes. Its tenant handbook provides useful information on how to report

antisocial behaviour complaints.

- 3.27 MHP reviewed its antisocial behaviour policy in 2005 and it also reports some limited performance information to the management committee. While this has improved the Partnership's approach to managing antisocial behaviour, there are still some gaps. There is no guidance for staff on how to manage racial harassment or to ensure confidentiality; MHP does not monitor its performance in achieving its investigation targets; and it does not collect views from tenants on how their case has been dealt with.
- 3.28 MHP has improved its approach to managing its neighbourhoods. It responds quickly to the relatively few antisocial incidents within its estates, although it has not yet developed an effective reporting framework and there are gaps in aspects of its management of antisocial behaviour.

### 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.*

- 3.29 MHP completed its first tenant satisfaction survey in late 2004. This postal survey achieved a response rate of 21%, or 52 of 242 tenants. We found inaccuracies in the calculations that underpin some of the survey findings and, as a result, the findings do not fully reflect tenants' feedback. Taking together the level of response and these inaccuracies, the survey findings provide only an anecdotal picture of tenants' views. Overall, the majority of tenants who responded were satisfied with the Partnership's services and how staff dealt with their enquiries.
- 3.30 MHP does not collect any other regular feedback from tenants on the quality of its housing management services. The Partnership intends to carry out a tenant survey annually, but at the time of our inspection it had not begun its second survey.
- 3.31 MHP recognises that it has made very limited progress in getting tenants to participate in the development of its housing management services. The

Partnership has introduced an informative regular newsletter and established a register of tenants who are interested in being consulted, although only two tenants registered. MHP uses its newsletter to advise tenants of its intention to review its housing management policies. This has involved a basic approach of simply listing policies due for review and requesting tenants' input, rather than engaging more directly over the issues. The newsletter articles have produced very little feedback from service users.

3.32 MHP did not consult with its tenants on the proposed rent increase for 2005/06, and the Partnership is aware that it did not meet the statutory requirements of the Housing (Scotland) Act 2001 in this area. This is a weakness. It has changed its approach for 2006, but at the time of our inspection it had not yet completed its consultation.

3.33 MHP has recently reviewed its complaints policy and introduced a new complaints recording system. It provides tenants with information on how to make a complaint, and we found that it deals with individual complaints quickly and effectively. There are weaknesses in its reporting framework and in its publicity:

- it does not monitor its performance in achieving its response targets and does not report all complaints it receives to the management committee.
- it does not make tenants aware of their right to appeal its decisions or of their right to approach the Scottish Public Services Ombudsman.

3.34 The Partnership's office has been adapted to improve its accessibility to people with physical disabilities, although the design of the building restricts it from being fully accessible. MHP can make information available in alternative formats, although it does not publicise this routinely in its newsletters or the tenant handbook.

3.35 The Partnership is not yet fully focussed on understanding its tenants' views and working with them to improve its housing management services. It deals effectively with individual complaints, although there are weaknesses in other elements of its complaints framework. It recognises that it needs to be more

responsive to its tenants, but it has no clear plans for achieving this.

## 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.*

- 3.36 MHP offers tenants some variety in ways to pay rent, including payment at banks and post offices and by standing order. It plans to extend the range of ways to pay by introducing payment options by direct debit and through local shops this year.
- 3.37 The Partnership's total arrears as a percentage of its total rental income has decreased significantly between March 2004 and November 2005:
- the March 2005 figure was the 5<sup>th</sup> highest of the 17 RSLs in its peer group and above national median, but had fallen by more than a third over one year; and
  - the improvement continued in the first eight months of 2005/06, with a further reduction from 6.8% to 4.9% to November 2006.
- 3.38 MHP's current non-technical arrears have also shown a consistent improvement over the same period. As with total arrears, the March 2005 figure was the 5<sup>th</sup> highest of its 17 peers and above the national median. However, between March 2004 and November 2005 current non-technical arrears have declined by almost half.
- 3.39 The proportion of MHP's tenants owing more than 13 weeks' rent is well above the peer and national levels, and increasing, although MHP told us that this figure includes technical arrears. Former tenant arrears are below the peer and the national figures, although the Partnership wrote off just over 50% of the total in 2004/05.

3.40 The table below summarises MHP's reported performance in collecting rent.

	At March 2004	At March 2005			At Nov. 2005
	MHP	MHP	Peer group	National median	MHP
Total arrears as % of total gross rental income	10.6%	6.8%	5.2%	5.5%	4.9%
Total current* arrears as % of total gross rental income	9.6%	6.2%	3.8%	4.3%	4.5%
Current arrears (non technical) as % of total gross rental income	6.1%	3.9%	2.8%	2.9%	3.3%
Current arrears (technical) as % of total gross rental income	3.5%	2.27%	1.0%	-	1.3%
% of current tenants in serious arrears**	n/a	n/a	5.6%	4.6%	13.5%
Total former tenant arrears (£)	£4,275	£4,275	-	-	£2,781
As % of total gross rental income	1.0%	0.7%	1.4%	1.0%	0.3%
Rent arrears written off (£)	£0	£2,143	-	-	£0

\*\*Owing more than 13 weeks rent and >£250

3.41 The Partnership has significantly improved the effectiveness of its management of rent arrears. It introduced new arrears procedures in 2005 and these provide good direction to staff. We saw that it achieves early and sustained contact with tenants in arrears and is improving its approach to personal contact. It makes referrals to support and advice agencies and is increasingly assessing tenants' personal circumstances before making repayment arrangements. The Partnership has not set any targets for reductions in arrears, and it provides limited performance information to the management committee.

3.42 The table below summarises Moray Housing Partnership's reported performance in letting houses that have become empty.

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\*See glossary

	2003/04	2004/05			Apr - Nov 2005
	MHP	MHP	Peer Group	National Median	MHP
Rental income lost due to empty houses	£3,298	£5,447	-	-	£1,101
As % of total rental income	0.8%	0.8%	1.3%	0.9%	0.2%
Total no. of re-lets	11	21	-	-	13
% re-let in <2 weeks	63.6%	57.1%	35.2%	25.3%	92.3%
% re-let in 2-4 weeks	27.3%	19.0%	25.2%	27.6%	7.7%
% re-let in >4 weeks	9.1%	23.8%	39.7%	47.1%	0%
Average time to relet (days)	13	16	35	26	6

Source: APSR / inspection submission

- 3.43 In 2004/05 MHP lost 0.8% of its total rental income because of houses lying empty. This is similar to the Partnership's rent loss figure for the previous year, and is a lower rent loss than both its peer group figure and the national median. In the seven months of 2005/06 MHP's rent loss figure improved further to 0.15% of rental income.
- 3.44 The Partnership's 16-day average relet time for 2004/05 is slightly longer than the figure it achieved in 2003/04. Its 2004/05 relet time placed it 5<sup>th</sup> of the 17 RSLs in its peer group and was considerably shorter than the national median relet time. It has made a further significant improvement in its relet time over the first seven months of 2005/06, to an average of six days.
- 3.45 The Partnership considers that all of its houses are fairly easy to let because they are either part of new developments or recently-refurbished properties. We found a number of positive elements in its approach to reletting its empty houses:
- staff inspect the house as soon as the Partnership receives the termination notice;
  - the Partnership has a comprehensive written relet standard; and
  - it has a good approach to securing agreement with new tenants on repairs that it can carry out once the tenant moves in.
- 3.46 MHP's average time for letting new houses has also improved. In 2004/05 it was slower than its peers and the sector as a whole in letting new houses for the first time, and let 84.2% of its new houses within four weeks. Over the first seven

months of 2005/06 it let all of its new houses in under four weeks. MHP had recognised that dealing with a number of new houses at the same time presented challenges in terms of turnaround times, and has recently reviewed its approach to liaising with Moray Council for future lets.

- 3.47 MHP's costs for delivering its housing management services increased from £305.83 in 2003/04 to £853.40 in 2004/05. This is significantly higher than the peer average for 2004/05 of £599. The increase in costs reflects the increase in direct staff costs in 2005.
- 3.48 The Partnership's performance in letting its houses quickly and minimising rent loss through empty houses is a strength. Although its rent arrears levels were higher than its peers and the sector at March 2005, there is a clear trend of improving performance. MHP's costs for delivering its housing management service are high.

#### **Performance management**

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

- 3.49 The last twelve months has been a time of significant change for MHP's housing management services. The Partnership began directly delivering and managing the service in April 2005 after cancelling the previous managing agent's contract, and most of the current staff have been in post for under one year.
- 3.50 MHP does not yet have an effective planning framework for its housing management service. It has no improvement targets or service standards, and it has no plan setting out objectives, future intended developments or priorities for the service. This is a significant weakness. The Partnership recognises that it needs to improve in this area, and aims to develop service plans in 2006 as part of a broader review of its strategic direction. At the time of our inspection this was at a very early stage of development. We discuss the Partnership's overall approach to planning in section five. Despite the

absence of clear plans we did see evidence of the Partnership taking action to improve performance, for example in rent arrears, estate management and antisocial behaviour.

3.51 MHP is aware that it could improve its approach to performance monitoring and reporting in housing management. It regularly monitors performance and reports to committee on key service areas, although there are some gaps in coverage. It has recently begun to include trend information for key performance indicators, which over time should give the committee a fuller understanding of performance. It does not benchmark its performance against its peers. It has firm plans to introduce new housing management IT in 2006 which it anticipates will enable it to improve its monitoring of performance.

3.52 MHP worked well in 2005 to review some key policies. However, the Partnership's policy and procedural framework for its housing management service is not yet comprehensive:

- not all policies are supported by clear procedural guidance or monitoring framework for staff;
- two key policies - tenant participation and allocations - have not been reviewed for a long period; and
- there is no policy review timetable.

## Grade and overall assessment of housing management

3.53 Our overall assessment is that MHP's housing management services is fair. It has some strengths, but it also has a number of areas where improvement is needed, a small number of which are significant weaknesses. We set out below the key factors that we have taken into account in coming to our overall assessment.

3.54 Despite having been established in 1999 and registered with Communities Scotland in 2002, the Partnership's housing management is in a developmental phase which is more typical of a newer organisation. We found that MHP has made progress in improving its housing management service during a period of

significant change. The new staff team is committed to improving services and is aware of a number of the service's weaknesses.

3.55 MHP has some strengths which have an impact on the quality of services. Key strengths are:

- the open access to the housing list
- meeting housing need through allocations;
- improving performance in support and advice for tenants in rent arrears; and
- its effective approach to reletting empty houses quickly.

3.56 MHP has a number of weaknesses in housing management, a small number of which are significant. It does not yet have an effective planning framework, it has no improvement targets and its approach to performance monitoring and reporting is under-developed. It does not have a sound understanding of its tenants' views of the service, and it has not involved tenants in service improvements. It did not comply with statutory rent increase consultation for its 2005/06 rent increase. It does not yet have a comprehensive policy and procedural framework to support staff in delivering the service.

## 4. Property maintenance

4.1 The grade awarded for property maintenance is:

D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.
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We explain at the end of this section how the assessments and judgements we have made result in this grade.

### **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 Tenants can report repairs to MHP by telephone, in writing, by e-mail or in person at its office in Elgin. Tenants can contact the Partnership's contractors directly to arrange out-of-hours repairs when the office is closed.
- 4.3 MHP publicises its repairs and services in its tenant handbook and in the tenant newsletter and can make this available in other languages and formats on request. This material gives a good range of information on repair responsibilities and key elements of the service.
- 4.4 The Partnership does not have a formal repairs by appointment system. It passes contact details to contractors, who it expects to contact tenants directly to arrange access. It does not monitor the effectiveness of this arrangement. We did see examples where staff had contacted individual tenants to arrange access for repairs in cases where there had previously been access difficulties.
- 4.5 Overall, Moray Housing Partnership provides an accessible repairs service.

### **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 target MHP sets itself for carrying out emergency repairs is more challenging than the national median of six hours. Its target for urgent repairs is line with the

national median, and its target for routine repairs is longer than the national median of 10 working days.

4.7 The table below summarises MHP's targets and reported performance since 2003/04.

	MHP target Response time	Performance				
		Moray Housing Partnership		National median 2004/05	RSL peer group *2004/05	MHP to October 2005
		2003/04	2004/05			
<b>Emergency Repairs</b>	2 hours	97.2%	96.3%	98.9%	97.5%	74.0%
<b>Urgent Repairs</b>	3 working days	69.0%	76.2%	95.0%	92.2%	68.0%
<b>Routine Repairs</b>	15 working days	76.1%	81.7%	95.1%	91.9%	84.9%

4.8 MHP's reported performance in completing emergency repairs declined slightly between 2003/04 and 2004/05. In 2004/05 it was ranked 13<sup>th</sup> of 17 RSLs in its peer group for emergency repairs and in the bottom quartile nationally, although this needs to be viewed in the context of its more challenging target. Its performance against its target has declined sharply in the first seven months of 2005/06. Its performance in completing urgent and routine repairs improved between 2003/04 and 2004/05, although for both categories in 2004/05 it was ranked 16<sup>th</sup> of 17 RSLs in its peer group and in the bottom quartile nationally. In the first seven months of 2005/06 its performance has improved in routine repairs and declined in urgent repairs. Overall, its reported performance in completing repairs is a major weakness.

4.9 There are a number of weaknesses in how MHP monitors and reports its performance in completing repairs:

- We found a small number of jobs where the Partnership had extended the target dates where contractors needed more time to get materials;
- The Partnership's recording system does not automatically take account of non-working days, and we saw some jobs where manual calculation of its response times had not taken account of non-working days; and

- MHP includes void repairs in its reported figures, and recognises that this distorts its overall performance.
- 4.10 MHP recognises that there are weaknesses in its recording system and is in the process of procuring an IT system which should help it to more accurately record its performance in repairs.
- 4.11 Pre and post inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. Until recently, housing officers had undertaken pre-and post-inspections on an ad hoc basis. The Partnership had no formal criteria for identifying repairs for inspection, nor did it monitor its level of inspections. This is a weakness. The Partnership recently introduced a formal framework for pre- and post-inspections, which includes basic selection criteria; we discuss this further in paragraph 4.37. It has appointed a clerk of works / maintenance officer, who will have responsibility for carrying out inspections. At the time of our inspection it had not yet implemented this new approach.
- 4.12 We highlighted in section three that the Partnership's 2004 tenant survey provides an anecdotal picture of tenants' views. Most tenants who responded were satisfied with quality of repair work, although a substantial minority expressed some dissatisfaction.
- 4.13 MHP operates a Right to Repair scheme, although the scheme does not comply with key elements of the statutory requirements. The Partnership recognised in late 2005 that it had not given staff adequate training on Right to Repair, and took action to address this. It does provide tenants with information about the scheme through the tenant handbook, newsletter and at tenancy sign-up interviews, but it does not offer alternative contractor and timescale information to tenants when they report qualifying repairs. We also found examples of recent repairs where the Partnership had not correctly categorised Right to Repair cases or identified qualifying repairs.
- 4.14 There are major areas where improvement is needed in the Partnership's responsive repairs service. Its reported performance is poor, there are

weaknesses in its recording and monitoring systems, and it does not yet have an effective approach to pre- and post-inspections. It does not comply with key elements of the statutory Right to Repair scheme.

### **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.*

- 4.15 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Social landlords were required to prepare a plan by April 2005 showing how they will achieve this. MHP submitted a self-assessment within the timescale and awaits Communities Scotland's verification of its submission. MHP has identified that some work is needed to improve energy efficiency in some of its houses, but is confident that all its houses will meet the SHQS by 2015.
- 4.16 The majority of MHP's houses are newly-built; 60 properties are recently-refurbished ex-Defence Housing Executive (DHE) houses. The Partnership is currently refurbishing another 50 DHE houses that it acquired recently. It has not yet established a planned maintenance and cyclical maintenance plans. The Partnership is planning a full stock condition survey in 2006/07 and will use the results to develop cyclical and planned maintenance plans. It has used the original lifecycle cost projections from its refurbished and new build houses to inform its financial projections and SHQS plans.
- 4.17 MHP has achieved a good standard of design for new build properties. Its recent developments are specified to:
- Secure by Design standards to create safe homes and minimise the risk of crime and anti-social behaviour;
  - meet Housing for Varying Needs standards; and
  - achieve required energy efficiency standards.
- 4.18 All the Partnership's houses have hard wired smoke alarms and some have carbon monoxide detectors. None of its occupied houses have lead pipes, and

the Partnership is removing lead pipes from the houses currently undergoing refurbishment. The Partnership's 24 flats with common access do not currently have door entry systems. It plans to consult with affected tenants before making a decision on introducing door entries; although security entry systems are a requirement of the SHQS.

- 4.19 MHP is required to carry out annual safety checks every 12 months on all gas appliances and flues which it provides for its tenants' use. The Partnership has not met its statutory duty for a small number of its houses. At the time of our inspection it had valid certificates in place for all houses with gas. The Partnership also told us that it had carried out gas safety checks within one year of the previous check for all of its houses. However, we found that there were gaps between the expiry of the previous certificate and the next safety check for 10 of its houses; the gap was more than 1 month in 9 of these cases. The Partnership was not aware of this until we identified it. The table below summarises MHP's performance during our on site period in January 2006 in carrying out gas safety checks.

	Jan 2006	
	Number of houses	%
<b>Houses with gas appliances</b>	218	100
<b>Houses with current gas safety certificates</b>	218	100
<b>Houses where safety check was carried out within 12 months of previous check</b>	208	95%
<b>Houses where safety check was up to 1 month late</b>	1	1%
<b>Houses where safety check was between 1 and 3 months late</b>	3	1%
<b>Houses where safety check was more than 3 months late</b>	6	3%

- 4.20 We found that the Partnership has not consistently monitored the contractor's progress in carrying out safety checks or updated its records, and did not have fully accurate information on its safety checks. It is in the process of extending the period of notice it gives its contractor to carry out safety checks, with the aim

of ensuring future continuity between safety checks. Overall, the gaps in cover and the Partnership's lack of awareness of these are a weakness.

- 4.21 From April 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. MHP employed consultants to carry out visual surveys in properties with common areas. On the basis of these surveys, MHP has assessed that there is no asbestos in its common areas. It intends to include a detailed assessment of the presence of asbestos in its houses in its 2006/07 stock condition survey. MHP adopted an asbestos policy in December 2005, has labelled known asbestos in refurbished houses, and holds a register at its office. However, it does not have a procedure to inform employees or contractors of the presence of asbestos in its houses. This is a weakness.
- 4.22 MHP has a comprehensive relet standard detailing the condition it expects its houses to be in at the start of a new tenancy. MHP has had only two refusals of offers of housing, neither of which were because of the condition of the house.
- 4.23 MHP's houses are in good condition; this is a strength. It has a comprehensive relet standard. The Partnership has not yet developed its approach to planning its future maintenance needs. It has weaknesses in how it manages its statutory duty around gas safety and in elements of asbestos management.

### **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 MHP does not have a well established framework to obtain and use tenant feedback to evaluate and improve its property maintenance service. The Partnership used its 2004 survey to get feedback from tenants on its repairs service. We have already highlighted weaknesses in the survey. The majority of tenants who responded expressed satisfaction with the repairs service overall, although a substantial minority reported dissatisfaction. MHP reported the survey findings to its committee. However, it has not taken a systematic approach to using the survey to help target service improvements.

- 4.25 The Partnership sends a brief questionnaire to tenants as part of the repairs receipt. It contacts individual tenants to respond to negative comments or specific issues raised through the questionnaire, which is positive. More broadly, however, it has not systematically analysed the responses it has received and so is not making full use of this source of tenant feedback.
- 4.26 The Partnership has not yet involved tenants in developing its property maintenance service, and our comments in paragraph 3.31 are relevant here. It did make a limited attempt to have dialogue with the two tenants on its consultation register when it developed its repairs policy in 2005. However, this was restricted to presenting them with the draft policy rather than consulting them at an earlier stage.
- 4.27 We discussed MHP's recent review of its complaints policy and recording system in paragraph 3.33, and these comments are also relevant here. The partnership has not recorded any formal repairs complaints about its property maintenance service, although it acknowledges that this could have been a result of confusion over the classification of complaints before the recent review.
- 4.28 MHP responds positively to feedback from individual tenants. However - as in housing management - it is not yet fully focussed on understanding its tenants' views and working with them to improve its property maintenance service. This is a major weakness.

## 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.*

- 4.29 MHP's management costs for delivering its property maintenance service in 2004/05 were £244 for each of its houses. This is an increase from £214 in 2003/04, and slightly higher than the peer group figure of £210.

- 4.30 The Partnership has an effective framework for dealing with rechargeable repairs, Its procedures include a clear escalation process, personal contact with tenants where appropriate and good monitoring of repayment arrangements. Since April 2003 it has recharged 37 repairs with an invoice value of over £3,500, and recovered almost half of this amount. It has not proactively pursued former tenant recharges, although the amount outstanding is relatively low.
- 4.31 Since its inception MHP has used Moray Council's Direct Labour Organisation (DLO) as its main response repairs contractor. Until late 2004 the Partnership had no contractual basis for this relationship. In December 2004 the Partnership MHP tendered its repairs service and the DLO won the contract to provide repairs services until March 2007. The tendering process attracted a limited number of contractors who were able to bid across all areas of work. The Partnership has begun to examine its options for next year's tendering, with a view to ensuring a greater level of competition.
- 4.32 We found weaknesses in MHP's monitoring and control of the cost of individual repairs:
- it receives information on the cost of a repair only once the job is complete; and
  - it has no formal controls on variations or unsatisfactory work, although we did see individual examples where repairs costs had been queried and unsatisfactory jobs revisited.
- 4.33 Taken together with the issues we highlighted around pre- and post-inspections and the accuracy or repairs performance monitoring, these significant gaps in control restrict the Partnership's ability to demonstrate that it is receiving value for money from its contractor.

### **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.*

- 4.34 As in housing management, the last 12 months has been a time of considerable change for MHP's property maintenance service. Its staff team has changed significantly in the period immediately before our inspection, with the appointment to new posts of a new clerk of works / maintenance officer and estate assistant. These new staff will, along with the Partnership's director, have a key role in developing the service.
- 4.35 MHP does not yet have an effective planning framework for its property maintenance service. As in housing management, this is a significant weakness, and our points in paragraph 3.50 are relevant here.
- 4.36 The Partnership monitors its performance in some key areas such as repair completions, gas safety and numbers of void repairs completed on time, although we have highlighted issues with the accuracy of some of its information. The partnership has not set targets for all of the areas where it measures performance.
- 4.37 Until recently MHP did not have a policy framework for key elements of its service. It has begun to address this, by expanding the range of guidance to support staff in delivering the service, for example by developing the response repairs policy and procedures in December 2005. This is a positive development to fill what was previously a considerable gap. We also found some areas where the Partnership is not yet fully following its new guidance, for example:
- it is not fully implementing the recently-introduced Right to Repair guidance; and
  - the new guidance on pre-inspections requires staff to base decisions to inspect on cost information that the Partnership does not have.

## Grade and overall assessment of property maintenance

- 4.38 Our overall assessment is that Moray Housing Partnership's property maintenance service is poor. We found some strengths in the service, but it also has major areas where improvement is needed, which impact on the quality of service tenants receive.
- 4.39 In coming to our overall assessment we have taken account of the balance of strengths and the areas that need to be improved across the service. MHP's houses are in good condition, and the repairs service is accessible. As in housing management, the property maintenance service is in a developmental phase more typical of a newer RSL. It is clearly committed to improving its property maintenance service, but at the point of our inspection its improvement work was still at a very early stage.
- 4.40 We found a number of major areas where improvement is needed:
- reported performance in completing repairs is poor, and there are weaknesses in reporting and monitoring systems;
  - it has not meaningfully involved tenants in shaping the development of the service, and it does not have a good picture of tenants' views;
  - there are significant control gaps in its relationship with its main contractor; and
  - it does not yet have an effective planning and performance management framework for developing the service.
- 4.41 The Partnership also has a weakness around its statutory duty around Right to Repair and gas safety, and in elements of asbestos management. It has not yet developed its future plans for planned and cyclical maintenance.

## 5. Governance and financial management

### 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 MHP is working to improve how it delivers its services. It has recently changed its organisational structure, increased its staff levels and reviewed many of its services. The management committee is involved in this process and, along with staff, is committed to improving the Partnership's performance.
- 5.2 The Partnership has produced a business plan that outlines an overall vision for its future direction and sets out its strategic aims and objectives. However, it has not yet produced a plan that translates these goals into SMART objectives, standards and targets for its services. This makes it very difficult for the Partnership to communicate its goals to tenants, set clear direction for staff, or to measure and quantify its effectiveness in meeting its objectives.
- 5.3 The Partnership is at the early stages of developing its first Internal Management Plan (IMP)\* and has recently started using away-days to involve the management committee fully in this process. This is a positive development. However, the current absence of a clear planning framework is a significant weakness, particularly given the period of rapid change the Partnership is going through.
- 5.4 MHP intends to carry out a number of reviews and new initiatives over the next year. At the time of our inspection it had not set out clear timescales for most of these. The lack of a planning framework restricts the Partnership's ability to effectively prioritise, plan and monitor progress in its future service developments. We saw some slippage in progress in a small number of key initiatives, including the development of the IMP, in the second half of 2005.

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\* See glossary

### 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.*

- 5.5 MHP's management committee has a good relationship with staff and a clear understanding of its responsibilities. The committee is supported by an audit and finance sub-committee. There are clear delegated authorities in place and a framework for reporting back significant decisions to the full committee. The committee oversees MHP's day to day business, but the weakness in the Partnership's planning framework limits its ability to effectively control the Partnership's strategic direction.
- 5.6 Performance information for the Partnership's services is reported to quarterly meetings of the management committee and sub-committee. We found weaknesses in the quality and coverage of some performance reporting and have highlighted these in the housing management and property maintenance sections of the report. This limits the ability of the management committee to effectively guide and control some of the Partnership's activities.

### Developing capacity

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

- 5.7 The Partnership has an established management committee with a range of knowledge and experience of governance activities.
- 5.8 MHP is aware that its approach to identifying the training and development needs of its management committee is weak. It has not carried out any formal assessment of committee members' skills and knowledge. The Partnership has recently provided committee members with training in financial management, although there is no current training programme for committee members.. MHP plans to review its approach to training in 2006.
- 5.9 The Partnership does not yet have an effective approach to supporting new members when they join the management committee. While the management committee welcomes new members, there are no structured induction arrangements to support new members to integrate and enable them to

participate effectively in committee business. The Partnership plans to include this area its 2006 training review.

### **Accountability**

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

- 5.10 A strong membership and good levels of participation at Annual General Meetings (AGMs)\* are important ways for a landlord to demonstrate accountability. The Partnership has an open approach to membership, but membership levels are very low: at December 2005 there were 25 members, of whom 16 were tenants of the Partnership. The majority of tenants who responded to the 2004 survey said that they did not know how to become a member. While MHP encourages tenants to become members at sign-up and has advertised once in the newsletter, membership has not increased since 2003. The Partnership is aware that its approach has not been effective and intends to increase its promotion activities in 2006, although it has not yet developed firm plans for achieving this.
- 5.11 Forty per cent of the Partnership's members attended the 2005 AGM. Whilst, in percentage terms, this turnout is higher than the national average and the peer average, it equates to only 10 people. Membership and AGMs are important ways for MHP to be accountable to its tenants and service users, particularly as it has not yet achieved a high level of participation in other ways. The Partnership's level of membership does not yet allow it to fully demonstrate accountability.
- 5.12 The Partnership's management committee has 12 places. There are three groups of committee membership - tenant; councillor and community representative - and each has four places. At the time of our inspection there were 10 members - 4 council nominees, 3 tenants and 3 community representatives - and 2 vacancies. Although MHP faces challenges due to the geographic spread of the communities it serves, attendance at management committee meetings has declined over the last three years. In 2004/05 turnout was 51%, which is significantly below both the peer and the national averages;

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\* See glossary

tenant attendance has been lower than from the other membership groups. There has been an improvement in turnout in the first half of 2005-06.

- 5.13 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. We have highlighted in the housing management and property management sections that tenants do not have an active role in influencing the way MHP delivers its services. The Partnership's 2004 tenant survey provides anecdotal evidence of dissatisfaction with how well MHP takes account of tenants' views. There are no registered tenants' organisations or other tenants' groups. The Partnership is at the very early stages of considering the potential for a tenants' group in the Pinegrove area of Elgin. RSLs have a statutory duty to consult with tenants on policies which significantly affect them, and MHP's approach to consulting on its key housing management and property maintenance policy is a significant weakness.
- 5.14 Social landlords should give stakeholders the information that they need about the organisation and its plans, services and performance. The Partnership has worked well to improve how it provides information and has introduced an informative regular newsletter and it is developing a web-site. However, its approach to reporting performance information is poor. It does not produce an annual report and tenants are not getting enough information to enable them to determine if they are receiving good and improving services.

#### **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.*

- 5.15 The Partnership works closely with Moray Council. Four of its twelve committee places are for council nominees; four current members are councillors and one committee member is employed by the Council. The Partnership has several service contracts with Moray Council, including its main repairs and IT contracts.
- 5.16 MHP's staff and management committee are aware of the need to maintain high ethical standards. However, the Partnership does not have effective controls in

place to ensure that it identifies and deals with potential conflicts of interest; this is a significant weakness in MHP's governance. It has not formally identified or recorded any potential conflict of interest. It does not require committee members to complete an annual declaration of interest form, and does not have a standing item on declaration of interest at committee meetings. It has not reviewed its code of governance to take account of the SFHA's revised guidance published in 2003. At the time of our inspection two management committee members were in rent arrears, although the level of these arrears does not constitute a serious conflict of interest. The Partnership has no procedure for ensuring that tenant committee members in rent arrears withdraw from meetings when it takes decisions on the management of arrears.

- 5.17 MHP is aware that payments and benefits to staff, committee members and their relatives may only be granted in accordance with Part 1 of Schedule 7\* of the Housing (Scotland) Act 2001. We found one area where the Partnership has not complied with Communities Scotland's guidance on special exceptions, and so is in breach of Schedule 7. This relates to three payments made to a committee member for loss of earnings. In these cases the committee did not approve the payments before agreeing to pay them. More generally, the Partnership does not always collect enough information to enable it to ensure it is complying with Schedule 7; for example, it does not record whether applicants to its housing list have any connection with staff or committee members.

### 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.*

- 5.18 MHP not yet developed an effective approach to identifying and managing risks. It has produced a basic risk management strategy, but has not yet implemented key elements. It has not assessed the full range of risks that it faces, although it does consider risk for each new housing development project. It recognises it needs to develop its approach to risk management, and intends to review its strategy as part of its IMP development work in 2006.

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\* see glossary

- 5.19 The Partnership is developing its internal audit work and regularly reports the findings from audits to the management committee, although individual audits are not set within a programme based on a good understanding of the risks facing MHP. The audits provide a useful overview of performance, although we found examples where its audit work had not picked up weaknesses in performance, for example in its management of gas maintenance. The Partnership does respond to issues that are raised through audits.
- 5.20 MHP's management of governance is poor. It does not yet have a clear planning framework and the limitations in the quality and coverage of its reports mean that the committee is restricted in its ability to fully focus on key issues and risks to the Partnership. Its low membership and committee attendance, gaps in its understanding of the committee's training needs, very limited engagement with tenants and under-developed controls in its management of ethical standards are further weaknesses.

#### **Financial viability and management**

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

- 5.21 MHP has prepared five-year financial projections as part of its business plan. These comprise income and expenditure accounts, balance sheets and cashflows, take account of a range of scenarios and give a good level of detail on the assumptions used. The Partnership has also prepared 30-year projections. The financial projections show that MHP will remain financially viable in the medium term.
- 5.22 MHP's financial performance is good. It has generated surpluses in each of the last three years, and it has cash balances of more than £1 million. The table below summarises key financial performance over the last three years.

<b>Financial performance</b>	<b>2002/03 £000s</b>	<b>2003/04 £000s</b>	<b>2004/05 £000s</b>	<b>2005/06 (Budget) £000s</b>
Turnover	475	475	682	n/a
Operating Surplus/ (Deficit)	285	260	335	n/a
Net Surplus/(Deficit)	285	228	162	n/a

5.23 The Partnership did not prepare a budget for 2005/06. It told us that this was due to a breakdown in communication with its previous finance agent, followed by the appointment of a new agent in April 2005 during a period of significant organisational change. The Partnership took a decision not to produce a 2005/06 budget at this point because it judged that it had other more urgent priorities. The absence of a budget is a major weakness in the Partnership's financial management framework, which significantly restricts its ability to demonstrate financial control.

5.24 There has also been a delay in the Partnership's preparation of its 2006/07 budget. It had planned to present a budget to committee in January 2006, but has not achieved this timescale. At the time of our inspection the Partnership had not prepared a budget for 2006/07. It now intends to hold a special committee meeting to approve the budget prior to the start of the new financial year. This shortened timescale limits the opportunities for full discussion and for meaningful consultation with tenants over the rent increase.

5.25 The absence of a budget in 2005/06 has made it difficult for the Partnership to effectively monitor its financial performance, because it is not able to compare actual income and expenditure against budgeted figures. As a result, its financial monitoring reports have a significant gap. There was a delay in the presentation of monitoring reports to the committee in the first half of 2005/06, and the committee did not get a financial monitoring report until its October meeting.

5.26 MHP's financial projections indicate that it is financially viable in the medium term and currently has a low exposure to financial risk. It had a poor financial management framework at the time of the inspection.

## 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, MHP should:

- introduce a strategic and operational planning framework with SMART objectives;
- improve its approach to performance monitoring and reporting;
- ensure that tenants have meaningful opportunities to be involved in the development of its services; and
- develop robust approaches to obtaining feedback from service users across its services.

In housing management, MHP should:

- Introduce an effective housing management planning and performance management framework;
- ensure that it always meets its statutory duty to consult with its tenants before increasing rent levels;
- take steps to involve tenants in developing its housing management services and keep them informed of policy changes;
- review its allocation policy and supporting guidance to take account of the Housing (Scotland) Act 2001; and
- review its approach to monitoring and reporting its performance in housing management.

In property maintenance, MHP should:

- ensure that it complies with its legislative duties relating to gas safety;
- improve its performance in completing repairs on time;
- monitor the quality of the repairs carried out by its contractors;
- ensure that it complies with statutory duties relating to Right to Repair and asbestos management;
- collect performance information for responsive repairs more accurately;
- develop a clear framework for planned and cyclical maintenance; and
- introduce an effective system to monitor and control repair costs.

In governance and financial management, MHP should:

- agree a budget for 2006/07 and ensure it produces future budgets on time and within a clear financial planning framework;
- ensure that it identifies and manages potential conflicts of interest and that staff and committee have training and are supported by an appropriate policy framework;
- ensure it complies with the requirements of Schedule 7 of the Housing (Scotland) Act 2001;
- strengthen its risk management systems based on a full assessment of the risks it faces;
- consider how it can improve attendance at committee meetings and its AGM;
- ensure tenants and other service users receive regular information on how well the Partnership is performing across its services;
- identify committee members' training needs and develop a planned approach to training; and
- take steps to encourage an increase in membership levels.

## 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. The plan should show how the organisation intends to respond to our findings. We will inspect once every five years and follow up improvement plans after two years.
- 7.2 MHP should produce an improvement plan to show how it intends to respond to our findings. The plan will be agreed with us.
- 7.3 If you would like to see MHP's improvement plan you should contact:

Moray Housing Partnership

14 - 16 Commerce Street

Elgin IV30 1BS

Telephone: 01343 563509

E-mail: [enquiries@mhp.moray.gov.uk](mailto:enquiries@mhp.moray.gov.uk)

### Sources of Evidence

#### Groups and third parties consulted

- Communities Scotland Area team
- Communities Scotland Tenant participation team
- Moray Council

#### Interviews / meetings

- Members of the Partnership's committee
- Director
- Corporate and housing information officer
- Frontline staff
- Discussions with tenants

#### Reality checks

- Review of arrears cases
- Review of legal actions against tenants
- Review of anti-social behaviour cases
- Review of complaints
- Review of housing list applications, cancellations, suspensions and allocations
- Review of information for applicants and tenants
- Estate visits
- Review of gas safety
- Review of procurement
- Review of rechargeable repairs
- Review of responsive repairs
- Review of reletting processes
- Repairs Phone survey

#### Key documents reviewed

- Inspection submission
- Annual Accounts for year ending 2004/05
- Business Plan
- Arrears policy and procedures
- Allocations policy
- Complaints Policy
- Anti-social Behaviour policy
- Estates management policy
- Newsletters
- Code of conduct
- Risk management policy
- Tenant Participation strategy
- Tenant satisfaction survey
- Performance monitoring reports for rent arrears, allocations, complaints, antisocial behaviour, void management, response repairs and rechargeable repairs.
- Responsive repairs policy and procedures

- Asbestos management policy and register
- Gas policy
- Void management policy
- Tenants Handbook

### Examples of Positive Practice

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

#### Support for tenants with arrears

MHP's approach to supporting and offering assistance to tenants with arrears is sensitive to individual's needs and circumstances. The Partnership achieves regular contact with tenants and uses a range of methods including home visits, letters, e-mails and text-messages. Staff encourage tenants to bring representatives to help support them at interviews. We saw that MHP had a good approach to managing a challenging case where a tenant had mental health problems. There is also regular liaison with support agencies, assistance with completing benefit forms and the Partnership quickly informs Moray Council if there is a potential risk of homelessness.

## Glossary

<b>Affordability</b>	An Assessment of what a tenant can pay towards an arrear after living costs and other debts have been taken account off.
<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>Arrears direct payments</b>	Payments direct to a landlord from a tenants state benefits to cover outstanding arrears.
<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>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.
<b>Housing list</b>	A list of applicants for housing which is used by the RSL to allocate its housing stock.
<b>ICT</b>	A landlord's information communication technology system.
<b>Industrial and Provident Society</b>	An organisation conducting its business, either as a co-operative or for the benefit of the community, and which is registered under the Industrial and Provident Societies Act 1965.
<b>Inspection submission</b>	Documents submitted by the landlord at the start of the inspection to provide information on its performance, context and how it is structured.
<b>Internal Management Plan (IMP)</b>	Strategic plan which sets out what the organisation aims and objectives are as well as outlining how it will achieve them.
<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>Non Technical Arrears</b>	Rental charges owed to a landlord after any outstanding Housing Benefit claims or payments have been taken account of.
<b>Notice of proceedings (NOP)</b>	Documentation required to be served by a landlord advising the tenant(s) of the landlords intention to raise an action in the courts to end the tenancy.
<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. 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>Post Inspection</b>	Inspection by a member of the landlords staff to check the on the quality or deal with a complaint concerning a response repair.
<b>Pre inspection</b>	Inspection by a member of the landlords staff to check the on the exact nature of the work required before ordering a response repair.
<b>Procurement</b>	The way an organisation obtains services or materials from other organisations or agents.
<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>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>Response repairs</b>	Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance.
<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>	Statutory scheme which sets out timescales for some repairs and actions which can be taken if timescales exceeded.
<b>Schedule of Rates</b>	List of costs for repair items ,usually organised by trade.
<b>Scottish Public Services Ombudsman</b>	The independent body appointed to investigate individual complaints against public service bodies including Registered Social Landlords (RSL).
<b>Scottish Housing Quality Standard (SHQS)</b>	Was brought into to ensure minimum quality standards across all of Scotland's homes and is to be achieved by 2015.
<b>Scottish Secure Tenancy (SST)</b>	The Housing (Scotland) Act 2001 establishes the as the tenancy for all tenants of social landlords in Scotland.
<b>Short Scottish Secure Tenancy (SSST)</b>	Section 34 and schedule 6 of the Housing (Scotland) Act 2001 establish the basic conditions when a Short Scottish Secure Tenancy can apply to some tenants of social landlords in Scotland in place of a full SST.
<b>Schedule 7 of the The Housing (Scotland) Act 2001</b>	Defines how those involved with RSLs (governing body members and staff) do not benefit in an inappropriate fashion.
<b>Section 5 referral</b>	Under Section 5 of the Housing (Scotland) Act 2001 a local authority can request a registered social landlord which has accommodation in its area to provide accommodation to homeless people. This request is known as a Section 5 referral.
<b>Serious arrears</b>	Where a tenant owes more than 13 weeks rent payments and this is more than £250.
<b>Service level agreement (SLA)</b>	An agreement between departments within an organisation or between partner organisations that defines the type and level of service they will provide.

<b>Shadowing</b>	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
<b>SMART</b>	The setting of targets which are specific, measurable, achievable, relevant and timed.
<b>Stakeholder(s)</b>	Any person organisation who obtains a service from the landlord or is effected by the landlords actions.
<b>Standard Arrears letters</b>	A series of general letters held by a landlord to be sent out to tenants in arrears.
<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>Stock transfer RSL</b>	An RSL where the majority of its houses were acquired as a result of a transfer of local Authority or Scottish Homes houses to it.
<b>Suspension or Suspension Policy</b>	Policy by which a landlord may temporarily suspend an applicant from receiving offers from its housing list as defined in the 1987 Housing (Scotland) Act and amended in the 2001 Housing (Scotland) Act.
<b>Technical Arrears</b>	Rental charges owed to a landlord as a result of an outstanding Housing Benefit claim or payment.
<b>Tenant Assessor</b>	Tenant assessors are trained lay people (tenants) who are part of the inspection team. They are involved in the preparation for the inspection, reading landlord materials and on-site visits as well as talking to tenants.
<b>Turnover (empty houses)</b>	The number of houses that are vacated in a year expressed as a percentage of the landlords housing stock.
<b>Wider Action</b>	Actions taken by a landlord outside of its normal landlord role to promote social inclusion in the communities it serves.

## Regulation & Inspection

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