

Communities Scotland
Inspection report

Ruchazie Housing Association Ltd

February 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 the inspectors:
- spoke to staff, tenants and members of the governing body;
 - asked other partner organisations for their views;
 - 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.

The inspection team

- 1.4 The Ruchazie Housing Association inspection was carried out by Tom Burns (Inspector) who was supported by Luise Siekman (Financial Analyst) and Joyce Kilpatrick (Inspection Officer). We were on site on 13 October 2005. We would like to thank everyone involved in the inspection, particularly the Management Committee and staff for their time and co-operation.

* see glossary

Responding to this inspection

- 1.5 We expect all inspected bodies to make 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. We require that the summary of this report is issued to all tenants.

2. Context

About the Organisation

- 2.1 Ruchazie Housing Association was formed as a result of a stock transfer from Glasgow City Council. The Association was registered in December 1993. It is a non charitable Industrial & Provident Society*. The Association owns 150 new build and 24 modernised properties in north east Glasgow. It is located in the Greater Easterhouse Social Inclusion Partnership* Area.
- 2.2 The Association is governed by a voluntary management committee elected at its Annual General Meeting (AGM). It currently has nine committee members two of whom are co-optees. Seven committee members are tenants. Ruchazie has two full time employees and three part time employees. The Association receives accountancy services from an external agent. The table below shows some key facts on Ruchazie.

Key Facts

	2002-2003	2003-2004	2004-2005
Houses owned	174	174	174
Employees (full time equivalent)	4	4	4
Annual turnover (£000's)	483	479	500
Total possible rental income (£000's)	400	428	440
Total Arrears (£'s)	13,377	18,589	20,766
Average* weekly rent	46.19	46.83	48.70
Houses re-let	7	10	7
Average days to re-let	16	6	7
Responsive repairs carried out	754	760	810

Source: Annual Performance & Statistical Returns (APSR)* ; annual accounts; inspection submission*

* see glossary

3. How good are the services?

Accessible Services

Social landlords should provide open, fair and equal access to their houses and services.

- 3.1 Ruchazie provides fair access to its housing list* to applicants aged 16 years and over. Application forms are available at its office, however it does not publicise access arrangements through other local landlords or through community facilities as intended in its allocations policy. As a very small landlord, it has decided not to participate in the development of the citywide common housing register at present.
- 3.2 Ruchazie's allocation policy dates from November 2000. It has not been revised to fully comply with the requirements of the Housing (Scotland) Act 2001 although some amendments were approved and appended in May 2005. A comprehensive review of the policy is required to meet current statutory and good practice requirements. The Association has recognised this weakness and has included its allocation policy in a programme of policy review that it is carrying out, however it has not dealt with it as a priority.
- 3.3 Ruchazie operates an allocation policy that is based on housing need and prioritises those entitled to reasonable preference under the legislation. Until 2004 when it completed its development programme, allocation priority was given to tenants displaced by the local redevelopment process. The policy presently operated expects allocations to be drawn from several sources; transfer applicants are to receive 20% of allocations, with the remainder split equally between housing list applications and Glasgow City Council nominees. In practice the council has never called upon the Association to house nominees, restricting its requests to Section 5 referrals*, which the Association has dealt with under a separate agreed protocol. Ruchazie showed good commitment to tackling homelessness by letting two of the seven houses it relet in 2004/05 to homeless people through Section 5 referrals.
- 3.4 Ruchazie did not have any suspended housing applicants at the time of our inspection; it had however suspended three applications in 2004/05. The existing policy and procedures do not provide adequate information to either the Association's

* see glossary

staff or applicants on how it will deal with suspensions. This weakness should be addressed in the review of the Association's allocation policy.

- 3.5 Ruchazie performs well in the time it takes to register applicants onto its waiting list; the average was four days in 2004/05, which is currently being maintained. This compares well with its rather wide target of acknowledging applications within 5 to 10 days of them being received. The letter the Association sends to applicants does not give them information on how their priority points have been assessed, their prospects of being housed, information on the Associations housing stock or how they may appeal.
- 3.6 The Association visits all applicants before they receive an offer of accommodation in order verify that the information on their application is accurate and up to date. Two members of staff check each application and proposed allocation of housing. The housing list is normally reviewed each year, though this did not occur in 2004 due to staff shortages. The Association restricts applicants choice by limiting the number of offers of accommodation it will make, to two.
- 3.7 Ruchazie provides good access to its repairs services during and outwith normal office hours. Repairs can be reported by phone, email, letter, to staff onsite or by visiting its office. It publicises arrangements for reporting repairs in its newsletters and tenancy pack. Tenants can access the out of hours emergency repairs service by calling a staffed 24 hour helpline. The Association does not operate a formal appointment system for responsive repairs, however arrangements with its contractors require that they keep to any appointments made with tenants.
- 3.8 Ruchazie Housing Association's office is accessible. It is centrally located alongside the local shop and is within easy walking distance of all the Association's properties. The office is wheelchair accessible, it is equipped with a private interview room and there are toilet facilities suitable for the disabled. The Association can provide translation and signing services if necessary and its policies can be made available on audio tape and in Braille.

Service Quality

Social landlords should deliver high quality services and maintain their houses to a high standard.

Housing Management

3.9 Ruchazie has signed up all but four of its tenants to the Scottish Secure Tenancy (SST)* agreement. In 2004/05 it signed up one tenant to the Short SST in connection with antisocial behaviour but later realised it had done so in error. It quickly corrected the position and a SST was put in place. The Association does not have a policy or procedures in place to guide staff on the use of Short SSTs. This is a weakness.

3.10 The Association issues its new tenants with an tenancy pack that contains;

- the tenancy agreement;
- information and application form for becoming an association member;
- contents insurance information and application;
- application to keep a pet; and
- handbook containing information on responsive repairs contact arrangements and appliance controls etc.

The information provided in the pack is limited and does not provide tenants with a wide range of information on tenancy related matters. The Association has recognised this and is currently developing a new Tenant's Handbook.

3.11 The Association issued 11 Notices of Proceedings* and initiated 5 court actions during 2004/05, 4 due to rent arrears and 1 relating to antisocial behaviour. A Recovery of Possession Order* was obtained and implemented in one case involving rent arrears. It seeks to recover vacant possession only as a last resort.

3.12 Ruchazie has a good approach to support and welfare advice. New tenants are offered assistance in completing housing benefit applications. The Association has good liaison arrangements in place with the City Council's Housing Benefit Department. A home visit is made to all new tenants within three months of their tenancy starting, to offer further advice and support, if necessary.

* see glossary

- 3.13 Ruchazie's estates are subject to graffiti, fly tipping and vandalism, but it has good arrangements for dealing with these issues. We saw that the housing, private and public landscaped areas are all well maintained. Recent improvements aimed at reducing fly tipping include the Association moving bulk rubbish to selected spots at agreed times to allow the cleansing department to uplift them more efficiently. Tenants that we spoke to during our visit felt estate management had improved and in a recent satisfaction survey 80% of respondents said they were satisfied or very satisfied with the Association's estate management service.
- 3.14 In April 2005 Ruchazie began to categorise and collate information on the antisocial behaviour and neighbour nuisance complaints it receives. This was as a result of an initiative by Glasgow City Council to obtain this information across the city in a standard form. Since June, the Association's management committee has received reports providing details of the statistical data and actions taken. The Association is effective in dealing with complaints; progress on dealing with those that are significant is reported to the management committee each month without revealing the identities of the individuals involved. An escalating range of actions is used including, as a last resort, legal action. It raised one action for Recovery of Possession* because of antisocial behaviour in 2004/05 and another in 2005/06. One resulted in an Acceptable Behaviour Contract* being issued. It recently entered into a protocol with Strathclyde Police aimed at improving information sharing in cases involving antisocial behaviour and it is working with other local Registered Social Landlords (RSLs)* to develop a strategy for tackling antisocial behaviour across the area.

Property Maintenance

- 3.15 Ruchazie's 24 hour repair target for emergency repairs is not particularly demanding when compared to the national median of 6 hours. Urgent and routine repairs have 3 day and 10 day targets for completion, similar to national median targets. The Association has not reviewed its target timescales recently.
- 3.16 Ruchazie's performance in meeting its repairs target timescales is excellent and better than peer and national averages in all three categories. It has improved its

* see glossary

reported performance in completing repairs from 2002/03 levels; in 2004/05 it completed 100% of emergency repairs, 99% of urgent repairs and 99.5% of routine repairs within its target timescales.

- 3.17 Ruchazie has a very thorough approach to maintaining the quality of reactive repairs. Its Maintenance Services Officer aims to pre inspect 20% of ordered repairs and post inspect 15% upon completion. It has no set criteria to select which repairs it checks in this way but its Maintenance Services Officer advised us that she targets pre inspections on cases where details of the repair needed were not clear.
- 3.18 Ruchazie gathers information on tenant's satisfaction with repairs during post repairs inspections carried out by its staff. Tenants are asked to comment on how quickly the repair was attended to, the tradesperson's attitude, and repair quality. However Ruchazie does not regularly collate, or report on, the information it obtains in this way, so that it can be used to improve the service. Its own checks show repairs are carried out to a good standard. In a recent association wide survey 85% of respondents said they were satisfied or very satisfied with the Association's repairs service.
- 3.19 The Association has had a statutory duty to provide tenants with a right to repair* since September 2002. Ruchazie has been slow to fulfil its responsibilities in this area. Immediately prior to our inspection, in September 2005, it improved the information it provides to tenants reporting a qualifying repair and it is now developing a policy on the subject. Since September tenants reporting this type of repair are given written information that includes;

- confirmation that it is covered by right to repair;
- when it should be completed;
- compensation details; and
- the name and contact details of a second contractor.

The tenancy agreement includes brief information on the right to repair* provisions and in 2002 the Association included a Scottish Executive leaflet in one of its newsletters. It does not advise tenants in writing on the provisions every year, as it is required to do under the regulations.

* see glossary

- 3.20 Ruchazie has assessed that all of its properties will meet the Scottish Housing Quality Standard (SHQS)* that Scottish Ministers have set as a target for social rented houses by 2015. It has submitted a self assessment plan to Communities Scotland confirming its position.
- 3.21 Ruchazie is required to carry out safety checks every 12 months on all gas appliances and flues, which it provides for its tenants' use. It has a fair approach to gas safety, however this not backed up by written procedures to guide staff. At the time of our inspection 15 properties (8.5%) did not have a current gas safety certificate. These are weaknesses. Of the 159 properties that did have a certificate, 153 (96%) had not had a break between the previous and the current certificate. The Association is working at resolving the weaknesses in the way it carries out gas safety checks; it recently shortened from 11 to 10 months, the period between the date certificates take effect and when it instructs a further inspection, in order to reduce the number of properties without continuous cover.
- 3.22 From May 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Ruchazie has obtained confirmation from its external planning supervisor that none of its properties contains asbestos.
- 3.23 Ruchazie has a fair approach to home safety; all of its houses have hard wired smoke detectors, although currently these are not systematically maintained. All of its houses with common entrances have door entry systems that are checked during monthly estate visits. None of its houses have lead pipes.

Service user focus

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.

- 3.24 Ruchazie has a good approach to engaging with service users. It regularly asks tenants for their views on the repairs service using satisfaction questionnaires issued during post repairs visits by its staff. It issues an informative quarterly newsletter "Rave about Ruchazie" which provides information on a wide range of subjects, including some aspects of the Association's performance. It recently completed a

* see glossary

large scale tenant satisfaction survey covering its services and wider community issues, and intends to follow up expressed views. This survey revealed that;

- 90% of respondents felt the Association was good or very good at keeping them informed;
- 70% felt the Association took their views into account; and
- 90% felt the Association was a good or very good landlord.

3.25 We were unable to see examples of the Association's approach to dealing with formal complaints; none had been received in the period we were reviewing. The Association is currently reviewing its complaints policy and staff procedures.

4. Is the service managed for improvement?

Performance and resource management

Social landlords should have clear objectives, standards and targets, manage costs effectively and should work to continuously improve services.

4.1 Ruchazie offers its tenants a fair range of methods by which they can pay their rent. Tenants can pay their rent directly to its office, at post offices or by standing order from their bank.

4.2 Ruchazie's performance in rent arrears is good. Its 2003/04 non technical, technical and total rent arrears* at 3.27%, 1.07% and 4.34% of gross income, were all below peer and national averages in that year. As a result of small increases in both technical and non technical arrears, total arrears rose to 4.71% in 2004/05; however this was still very much lower than peer and national levels in the previous year.

4.3 The Association's turnover of houses reduced from 6% in 2003/04 to 4% in 2004/05. The average time that Ruchazie took to relet its houses during 2003/04 was 6 days; this compared well with the average of 31 days taken by its peers and the 34 day national median. This excellent performance placed Ruchazie best of 20 RSLs in its peer group and 11th of all RSLs nationally. The time taken to relet houses in 2004/05 rose slightly to seven days; still very much shorter than peer and national performance in the previous year. Rental income lost was correspondingly low; 0.1% of total rent income, in years 2003/04 and 2004/05.

- 4.4 Ruchazie's annual costs for delivering its housing management and property maintenance services were £891 for each of its houses in 2003/04 around 12.5 % higher than its peers. Costs rose by around 7% to £954 for each house in 2004/05.
- 4.5 Ruchazie's policy and procedures framework is not fully developed and the Association has not always reviewed those policies and procedures that it has within the review periods it has set itself. The Association has recognised this weakness. In December 2004 it set up a performance review group that consists of management committee members and the Housing Services Manager, supported by the Director and an external consultant, to review its policies and procedures. It intends to involve tenants in this policy review but has not yet worked out the details how this will be done. It expects that it will complete this exercise by May 2006.

5. Governance & Financial management

Leadership, ethical standards and risk

Social Landlords should have a clear vision, promote values that underpin good governance and effectively manage organisational risk.

- 5.1 In recent years uncertainties around whether the Association would become responsible for managing housing owned by Glasgow Housing Association and difficulties in progressing a new build proposal have affected its ability to plan its future direction confidently. The effect of these uncertainties is evident in internal management processes which are not fully developed. The Internal Management Plan (IMP) sets out its broad aims and purpose however it is tentative regarding the Association's future direction. The IMP includes analysis of the Association's strengths and weaknesses and identifies some key objectives. However it is neither supported by an action plan or information on who is responsible for its implementation or the timescales that will apply. Due to these weaknesses, it is difficult for the management committee to exercise effective control over the future direction of the organisation. Some objectives are linked to risk management where the officers responsible are identified. While there is no set timescale for reviewing progress against the IMP objectives, the Association has agreed that this should be

done regularly. Progress was reviewed in June and October 2005. The IMP itself, is reviewed annually.

- 5.2 Ruchazie's risk management is integrated with its IMP. An assessment of the risks it faces and how it will deal with them, is carried out each time it reviews the plan. The risks it has identified are generally financial; strategic and operational risks are covered less well. Risks are not prioritised.
- 5.3 The management committee does not monitor its own performance in controlling and guiding the Association. It has not addressed the recommendation in this respect in the Performance Audit report by Scottish Homes in 2001. This is a further weakness.
- 5.4 Ruchazie's management committee currently has seven elected and two co-optee members. The number of elected members is the minimum allowed under its rules and any reduction in their number, caused for example by a resignation, would reduce its ability to manage its business.
- 5.5 Committee members are experienced and show a high level of commitment to the Association. The Association has a Training Policy for Committee Members that covers how it will identify and meet the training needs of new and existing members. We were able to see how it obtained information on needs through issuing questionnaires to all committee members after each Annual General Meeting (AGM); also that members did attend training sessions. However the training provided was not linked to any analysis of the members' training needs.
- 5.6 The Association's AGM in 2004 was attended by 11% of its 118 members. Similar numbers attended the 2005 AGM. In 2004/05 committee member attendance at governing body meetings was 74%, slightly above peer and national averages; all of its management committee meetings were quorate.
- 5.7 Ruchazie's committee members and staff are aware that they need to meet the highest ethical standards. The Association has produced a helpful guidance note on the subject. We found that Ruchazie has satisfactory arrangements to meet statutory requirements relating to the granting of benefits in Schedule 7* of the Housing (Scotland) Act 2001, and for managing potential conflicts of interest.

* see glossary

Financial viability and management

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

- 5.8 The 5 year financial projections were prepared in 2004 and include an income and expenditure account, and cash flow along with narrative. These projections indicate that Ruchazie is viable in the short to medium term. However as the Association is only now starting a process that will deliver life cycle costings* for its properties, the estimated major repair figures that it has included in years 2006/07 onwards are not based on factual information. If these estimates prove to be understated, this would have an adverse impact on the association's viability. This weakness has been recognised by the Association and firm plans are in place to obtain life cycle costings that will better inform its financial projections.
- 5.9 Ruchazie's financial management framework is good. A comprehensive one year budget is presented to committee annually. The budget has a clear and concise layout and includes informative narrative. The committee uses separate financial reports, presented quarterly, to monitor actual spend against budget. The format of the quarterly financial reports is also clear and they contain a high level of narrative to explain the figures and provide explanations for any variances.

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:

In **Access**, Ruchazie should:

- publicise its rules for letting houses and how to apply, using methods that include those listed in its Allocations Policy; and
- remove restrictions on number of offers available to housing applicants.

In **Service Quality**, Ruchazie should:

- meet statutory requirements for gas safety;
- prioritise completion of its review of its Allocation Policy to comply with statutory requirements and good practice;
- provide applicants for housing with information on how their application has been assessed, their housing prospects, the Association's housing stock and on how they can appeal.
- collate and analyse information on tenants views to improve services; and
- provide tenants with comprehensive information on tenancy and related matters.

In **Performance and Resource Management**, Ruchazie should:

- ensure that it has current and relevant procedures to support what it does; and

In **Governance and Financial management**, Ruchazie should:

- develop an action plan using SMART* targets, to support its IMP;
- review its risk management plan to deal with all the risks it faces;
- take steps to ensure there are an sufficient committee members to provide continuity in managing its business;
- the management committee should monitor its performance in controlling and guiding the Association; and
- use life cycle costings* to inform major repair estimates included in its financial projections.

* see glossary

7. Next steps

- 7.1 This report highlights our findings following this housing inspection. We expect Ruchazie to respond effectively to our recommendations using an improvement plan to be submitted to us within eight weeks of the publication of this report. The plan should show how the organisation intends to respond to our findings. The plan will be agreed with us.
- 7.2 If you would like to see Ruchazie's improvement plan you should contact the Chairperson at:

Ruchazie Housing Association
24 Avondale Street
Ruchazie
Glasgow
G33 3QS
Telephone: 0141 774 4433
Email: administration@ruchazieha.co.uk

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 e-mail: janette.campbell@communitiesscotland.gsi.gov.uk.

Sources of Evidence

Groups and third parties consulted:

- Glasgow City Council
- Communities Scotland Quality and Transfer Delivery Unit
- Communities Scotland Support Team Regulation and Inspection

Interviews/meetings:

- Members of the Association's management committee
- Director
- Housing Services Manager
- Maintenance Services Officer
- Financial services agent.
- Group of tenants

Reality checks:

- Review of gas safety documents
- Review of responsive repairs
- Review of Recovery of Possession action
- Review of housing list applications and allocations
- Review of Schedule 7 Register*
- Review of Conflict of Interest Register
- Review of management committee Members rent accounts
- Observation of committee meeting
- Tour of estate

Key documents reviewed:

- Inspection submission*
- Conflict of interest register
- Complaints register
- New Tenancy pack
- Management committee rent accounts
- Chairpersons Annual Report
- Performance reports

* see glossary

Glossary

Annual Performance Statistical Return (APSR)	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.
Acceptable Behaviour Contract	Voluntary agreement made between people involved in anti-social behaviour and the local police, the housing department, the registered social landlord, or the perpetrator's school.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
Industrial and Provident Society	Many RSLs are legally incorporated as industrial and provident societies. I&Ps can be charitable or non-charitable, or housing cooperatives. They must be non-profit making and supervised by the Register of Friendly Societies.
Inspection submission	Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
Median	The mid point in a series of numbers, half the data values are above the median and half are below.
Notice of proceedings	The formal notice provided to tenants informing them that their landlord is taking legal proceedings to seek a court order for recovery of possession of a property.
Peer group	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.
Performance indicator	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.
Performance Standards	Housing standards for all social landlords in Scotland.
Recovery of Possession Order	Order granted by the Courts bringing tenancy to an end.

Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Rent arrears	<p>Technical arrears; Arrears caused by Housing Benefit delays (for example, Housing Benefit outstanding but not yet received by RSL); or payments outstanding from people who pay their rent slightly late by agreement with the RSL.</p> <p>Non-technical arrears; Arrears caused by ordinary non-payment of rent by tenant.</p> <p>Total arrears; Includes technical and non-technical arrears.</p>
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs carried out in defined times.
Section 5 referrals	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.
Schedule 7	Schedule 7 of the Housing (Scotland) Act 201 restricts the type of payments and benefits that can be made to RSL employees; governing body members; or their families.
Scottish Housing Quality Standard (SHQS)	All property managed by registered social landlords must be brought up to a certain standard by 2015.
Scottish secure tenancy (SST)	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
Short Scottish secure tenancy (SSST)	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.
Social Inclusion Partnership	Broadly based partnership which has the local community at their heart. Comprises the local authority and other public agencies such as local enterprise companies, local health boards and the voluntary and private sectors.
SMART	The setting of targets which are specific, measurable, achievable, relevant and timed.

Regulation & Inspection

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