

Inspection report

West Lothian Housing Partnership

June 2005

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Summary

The inspection of West Lothian Housing Partnership took place in January 2005.

Inspection Findings

West Lothian Housing Partnership (the Partnership) is based in Livingston and owns 230 houses in West Lothian. The Partnership was registered with Communities Scotland in 2001. This is its first inspection.

In the 3 years since registration the Partnership has built 230 good quality homes and has achieved high levels of satisfaction from its tenants. The Partnership is run by a Board of individuals representing the Council, tenants and independents. Collectively there is a good level of experience, excellent local knowledge and a commitment to continually develop the skills and knowledge required to run a Registered Social Landlord (RSL). The organisation is financially viable and current financial performance is good.

Services are provided by West Lothian Council (WLC) through a service-level agreement. Services are co-ordinated by a Housing Manager who is working solely for the Partnership and the service-level agreement is overseen by the Partnership's Business Development Manager. Both Partnership and management agent staff are committed to providing a good service, they understand the framework within which an RSL works and are aware of the areas where further development is needed. While governance is generally good, the partnership could improve how it manages conflicts of interest.

Overall, the Partnership is performing well given its relative youth, demonstrating some strengths. There are also some areas where improvement is needed.

Strengths in the Partnership's services:

- its houses and neighbourhoods are in good condition;
- it lets housing to people in housing need;
- the time it takes to relet houses;
- the level of rent loss through empty properties
- its management of rent arrears;
- initial efforts in involving tenants in the review of services.

Key areas for improvement in the Partnership's services:

- its poor management of gas safety;
- the information to applicants about the application and appeal process;
- the time it takes to let newly-built houses;
- the responsive repairs performance.

Next steps

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

How to get more information and contact details

If you would like to find out how the Partnership plans to respond to the findings you should contact:

Lennox House
Almondvale Boulevard
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EH54 6QP

Telephone: 01506 460777
Email: wlhp@btconnect.com

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

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 and tenant members of the governing body;
- visited local areas;
- tested first-hand how well services were being delivered;
- examined key policies, publications, information and the organisation's self-assessment submitted for this inspection;
- analysed published performance and financial information.

The inspection team

1.4 The lead inspector on the Partnership inspection was Carol Paton (Associate Inspector) supported by Lynne Bell (Financial Analyst). We were on site on 17 January 2005. We would like to thank everyone involved in the inspection, particularly the governing body and staff for their time and co-operation.

Responding to this inspection

1.5 We expect West Lothian Housing Partnership to make the summary of this report available to anyone who 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 The Partnership is a Registered Social Landlord (RSL) based in West Lothian where all of its 230 houses for rent are situated. It has one member of staff, the Business Development Manager appointed in March 2004, and has a service-level agreement with West Lothian Council (WLC) for the provision of services in housing management, property management, financial management and administration.
- 2.2 The Partnership was registered by Communities Scotland in December 2001. This is its first inspection. The Partnership is a company limited by guarantee with charitable status.
- 2.3 The Annual Performance and Statistical Return (APSR) asks RSLs to select a peer group which best describes their organisation. The Partnership selected the group described as small RSLs that operate in urban areas. This is the group we used to compare the Partnership's performance.
- 2.4 The Partnership's stock was constructed between August 2002 and October 2003. In addition to providing housing management and property maintenance services to its current stock the Partnership has identified a further 3 sites for development. These sites are described in its first Strategy & Development Funding Plan submitted to Communities Scotland in 2004 and could potentially increase the stock to 350 units.

Key Facts

- 2.5 The table below gives background information about the Partnership and shows trends over the last three financial years.

	2002-2003	2003-2004	2004-2005
Houses owned	87	230	230
Employees	-	-	1
Annual turnover (£'000's)	57	600	751
Total possible rental income (£'000's)	58	585	731
Rental income from housing benefit (%)	64	47	54.6
Average weekly rent (£)	58.1	58.86	60.93
Average rent increase (%)	3.5	3.6	3.5
Houses re-let	2	11	14
Responsive repairs carried out	2	292	Not available
Maintenance spend per house (£) (Direct cost excluding overheads)	Not available	101	Not available

3. How Good is the Service?

Housing Management

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.

- 3.1 The Partnership now maintains an open housing list and anyone over the age of 16 can apply at any time. Prior to 2004/05, as its stock was being constructed, the Partnership let each house to an applicant nominated by WLC. At the time of our inspection, there were 62 people on the Partnership's housing list.
- 3.2 Since opening its own list in 2004 the Partnership now monitors applications and lettings to all groups, including ethnic groups and people with disabilities. One applicant (2% of the housing list) is from the black and minority ethnic (BME) communities and all lettings so far have been to white applicants. The Partnership operates in an area with a relatively low proportion of people from BME communities. Guidance to potential applicants offers translation and different formats.
- 3.3 The approach regarding suspensions is appropriate in practice. Only two applicants have been suspended, neither have priority points and both remain on the list. However, no information is given in the guidance to applicants about the criteria for suspension or the approach taken. The policy states an intention to suspend for a 12 month period on a second refusal, which could be unreasonable depending on the circumstances for refusal.
- 3.4 The partnership aims to put people on its list within 10 days but we found that in each of the six cases reviewed this target was not achieved. Confirmation of acceptance to the list has taken an average of 65 days. Although the Board was advised of the target not being achieved the performance is not monitored or reported in detail.
- 3.5 The information to applicants explaining the principles of the allocations policy and the likelihood of rehousing is clear. But it is not clear to those applying exactly how points will be awarded or, to those on the list, how many points have been awarded. Nor is the right of appeal referred to in the information pack or in the letters to those on the list.
- 3.6 A Section five homeless protocol and a nominations agreement have been agreed with WLC and the Partnership has recently started to implement this more standard agreement for 50% nominations with three names per vacancy.

- 3.7 Applicants are not allocated homeless points unless they have been assessed as homeless by the Council. There could be clearer guidance and advice provided to applicants about the evidence needed regarding assessment and the implications of the lack of evidence. In one case reviewed, an applicant to be discharged from prison was not assessed as homeless and there was no evidence of advice to the applicant or referral to the Council.

Meeting need and maximising choice

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

- 3.8 The Partnership's allocation policy is based on prioritising those in housing need and in all lets reviewed there was evidence of housing need. A good proportion of total lets have been made to homeless applicants since the partnership began letting houses. 32% of lets and re-lets since 1 April 2003 have been to homeless people.
- 3.9 As all allocations have previously been made to Council nominations and, as we found cases where only one name had been provided, the ability to demonstrate that people were prioritised in accordance with the Partnership's allocations policy is limited. Where more than one nomination was considered, it was not clear why individuals had been by-passed or their application withdrawn.

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.

- 3.10 All the Partnership's tenants have new Scottish secure tenancy (SST) agreements.
- 3.11 The Partnership provides good information and advice to tenants at the start of their tenancy in the form both of a tenants' handbook and personal contact and has recently started to survey tenants' views of the allocations process.
- 3.12 The Partnership takes eviction action only as a last resort and only one recovery of possession was granted in 2003/04. In this case appropriate contact was made with a homelessness housing advice officer. However, the Partnership issues notices of proceedings for recovery of possession in a relatively high number of cases (57 in 2003/04 all for rent arrears). The cases reviewed show regular and sustained contact is being made in an effort to establish arrangements to pay and reduce arrears.

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 anti-social behaviour.

- 3.13 The Partnership's neighbourhoods are well maintained and Partnership tenants have access to the Council's neighbourhood environmental team. Houses have been designed to Housing for Varying Needs Standards.
- 3.14 In the last 18 months there have been 18 cases of neighbour complaint recorded by the Partnership the majority of which were minor and only three continued to be active at the time of the inspection. The tenants have access to the Council's Neighbourhood Response Team and close working between the Partnership, the Council and Community Police has enabled the Partnership to tackle cases of anti-social behaviour successfully.

Property Maintenance

Access to the repairs service

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

- 3.15 Repairs can be reported easily by telephone, letter, or email. Calls by telephone can be made 24 hours a day. Suitable access times are arranged with the tenant.

Speed and quality of responsive repairs service

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

- 3.16 The Partnership sets targets for dealing with responsive repairs that are comparable with other RSLs. The table below shows that performance is relatively poor when compared with other RSLs but a new service contract with WLC has helped to improve performance in 2004/05 to 100%, 91% and 92% respectively.
- 3.17 The Partnership gathers some feedback on each repair order through a freepost satisfaction questionnaire but does not report the results to the Board. Tenant Board members are very satisfied with the repairs service that they have received.
- 3.18 The Partnership does not provide a Right to Repair service. Tenants are not advised if a repair qualifies for the scheme and repairs are not monitored.

	Partnership target response time	Performance				
		Partnership			National median 2003/04	RSL peer average 2003/04
		2001/02	2002/03	2003/04		
Emergency Repairs	24 hours	Not available	Not available	93%	97%	97.4%
Urgent Repairs	3 days	Not available	Not available	74%	93%	94.2%
Routine Repairs	10 days	Not available	Not available	65%	95%	90.7%

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.

- 3.19 The Partnership provides high quality, well designed houses which have all been built in the last three years.
- 3.20 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords are required to prepare a plan showing how they will achieve this by April 2005. The delivery plan due for April 2005 has yet to be finalised but the Partnership expects all of its houses to meet the standard. The stock has also been built to comply with The Control of Asbestos at Work 2002 Regulations.
- 3.21 The Partnership has life cycle costing information in place to ensure the cost of future maintenance is planned for. There are no cyclical or planned maintenance programmes in place as yet.
- 3.22 During the last year the Partnership has not met its legal obligations for carrying out gas safety checks with only 14% of its properties at December 2004 having had the gas safety check completed within the legally specified 12 month period. This is a major weakness. At the time of the inspection, all but four (1.7%) properties had a valid certificate in place, three of which were overdue by several months. The partnership recognises the need to programme the checks to ensure compliance in future. All properties have hard-wired smoke detectors.

	December 2004	
	Number of houses	% of houses with gas
Houses with gas appliances	230	100
Houses with current gas safety certificates	228	99
Houses where safety check was carried out within 12 months of previous check	33	14
Houses where safety check was up to 1 month late	61	27
Houses where safety check was between 1 and 3 months late	90	39
Houses where safety check was more than 3 months late	44	19

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.

- 3.23 A high proportion of tenants are satisfied with their new homes and the service from the Partnership, as measured in a 2004 survey. 97% are satisfied with their new home, 92% with service generally, 96% find contact easy and 84% find the response time good. Issues raised by the tenants have been reported to the Board and appropriate action taken. The tenant members of the Board met during the inspection personally rated the service as excellent.
- 3.24 Tenants can report a repair in a variety of ways to suit their circumstances and at any time in a 24 hour period.
- 3.25 The relatively few service complaints received have been attended to appropriately and quickly.
- 3.26 The Partnership is making efforts to seek tenants' views on a variety of service areas and in policy reviews on, for example, allocations, adaptations and rent increases. However, apart from tenant membership on the Board there are no structures in place and little evidence of tenant interest in becoming more involved.
- 3.27 The main method of communicating with tenants is through the Tenants' Handbook, the newsletter and individual correspondence. The information provided in the Handbook is fairly comprehensive but detail about repairs categories and standards is limited. Also, the distinction between the services provided by the Council and the Partnership is unclear and confusing in several areas of the Handbook.

4. 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.

- 4.1 The Partnership's rent, at an average of £58.86 in 2003/04, is high compared to the peer average of £49.14, but reflects the fact the stock is newly-built and compares with peer RSL new-build rent levels.
- 4.2 The Partnership's performance in collecting rent is very good in comparison with its peers. There is an effective working relationship with WLC's housing benefit staff which enables the Partnership to verify new housing benefit claims and closely monitor housing benefit payments.

	At March 2003	At March 2004			At Dec. 2004
	Partnership	Partnership	Peer Average	National Median	Partnership
Total arrears as % of total gross rental income	19.53	4.07	6.40	6.38	3.50
Total current arrears as % of total gross rental income	19.00	3.10	5.36	4.56	2.30
Current arrears (non technical) as % of total gross rental income	5.10	3.00	3.29	3.43	2.10
Current arrears (technical) as % of total gross rental income	13.90	0.10	2.06	1.13	0.17
Total former tenant arrears	336	5,865	-	-	8,590
As % of total gross rental income	0.58	1.00	1.04	1.81	1.17
Rent arrears written off	0	0	-	-	0

- 4.3 Assisted by a relatively low turnover, the Partnership's performance in minimising the loss of rental income through empty houses is excellent. Performance in letting newly-built houses in 2003/04 was less efficient than the performance in relets, with only 55% let within two weeks.

	At March 2003	At March 2004			At Dec. 2004/05
	Partnership	Partnership	Peer Average	National Median	Partnership
Rental income lost due to empty houses (£)	86	1,063			516
As % of total rental income	0.1	0.2	0.6	3.0	0.1
% of empty houses re-let in less than 2 weeks	100	90.9	42.4	27	86
% of empty houses re-let in 2-4 weeks		9.1	30.4	27.3	14
% of empty houses re-let in more than 4 weeks	-	0	27.2	45.7	0
Average time to re-let (days)	5	5	31	34	10

* For the period April to December 2004

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

- 4.4 The Partnership has a service-level agreement with WLC for the provision of housing and property management services. This arrangement has served the Partnership well with a high level of tenant satisfaction with the service and a highly competitive cost.
- 4.5 The contractors for the repairs service were procured through competitive tendering. The contract was won by WLC's own contractors, but the Partnership was weak in its management of conflicts of interest in this procurement. We cover this in more detail in Section five.

2003/04 per unit costs	Partnership	Peer Group Average
Housing management costs (£)	323	528.13
Property management costs (£)	112	156.39

Performance management

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

- 4.6 The Partnership has developed a performance management framework to ensure targets are set and performance is monitored. So far, the targets set are the basic key performance indicators. Performance is reported regularly to the Board and is adequate given the stage of the Partnership's maturity but shows limited analysis, trend information or strategies for improvement. There is no information reported on:

- gas safety;
- rent loss through voids;
- former tenant arrears;
- planned or cyclical maintenance;
- tenant satisfaction; and
- equal opportunities outcomes

4.7 Reporting could be improved with more detail on serious rent arrears cases (particularly as seven tenants are responsible for 28% of the debt) and with a comparison of percentage rent lost against targets.

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 The Board has a clear view of its role and works well with its member of staff and the managing agent. The Partnership plans ahead and develops an annual management plan which is adequate for its purpose. The Board has a good level of tenant involvement and 20% of Partnership tenants are members of the Company. Board members demonstrate strong commitment, local knowledge and awareness of key issues.
- 5.2 The on-going training programme is relevant to business needs and well-attended by the tenant Board members.
- 5.3 The composition of the Board is one third tenants, one third Council nominations, one third independents and membership is currently adequately balanced between these sets of stakeholders. Attendance at the Board is relatively low and has been falling over the last three years. More could be done to strengthen the Partnership's leadership by developing a more cohesive governance group and to encourage active participation of all constituency Board members across all governance activities.
- 5.4 Given the close relationship with WLC, the Partnership needs to demonstrate its independence from the Council and its control of the management services received under the service-level agreement with the Council. There is greater demonstration of independence and control following the appointment in March 2004 of the Partnership's Business Development Manager and the tendering for the property maintenance service. The service-level agreement with the Council needs to be reviewed in the light of the appointment to the post of Business Development Manager. The accountability to, and delegated authority from, the Board to its sole member of staff should also be explicit and formalised.
- 5.5 In reviewing the service contract with the Council, the Partnership has not always been aware of the need to avoid any conflicts of interest. It has involved Councillors in discussing and being signatories to the contract without declaring an interest. The Board members involved in the inspection were aware of the need to ensure the identity of the Partnership as landlord is made clearer to reduce the risk of confusion regarding

service provision and to accurately reflect tenant satisfaction with the Partnership.

- 5.6 There were no breaches of Schedule 7, but there is a misunderstanding of the need for Board approval to tenancies to relevant persons expressed in the Allocations Policy.

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.

- 5.7 The Partnership's current financial performance is good, with healthy surpluses being returned. The thirty-year projections also indicate sustainability in the long-term.

Financial performance	£000's 2000/01 (Actual)	£000's 2001/02 (Actual)	£000's 2002/03 (Actual)	£000's 2003/04 (Actual)	£000's 2004/05 (Budget)
Turnover	0	0	56,719	599,890	721,394
Operating Surplus/(Deficit)	(3,413)	(2,720)	27,047	482,132	38,714
Net Surplus/(Deficit)	(3,413)	(2,720)	28,996	396,400	0

- 5.8 The Board receives regular and timely reports about the finances looking at historic performance and expected future performance, although some of the data could be presented in a simplified format with a more detailed narrative.
- 5.9 An annual budget, containing income and expenditure, cash flow and balance sheet information is prepared and presented to the Board for approval. Presentation of this would be improved with more detail on assumptions. Separate financial reports are prepared and presented quarterly to monitor financial performance against budget. Presentation of these reports would be improved by showing a direct link to the original budget.
- 5.10 Long term projections, covering 30 years, have also been prepared and are included within the business plan. The business plan is reviewed on an annual basis.

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 areas of activity, the Partnership should:

- collect and analyse information on the needs of its current and potential customers in its area of operation and set targets and objectives for equalities across all aspects of its service;
- establish a realistic action plan for generating greater tenant consultation and involvement, and report on the outcomes of implementing it;
- improve the range and quality of information it gives to tenants, removing any ambiguity regarding the Partnership and Council services;
- develop further the performance monitoring and reporting framework, and service standards, to achieve continuous improvement.

In housing management, the Partnership should:

- make the approach to suspensions explicit to applicants;
- make policy and guidance explicit about the qualifying criteria/evidence required to have points allocated;
- provide clear information about how to appeal;
- demonstrate transparency and adherence to policy, in how and why it allocates its houses, through the information given to applicants and effective file management;;
- improve the efficiency of handovers of new properties to minimise voids.

In property maintenance, the Partnership should:

- ensure it complies with gas safety legislation, ensuring all properties have valid certificates at all times and implement a gas safety procedure for hard to access properties;
- consolidate its recent improvements in performance against responsive repairs targets;
- provide a fully compliant Right to Repair service;
- deliver cyclical and planned maintenance programmes, approved by the board as part of the budget setting process.

In governance and financial management, the Partnership should:

- ensure conflict of interest is avoided in the management of the service level agreement and appointment of contractors;
- ensure Board, staff and the Management Agent are clear about the procedure regarding Schedule 7 and tenancies;
- review the service level agreement with WLC;
- review and formalise delegated authority from the Board to its senior officer;
- ensure active participation of all constituency Board members across all governance activities.

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.
- 7.2 If you would like to find out how the Partnership plans to respond to the findings you should contact:

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