

Inspection report

Barony Housing Association

July 2006

Contents

	Pages
1. Introduction	1-2
2. Context	3-4
3. Housing management	5-21
4. Property maintenance	22-31
5. Governance and financial management	32-37
6. Areas for improvement action	38-39
7. Next steps	40
Appendix 1 Sources of evidence	
Appendix 2 Examples of Positive Practice	
Glossary	

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.

* see glossary

The inspection team

1.5 The inspection was managed by John Jenkins, (Inspection Manager) and carried out by Ian Kerr (Inspector), Jean Harper (Inspector), Josephine McAloon (Inspection Officer) and Susan Chalmers (Financial Analyst). We were on site between 20 and 31 March 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. We require that the summary of this report is issued to all tenants.

* see glossary

2. Context

About the organisation

- 2.1 Barony Housing Association was registered in 1976 with the Housing Corporation in Scotland, thereafter Scottish Homes and now Communities Scotland and is constituted as an Industrial and Provident Society*. Until 1997 Barony's main focus was in care provision, primarily in the Edinburgh area.
- 2.2 From 1997 a shift in focus saw Barony moving into mainstream housing provision which increased its mainstream housing stock to 233 properties. Recent changes to the grant funding process has brought this new build programme to an end and resulted in Barony re-considering its future strategic direction.
- 2.3 Barony Housing Association now operates across six local authority areas; Edinburgh, Clackmannanshire, West Lothian, Falkirk, Fife and Stirling. Barony has offices in Edinburgh, Kirkcaldy, Livingston and Falkirk, reflecting the spread of their operations. It owns in total 304 properties, a small number of which are leased to and managed by other care organisations. The property summary detailed below shows the housing distribution across these areas of operation.

Owned and Managed by Barony			
Area	Supported	Mainstream	
Central	5	14	
Fife	14	7	
Edinburgh	22	28	
West Lothian	15	184	
SUB-TOTAL	56	233	289
Owned by Barony & Managed by Others			
Area	Supported	Mainstream	
Central	4	0	
Edinburgh	9	0	
West Lothian	2	0	
TOTAL	71	233	304

- 2.4 Barony is governed by an Executive Committee which can have a maximum of 15 members elected to it. The Executive Committee currently has only its minimum seven elected members and two further co-opted members. One of the elected members is a tenant. Given that Barony is presently undergoing a

* see glossary

strategic organisational review, the Executive Committee has decided to co-opt members with particular skills rather than recruit new members through a public advertising campaign, as was its previous practice.

- 2.5 The Annual Performance and Statistical Report (APSR)[†] asks RSLs* to select a peer group* which best describes its organisation. Barony selected the peer group described as RSLs having highly supported accommodation. This is the group we use to compare Barony's performance.

Key facts

- 2.6 The table below presents a summary of key information for Barony showing trends over the last three financial years.

	2002-2003	2003-2004	2004-2005
Houses owned	278	275	281
Employees	109	144	152
Annual turnover* (£'000)	5,014	5,712	5,922
Total possible rental income (£'000)	1,472	1,521	1,462
% Rental income from housing benefit	39	50	25
Average* weekly rent**(£)	51.63	52.66	53.20
Average rent increase***	3.2%	3.2%	3.9%
Houses re-let*	82	60	88
Responsive repairs carried out	718	869	1201
Maintenance spend per house (£)	385.38	477.97	302.00
Right To Buy* sales	0	0	0

Source: APSR and RSL Annual Accounts

**Weighted Average:

*** Average (mean): usually based on a percentage figure supplied by RSLs where the product values are not given and there is no suitable weight.

* see glossary

3. Housing management

3.1 The grade awarded for housing management is:

B	Good	Many strengths and some areas where improvement is needed.
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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 Barony operates an open housing list* and people aged 16 and over can apply at any time. The Association advertises access to its list in local council offices, occasional press releases, involvement with Housing Options websites in Edinburgh and West Lothian and through Edindex, the City of Edinburgh Council's Common Housing Register (CHR)*. Where it has appropriate properties, the Association is working with local landlords to develop CHRs in other areas of its operation. The management of Barony's housing list is currently carried out by an agent, Dunedin Canmore Housing Association (DCHA).

3.3 At the time of our inspection the Association had 306 people on its housing list. Through its service level agreement* with DCHA, Barony reviews individual applications on their anniversary date. The Association has set itself a target of 14 days for assessing applications and writing to applicants to advise them of their priority. This is not a challenging target. In April 2005 it took an average of 3 days to process applications for mainstream housing; by December 2005 the average time increased to 14 days. The Association was slow to recognise this deteriorating trend in performance; however, after taking action to address this issue, by March 2006, the average time decreased to 11 days. All of the

* see glossary

applications we reviewed had been correctly assessed by DCHA and verified by a member of Barony's staff.

- 3.4 Vacancies in Barony's supported and registered accommodation are subject to referral arrangements from local authorities. The Association also has nominations arrangements in place with councils in those local authority areas where it has mainstream housing. These arrangements allow local authorities to nominate individuals to 50% of the net lets. Of the 20 mainstream lets during the period April to December 2005, Barony let a total of 16 (80%) to housing list applicants with the remainder, consisting of three Section 5 referrals* and one nomination. Barony attributes the low number of lets to nominations to delays in administration by partner organisations, resulting in Barony housing increased numbers of applicants from its own waiting list. Barony, through its service level agreement with DCHA, has not been regularly monitoring the effectiveness of these arrangements to ensure that the Association is maximising successful lets through council nominations. Prior to our inspection, Barony recognised this weakness and held review meetings with DCHA and the councils involved, in an effort to improve the operation of these arrangements.
- 3.5 Barony has Homeless Protocols for Section 5 referrals where appropriate. The Association has fulfilled its statutory duty to house individuals referred by local authorities, where it has had appropriate properties available. There have been five Section 5 referrals during the period April to December 2005, three of whom have been housed without going to arbitration. The remaining two referrals were withdrawn by the local authorities following discussion.
- 3.6 Barony provides people who apply to it with a good range of information about its allocation policy, processes and its houses. Results from Barony's 2005 Tenant Survey indicate that 84% of respondents felt that information received from Barony about becoming a tenant was very good. In addition, 78% found the tenancy starter pack to be useful whilst 87% were happy with how Barony explained their tenancy agreement.

* see glossary

- 3.7 Barony cancels applications in appropriate circumstances. Applicants are advised in writing of the reasons for the decision and their right of appeal. Applications can be reinstated on request, if applicants contact the Association within one month of formal notification of the cancellation. At the time of our inspection Barony had no applicants who had been suspended from receiving offers.
- 3.8 Barony collects information on the ethnicity and disability of people who apply for its housing and on the applicants it houses. However, recently, owing to ICT* problems, it has been unable to report this information to committee, but plans to re-introduce this reporting shortly. Barony recognises that it has no specific strategy to encourage applications from ethnic minority or physically disabled groups and has plans in place to raise its profile within these groups.
- 3.9 Barony provides good access to its housing list. It has plans in place to deal with weaknesses in how it encourages applications from ethnic minority or physically disabled groups and how it monitors its nominations and service level agreements.

Meeting need and maximising choice

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

- 3.10 Barony prioritises allocations based on a range of housing needs that reflect the statutory reasonable preference categories*. All of the allocations we reviewed were to people in one or more of these needs. Across all of their houses, mainstream, supported and registered, the Association allocated 88 houses in 2004/05, all of which were re-lets. In that year, 31% of lets were made to people from its housing list, 67% to council nominations and 2% to internal transfers. The high number of lets to council nominations reflects Barony's supported and registered vacancies which are subject to referral arrangements with local authorities. As discussed under paragraph 3.4, the level of mainstream nominations has been low during 2005/06 but we found that the Association is responsive to councils' requests to house homeless people.

* see glossary

- 3.11 Barony ensures that all applicants' details are checked before an offer of a property is made. We saw excellent audit trails and records and we could clearly see why Barony had made each of its lets to a particular applicant.
- 3.12 Barony allocates houses from its own housing list on a quota basis between six categories: homeless, medical, social/support, independence/economic, transfers and general. It sets targets for these lets but does not monitor and report on the outcomes. Also, the Association does not monitor and report to committee on the general types of housing need being met through allocations; however we saw that the outcomes are good.
- 3.13 Barony aims to maximise choice by imposing no restrictions on the number of areas for which applicants can apply. Its policy allows applicants to be suspended for refusing three offers, but no applicants have been suspended for this reason in 2004/05, or in 2005/06 to date.
- 3.14 Barony is good at meeting need in letting its houses. The Association offers its housing applicants a good level of choice and is making a contribution to the alleviation of homelessness. However, it does not monitor and report to committee on the outcomes of its allocations process.

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.

- 3.15 Barony has signed up all of its tenants to a Scottish Secure Tenancy (SST) * and does not currently have any tenants with short SSTs *. The Association has terminated most of its leases with support providers and replaced these with management agreements and SSTs for tenants. It is actively considering the possibility of ending its five remaining leases for supported accommodation and replacing these with direct tenancies, though it will continue two leases to councils for temporary homeless accommodation. It is Barony's policy to give occupancy agreements in its shared accommodation, following a review of its applicability to each particular project. The long term occupancy agreement

* see glossary

reflects the terms of the SST and the short term agreement is based on the SFHA model form.

- 3.16 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. Barony gives new tenants a pack with useful information about their home. The Association has developed a new tenant handbook and this improves the range of information available to new tenants. Barony routinely carries out settling-in visits and uses these to emphasise tenancy responsibilities and identify any potential support issues.
- 3.17 Barony aims to identify potentially vulnerable applicants and tenants at an early stage; it uses pre-let home visits and Section 5 protocols to identify support needs and has referral arrangements with a range of appropriate agencies. Its staff will request and attend case conferences where necessary.
- 3.18 Barony ensures its tenants have access to welfare and money advice. The Association successfully made a joint bid with Manor Housing Association for Communities Scotland's Wider Action* funding for a Welfare Rights Officer (WRO). Manor HA employs the WRO and Barony has a service level agreement with Manor to provide the following to its tenants:
- income maximisation;
 - help with applying for benefits;
 - advice on appeals; and
 - advocacy.
- 3.19 Barony had six abandonments in 2004/05, and one in 2005/06. It is aware it does not fully analyse the possible causes of abandonments, particularly for any links to rent arrears, though it recently started to formally record potential links with anti-social behaviour.
- 3.20 Barony issued Notices of Proceedings* (NOPs) for recovery of possession to 38 (8.5%) of its tenants in 2004/05; all in response to rent arrears. The Association initiated court action against 23 tenants in 2004/05 and none of these resulted in

* see glossary

evictions. In the period up to January 2006 it had issued 25 NOPs; a number of which were renewals of existing notices, and initiated 10 court actions. The Association sought and was granted decrees for recovery of possession in six of these cases; it carried out two evictions and two tenants terminated their tenancies, one tenant made a repayment agreement with the Association and the other sought and was granted time to pay by the court. Barony has not given these last two tenants new tenancy agreements and has continued to accept rent payments from them, following its own legal advice. In all other cases where the Association has initiated legal action the tenants have come to arrangements to repay arrears.

3.21 Barony has a clear process for escalating action on rent arrears and it recently reviewed its written procedures for taking legal action. We found many strengths in the Association's approach:

- early intervention and close monitoring of arrears;
- tenants have good access to advice agencies and the Welfare Rights Officer through referrals by staff;
- good liaison arrangements with support workers for vulnerable tenants;
- staff offer to carry out detailed assessments of income before agreeing repayment amounts; and
- eviction is only used in the last resort.

3.22 Barony introduces the possibility of legal action at an early stage in its discussions with tenants in rent arrears; at five weeks, then seven weeks and NOPs can be served from nine weeks. Although it does not offer tenants the possibility of making a repayment agreement in its early warning letters, it does this in practice, where tenants respond to its attempts to contact them.

3.23 Where tenants are in serious arrears* and have made repayment arrangements Barony continues with court action against them. If a tenant is keeping to their repayment arrangement when their case is heard in court, it is sisted. However, the Association takes this action irrespective of the circumstances of each case. Where decree is granted by the court, this can result in tenants paying additional legal costs, although this only happens in a small number of cases. The

* see glossary

- Association is aware of the need to have more personal contact with tenants, particularly when it is proposing to undertake legal action, and has changed its procedures to take this into account. It also undertook to review its approach to offering repayment agreements in its written communication with tenants while we were on site.
- 3.24 The Executive Committee delegates responsibility for approving legal action to its staff. In some instances, approvals are not confirmed in writing by the staff. The Association was not advising councils and social work departments of potential homelessness until decree was granted and did not keep records of this. The Association was aware of these weaknesses and its new procedures include a checklist for staff to confirm approvals and third party notification.
- 3.25 Barony is good at maximising security of tenure and works well with other agencies to help people set up and sustain tenancies. However, there are inconsistencies in its approach to making repayment agreements with tenants in arrears. There were weaknesses in its record keeping until recently and, exceptionally, in its management of two tenancies post-decree.

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.

- 3.26 In Barony's 2005 Tenant Survey, 75% of respondents said they were happy with their neighbourhood and there were high levels of satisfaction with feelings of safety (83%) and lighting (94%). About a quarter of respondents identified rubbish, anti-social behaviour, loitering and drug dealing as their main concerns and 20% were dissatisfied with the maintenance and cleanliness of common areas. Tenants commented that staff did not have a visible enough presence on the estates. In response to this feedback Barony has changed its contractor for stair cleaning and it is now part of the contractor's remit to inspect the estates and report to Barony on any matters of concern. In addition, the Association initiated annual estate inspections and carried out the first round of these in 2005/06. It makes good use of newsletters to inform tenants about estate management issues and advise them of their responsibilities. It also plans to run a competition for the best-kept estate in the summer of 2006.

- 3.27 We visited the Association's estates in West Lothian, where the majority of its properties are. We found these to be generally well-kept with no evidence of vandalism or graffiti and where problems with dumping and litter were identified, staff responded to these quickly. Barony's annual estate inspections are well publicised and carried out jointly by housing management and maintenance staff. We found that staff took prompt action on all identified problems and fed back quickly and fully to tenants. The Association has good recording of complaints about its estates, outcomes and monitoring against target time-scales, although the way in which these were recorded did not make it possible to identify ongoing problems or analyse trends. Overall, Barony's approach to estate management is very effective. The Association views the annual inspections as an opportunity for staff to engage with tenants and get feedback from them on satisfaction with services. It had varying levels of tenant feedback during the first round of inspections in 2005/06 and is now considering how to further improve its approach.
- 3.28 The Association has internal targets for dealing with estate management issues which are looked at during staff members' work reviews. There is no formal monitoring or reporting to committee of complaints, however, the outcomes of annual estate inspections are reported to committee.
- 3.29 Over 2004/5 Barony had 88 vacancies, representing 21.6% of its stock and in 2005/06, up to December, it had 51 or 14% of its stock. Turnover was high in 2004/05, partly, in Barony's view, as a result of serious anti-social behaviour problems in one area, which have now been resolved. In general, there is high demand for Barony's stock. The Association monitors reasons for tenancy terminations and refusals.
- 3.30 Barony dealt with 23 complaints of neighbour nuisance or anti-social behaviour in 2004/05 and 24 in 2005/06, up to December. The majority of these complaints were about noise. There were three serious cases of anti-social behaviour in the year 2004/05 that the Association referred to councils' anti-social behaviour response teams. It has service level agreements* in place with four councils for

* see glossary

professional witness and investigative services, protocols with the police and good links with local social work departments.

- 3.31 In the 2005 Tenant Survey 29% of tenants who responded said that anti-social behaviour was a very serious or serious issue for them. The Association asks new tenants to sign a “Good Neighbour” agreement at settling-in visits and makes use of newsletters to advise tenants on nuisance and anti-social behaviour issues.
- 3.32 We found that Barony staff dealt effectively with complaints of anti-social behaviour and have good working relationships with councils’ anti-social behaviour response teams. Barony records and categorises complaints, monitors response targets and reports these annually to committee. Reports include an analysis of issues and outcomes and review of the service level agreements. The Association is aware that its procedures are at draft stage, but is proposing to set up a working group to fully develop these following our inspection. We found it did not always have clear records, particularly for the more serious cases and does not seek feedback from complainants on how it has dealt with their complaint. It undertook to improve on these points while we were still on site. When we reviewed the complaints register we found that three complaints were wrongly recorded as they should have been investigated as anti-social behaviour complaints.
- 3.33 Barony has estates that are generally of good quality and is proactive in tackling estate management problems. It deals effectively with anti-social behaviour and neighbour nuisance, although there are gaps in its procedures for staff, in its record keeping and audit trails for complaints.

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.

- 3.34 Barony has a Tenant Participation Strategy which clearly reflects its commitment to consulting and involving its tenants. The Association is striving to involve tenants in a meaningful way. Barony’s strategy is backed up with an action plan; although some of this is out of date owing to actions already undertaken to tackle issues identified in the 2005 Tenant Survey. The Association was successful in

- establishing a Tenant Participation Working Group in 2003 consisting of tenants, staff, an Executive Committee member and a representative from a tenant support organisation. The Group is no longer in existence, but at the time, it became involved in, for example, the approval of each edition of the tenant newsletter prior to publication and agreed the format of the revised tenant handbook. As a result of the Tenant Survey in 2005, a number of tenants indicated their willingness to be consulted on a variety of issues. Barony recognises that this tenant contact list will require regular updating.
- 3.35 Barony's 2005 Tenant Survey found that 83% of respondents were satisfied or very satisfied with Barony as a landlord; 8% of respondents expressed dissatisfaction with the Association; 49% of respondents thought that Barony was good at taking account of their views and 77% thought that the Association kept them well informed. The Association reported the results of the survey to tenants and is preparing a detailed comprehensive action plan. Although it acknowledges that it has been slow to act upon all of the findings of the 2005 Tenant Survey, it has already implemented a number of improvements in response to tenants' views expressed in the survey.
- 3.36 Barony has taken some positive steps to obtain the views of its service users. Tenants' views are sought on the effectiveness of the annual estate management visits, new tenants are asked about the information and advice it provides them with their housing application, and tenants leaving Barony are asked for their views on the standard of services they received. In addition, it encourages tenants to raise any issues with the Association through the provision of postage paid contact cards, which it issues with each quarterly tenant newsletter and the annual rent increase letter. Barony acknowledges that it should extend its approach to cover more areas of interaction with its service users.
- 3.37 Barony carries out annual rent consultation. The Association encourages tenant responses through a prize draw; however it provides no information on what their rent covers and tenants were not presented with options for differing levels of rent increase. The 2005 Tenant Survey indicated that only 66% of tenants considered they were provided with sufficient information about how their rent and service charges were calculated.

3.38 Barony has a fair approach to handling customer complaints. Leaflets are available in office reception areas but there is not a sufficiently high profile given to this aspect of its service. The 2005 Tenant Survey indicated that only 58% of respondents were aware of the Association's complaints policy. Of those who had used the complaints procedure, 65% were dissatisfied, largely due to perceived poor communication and a feeling that their complaint had not been resolved. We found a number of weaknesses in Barony's approach to complaints:

- no distinction was made between anti-social behaviour complaints, that is a request for service, and complaints regarding the Association's services, where customers were not satisfied with the service provided;
- no evidence that complaints were analysed to identify any recurring themes; and
- no reference was made to the appeals process in letters to complainants.

3.39 Barony is aware of the above weaknesses and is addressing them through proposed staff training later this year. Barony does not yet have comprehensive customer care standards for housing management services, but those staff who provide an initial point of contact have recently undergone a comprehensive training course on customer care. Barony recognises this weakness and has plans in place to develop specific customer care standards in consultation with tenants.

3.40 Barony's offices are not all easily accessible for people with physical disabilities. The Association is aware of the delays encountered in addressing its statutory duties from October 2004 under the Disability Discrimination Act. In recognition of the situation, Barony took the positive step of moving its housing operations to its Livingston office specifically because it complied with the legislation. Nevertheless, this is a weakness and Barony is presently considering options for addressing this issue throughout the organisation. The vast majority of tenants use the phone to contact Barony and 90% of respondents in the 2005 Tenant Survey found it convenient to contact the Association.

3.41 Barony is striving to be a responsive landlord. It has a good approach to gathering the views of its service users and is planning to extend this to other

areas of its housing management service. However, it has been slow to respond to the results of the 2005 Tenant Survey, its obligations under the Disability Discrimination Act and does not give a sufficiently high priority to its dealing with complaints.

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.

3.42 Barony offers tenants a limited range of options for paying their rent. They can do this in person at local offices in Edinburgh, Falkirk, Livingston and Kirkcaldy, by standing order or by bank giro credit. The Tenant Survey of 2005 indicated that 82% of respondents were happy with their existing method of rent payment and there was little demand for other options offered. The Association is presently considering introducing AllPay as a further rent payment option for its tenants.

3.43 The table below summarises Barony's reported performance in collecting rent arrears.

	At March 2003	At March 2004	At March 2005			At January 2006
	Barony	Barony	Barony	Peer group	National median*	Barony
Total arrears as % of total gross rental income	14.5	20.6	13.7	8.4	5.5	16.6
Total current arrears as % of total gross rental income**	9.9	11.2	5.5	5.9	4.5	7.3
Current arrears (non technical) as % of total gross rental income**	1.6	5.0	3.2	1.0	3.5	2.9
Current arrears (technical)* as % of total gross rental income**	8.3	6.2	2.3	4.8	1.0	4.4
% of current tenants in serious arrears*	5.0	4.0	5.0	5.2	4.6	4.5
Total former tenant arrears	68,485	142,436	119,488	n/a	n/a	142,264
As % of total gross rental income	4.65	9.4	8.2	2.6	2.2	9.3
Rent arrears written off	173,000	12,000	13,114	n/a	n/a	55,332.75

Source: APSR and Barony's figures at 01/01/06

* Owing more than 13 weeks rent and >£250

**National comparator (performance average) rather than national median used.

* see glossary

- 3.44 Barony's total arrears as a percentage of its total rental income increased to 20.6% in March 2004, and although they have since reduced, they remain at a high level. In January 2006 these stood at 16.6% of total rental income. In 2004/05 Barony had the highest figure of the nine RSLs in its peer group. Current tenant arrears were at 1.6% in 2003, increased to 5% in 2004 and since then have decreased to 2.9%, as at January 2006. The number of tenants in serious arrears also decreased slightly to 4.5% over the same period. Barony receives certain payments retrospectively and these technical arrears* skew its overall performance figures. Current arrears in its mainstream and supported accommodation have decreased by 44% and this is extremely positive.
- 3.45 Barony has put considerable efforts into its management of rent arrears, introducing a large number of improvements since 2003 and achieving a dramatic reduction in its non technical rent arrears figures. Its particular strengths include:
- enclosing with tenants' annual rent statements, a pro-forma that tenants can use to update their emergency contact details;
 - close monitoring of payments and early contact made with tenants in arrears;
 - clear escalation of arrears action;
 - good links with councils' housing benefit sections;
 - a member of staff dedicated to arrears recovery for a 12 month period; and
 - a target for 2005/06 to reduce non technical arrears* in mainstream and supported accommodation to 4%.
- 3.46 The Association has focused staff resources on rent arrears. It has improved the detail of its financial, monitoring and reporting systems; clarified staff roles and developed internal procedures for its finance, housing and care services staff. This is enabling it to have a more co-ordinated and targeted approach to arrears recovery and it is also aware of where it needs to make further changes to increase the effectiveness of its approach.
- 3.47 Barony's former tenants' arrears stood at £142,264 at January 2006 and are responsible for more than half of its total arrears. A significant proportion of these arrears have built up in registered accommodation where it can be some

* see glossary

time before arrears are established and then follow-up action taken. The Association is aware it has taken very little action over former tenants' arrears over the past two years. It has drawn up new policies and procedures for debt recovery and was about to pilot use of a new debt collection agency at the time of our inspection. In addition it has undertaken a catch-up exercise to write off just over £50,000 of former tenants' arrears.

- 3.48 The table below summarises Barony's reported performance in letting houses that have become empty.

	At April 2004	At April 2005			At January 2006
	Barony	Barony	Peer Group	National Median	Barony
Rental income lost due to empty houses	93,352	43,720	n/a	n/a	103,995*
As % of total rental income	6.1%	3%	4.2%	0.9%	9%*
Total no. of re-lets	60	88	n/a	n/a	51
% re-let in <2 weeks	21.7%	21.6%	27.9%	32.1%	18%
% re-let in 2-4 weeks	23.3%	22.7%	20.4%	22.7%	23%
% re-let in >4 weeks	53%	55.7%	51.7%	35.6%	59%
Average time to re-let (days)	63	63	72	26	105

Source: APSR 2002/05

*estimated figures

- 3.49 In 2004/05 Barony lost 3% of its rental income due to empty houses. It is ranked 5th out of the 9 RSLs in its peer group. The average time taken to re-let empty houses is high; 63 days in both 2003/04 and 2004/05 and this has increased significantly in the year to date to 105 days. The Association breaks down these figures for its different types of accommodation and these show considerable variations in its performance.
- 3.50 Barony performs well in letting empty properties in its mainstream accommodation. Its approach is focused and is supported by excellent internal procedures and detailed monitoring and reporting information. In the 6 months from July 2005 to January 2006, the average re-let time for mainstream properties was 20 days, a great improvement upon the previous 6 months when it took 42 days. This also compares favourably with other organisations. In the same period the average re-let time for registered accommodation was 222 days and for supported was 75 days. This accounts for the high overall figure in the

- table and is due to the time taken to receive appropriate local authority referrals. This is a factor over which Barony has limited control.
- 3.51 Barony has targets for re-letting mainstream empty properties; 8 days to carry out repairs and 10 days to allocate. The main reason it did not meet its target was the time it took to find suitable applicants. It was already discussing how it could improve this process with its service provider, DCHA, while we were on site.
- 3.52 Barony is covered for some void losses in its registered accommodation. A number of these are guaranteed by councils and some are negotiated with them towards the end of the financial year. Some projects are not covered at all for rent loss, so may operate at a deficit. There can also be delays in advising housing and finance staff of changes in occupancy in supported as well as registered accommodation. The Association has developed an internal protocol to improve communication across its housing, finance and care services.
- 3.53 The Association has good termination procedures for staff to follow. There are routine pre-termination tenancy visits and there is good communication between housing management and maintenance staff. This ensures that re-chargeable repairs are identified. This is covered in more detail in paragraph 4.30 below.
- 3.54 Barony's housing management costs were £1,089 per unit in 2004/05. This is lower than the average of £1291 for its peer group of highly supported accommodation providers.
- 3.55 The Association has a strong awareness of the factors behind its performance in rent arrears and letting empty properties. It has worked hard to improve this and is now beginning to see some very positive results.

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

- 3.56 Barony sets out its objectives in its 2004/05 Internal Management Plan (IMP)^{*}. Owing to the strategic organisational review taking place, its IMP has not been evaluated and updated. However, in its place, Housing Services staff met in December 2005 to agree an action plan, subsequently approved by committee, for the period ending March 2007. The plan forms the basis for planning service delivery and incorporates SMART^{*} objectives for housing management services.
- 3.57 Barony holds workplan meetings with individual staff members every four to six weeks and this is viewed positively by staff. These are a useful way for managers to monitor staff workload and to provide appropriate supervision and support. However, the meetings are not always clearly linked to service objectives and targets which staff are working to achieve. The Association's monthly housing management team meetings are a useful opportunity for providing information to staff, but these do not currently focus on organisational or divisional performance.
- 3.58 Barony is still developing a full set of policies and procedures to support service delivery. Gaps in documentation exist relating to anti-social behaviour procedures and estate management policy. However, these are in draft form awaiting approval by committee. The Association has put in place a timetable for review and has identified where tenants will be invited to become involved in the process.
- 3.59 Quarterly reports to the Association's Senior Management Group and Executive Committee give a realistic overview of performance in housing management. However, reports do not cover all areas of service delivery and Barony has had difficulty in identifying an appropriate peer group for comparison purposes. Barony is aware of the shortcomings of the current performance management system. It is currently investigating ways of improving this and is participating in a benchmarking^{*} group with other RSLs.
- 3.60 Barony is committed to improving its service delivery and generally has a good awareness of its strengths and areas where improvement is needed. The Association has shown capacity for improvement in performance as is evidenced

^{*} see glossary

in its success in arrears management. However there are some weaknesses in performance monitoring and reporting.

Grade and overall assessment of housing management

- 3.61 Our overall assessment is that Barony's housing management service is good. We found many strengths in the service along with some areas where improvement is needed. The Association is committed to service improvement and we saw that it has the willingness and capacity to tackle the weaknesses identified in this report. We set out below the key factors we have taken into account in coming to our overall assessment.
- 3.62 Barony's strengths are: it provides open access to its housing list; gives applicants a good level of choice; meets housing need and is helping tenants to sustain tenancies. It has a good awareness of its strengths and weaknesses, and is taking positive steps to address weaknesses in the housing management service and improve its systems for monitoring, managing and reporting to committee on performance.
- 3.63 Along with these strengths we found a number of weaknesses in Barony's housing management service including:
- it does not analyse complaints nor clearly record or communicate information on the actions and outcomes of complaints;
 - its approach to monitoring and reporting on its allocations outcomes, nominations and service level agreements is under-developed; and
 - it does not have clear records or fully developed procedures to support staff in dealing with complaints of neighbour nuisance, anti-social behaviour and harassment.
- 3.64 Barony is committed to achieving better services for its tenants. We found that the Association was aware of many of the weaknesses in housing management we identify in this report and has firm plans in place that should address some of these weaknesses. It accepted many of our early findings during the inspection and has shown a willingness to tackle the areas of weakness in its housing management service.

4. Property maintenance

4.1 The grade awarded for property maintenance 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.

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 Barony tenants can report repairs by telephone, in writing, in person, by e-mail or to the out of hours service provided through its repairs contractors. In its 2005 Tenant Survey, 96% of respondents found it easy, or very easy, to report a repair. The results of the survey also indicated that 82% of respondents were satisfied with the out of hours service. An on-call officer is available to assist supported tenants in any repairs emergency. Tenants we spoke to confirmed that it was easy to report repairs both during the day and when the office was closed.
- 4.3 Barony publicises details of the repairs service and how to report a repair in its newsletters and its tenant handbook. We found that staff are willing and able to provide useful advice and information on the repairs service. Barony makes information on repairs available in other languages and formats, however this is not widely publicised and no reference to alternative formats is made in the tenant handbook.
- 4.4 Barony provides good information to each tenant who reports a repair. This includes a copy of the works order giving information on the contractor who will be carrying out the repair, the target completion date and a satisfaction survey form for completion by the tenant.

- 4.5 The Association does not operate a formal appointments system for response repairs*. However, it does give contractors the tenant's details and the contractors then contact tenants directly to make suitable access arrangements.
- 4.6 Barony works hard to ensure its repairs service is accessible and recognises the area where improvement is required. Its performance in this area is good and results from tenant feedback confirm this.

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.

- 4.7 The Association's target timescale for the completion of emergency repairs is the same as the national median of six hours, and its urgent repairs target of three working days is also in line with the national median. The Association's routine repairs target of 20 working days is double the national median of 10 working days. The Association is presently seeking its tenants' views on the introduction of a more challenging target for completing routine repairs.
- 4.8 Barony's repairs performance in 2004/05 in completing emergencies exceeded the national median, whilst its performance in completing urgent repairs was below the national figure. Its performance in completing routine repairs was significantly below the national median, even though its target here is less challenging. Overall, Barony completed 93.1% of its repairs on time, placing it below the national median. In comparison with its peer group of RSLs providing highly supported accommodation, the Association's performance in 2004/05 for all repairs placed it 6th out of the 9 landlords in the group and 120th out of 179 RSLs nationally. The table below outlines its performance for completing response repairs.

	Barony's target response time	Performance				
		Barony			National median 2004/05	RSL peer group 2004/05
		2003/04	2004/05	2005/06*		
Emergency Repairs	6 hours	97%	100%	98%	98.9%	99.5%
Urgent Repairs	3 days	97%	93%	99%	95.0%	95.7%
Routine Repairs	20 days	89%	91%	99%	95.1%	96.7%

* Figure as at December 2005

*see glossary

- 4.9 Barony advised us at the beginning of the inspection that it had only recently discovered that there were weaknesses in the way information about repairs completions was being recorded and managed. This means that the figures in the above table may not accurately reflect the service that tenants were receiving. In Barony's view this situation had been ongoing for at least a year and occurred due to a lack of adequate controls and updated procedural guidance for staff. We found that on many occasions Barony did not raise a works order to confirm verbal repairs instructions; only doing so when the work had been completed. This practice resulted in the works completion date being the same as the works order issue date, leading to inaccurate reporting of performance. When this situation was discovered the Association immediately instigated an internal audit investigation and holding instructions were issued to staff until such times as the full report was received.
- 4.10 Pre and post inspections* are important tools for ensuring repairs are targeted accurately and carried out to a high standard. Barony achieves its internal target of 10% for pre inspection of response repairs. It randomly selects repairs for inspection through its ICT* system with additional inspections being selected by the Maintenance Officer. However, it has no procedural guidance and does not base the selection of additional repairs for inspection on clear criteria.
- 4.11 The Association has a target to post inspect 10% of completed repairs and it achieves this figure. As is the case for pre inspections, it has no procedural guidance for their selection. Barony does not adequately record and make best use of the results of post inspections to enable it to confirm that repairs are being carried out effectively.
- 4.12 Barony operates a Right to Repair* scheme which it advertises annually through its tenant newsletter. The Association performs well in meeting the statutory requirements. Its figures show that in 2004/05 all of its 42 qualifying repairs were completed on time, and to date, there were no qualifying repairs during 2005/06 which failed to be completed on time. We found that staff categorise repairs correctly and tenants reporting qualifying repairs receive detailed information on how their repair will be handled, including details of alternative contractors.

* see glossary

- 4.13 The Association's 2005 Tenant Survey shows that 67% of respondents were very or fairly satisfied with the repairs service overall, with 16% stating dissatisfaction. Barony has identified the areas where dissatisfaction is highest and is planning to examine the reasons for this and the appropriate action required. The Association also routinely asks each tenant reporting a repair for feedback on the service and results for 2005 show 99% of respondents were satisfied with the repairs service they received.
- 4.14 Barony provides a response repairs service that the majority of its tenants are happy with. The Association is taking steps to address areas of weakness, including the prompt raising of works orders to ensure accurate reporting of its performance and a review of its target response time for routine repairs.

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. Landlords were required to prepare a plan for submission to Communities Scotland by April 2005, showing how they will achieve this. Barony met this deadline and is confident that its proposed future maintenance programmes will ensure that all of its houses will comply with the SHQS by 2015. The Association carried out a self-assessment and awaits Communities Scotland's verification of its submission.
- 4.16 The majority of Barony's houses are new build properties which have been constructed within the last 12 years. As a result, its houses are in good condition and in the view of Barony, meet the safety requirements of the SHQS. All of its houses have hard wired smoke detectors and Barony has an ongoing programme to maintain and replace them. There is no lead pipe work in any of the Association's new build properties and no visible evidence in the older properties. A detailed comprehensive survey is planned to confirm this. Common entrances to its properties have secure door entry systems which are regularly checked by its staff.

- 4.17 The Association has good information on the condition of its properties through the commissioning of consultants to carry out a full stock condition survey, which was completed in April 2005. It has programmed annual planned maintenance* inspections of a 10% sample of properties to allow it to regularly update the stock condition information. It plans to start in year 3 of the current 30 year programme as the information it currently holds is up to date and there is no planned expenditure required before year 4. Barony uses this information to prepare its planned and cyclical maintenance* programmes. The Association's financial planning framework draws effectively on its house condition and life cycle costing* information. Barony therefore, knows how much it needs to spend and within what timescales, in order to maintain its houses effectively.
- 4.18 Social landlords are required to carry out safety checks every 12 months on all gas appliances and flues which they provide for tenants' use. We found that Barony has fully met its statutory duty in this regard. During the on-site phase of the inspection we found that all properties had their appliances and flues checked within the previous 12 months. The table below summarises Barony's excellent performance in this area.

	January 2006	
	Number of houses	%
Houses with gas appliances	137	100
Houses with current gas safety certificates	137	100
Houses where safety check was carried out within 12 months of previous check	137	100
Houses where safety check was up to 1 month late	0	0
Houses where safety check was between 1 and 3 months late	0	0
Houses where safety check was more than 3 months late	0	0

- 4.19 Barony occasionally has difficulty in completing gas safety inspections resulting from problems in gaining access to some of its houses. The Association has established a 10 month cycle of gas safety inspections with a view to tackling this problem. Its committee approved legal action to obtain access to houses where the contractor has been unable to gain entry. Barony employs an independent

* see glossary

gas inspection company to carry out quality control visits on around 10% of completed annual services.

- 4.20 From May 2004, social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Barony's committee has not yet approved an Asbestos Management Plan, thereby missing the statutory deadline, but it plans to approve this at its May 2006 committee meeting. Around 70% of Barony's properties have been built since 1997 and should not contain asbestos. The Association will shortly complete a survey of all of its houses which should give it comprehensive information on the presence of asbestos in all of its houses and common areas by May 2006.
- 4.21 Barony has a clear, written re-let standard which aims to ensure that the houses it lets are safe and in a good condition. It asks new tenants how satisfied they are with their new homes and responses show high levels of satisfaction. It analyses reasons for refusing offers, although the number of these is relatively low and none to date has related to the condition of the property.
- 4.22 Overall, Barony's performance in maintaining the physical quality of its housing stock is excellent. Its properties are in good condition and there is an effective approach to developing its planned and cyclical maintenance programmes. The Association has a good approach to ensuring its empty houses are re-let to a consistently good standard. It has taken steps to address difficulties in meeting gas safety requirements and now has an excellent performance. The statutory deadline for preparation of an asbestos management plan was missed but Barony is now making good progress in compiling a comprehensive database on the presence of asbestos in all of its houses and common areas.

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.

- 4.23 Barony's 2005 Tenant Survey illustrates that 67% of respondents indicated their satisfaction with the repairs service overall. The Association has an excellent picture of tenant satisfaction across the service through its use of a questionnaire to collect feedback from tenants on each completed repair, followed up by a telephone call-back survey of those tenants who failed to respond; this indicates

- that the level of satisfaction identified in 2005 has improved with 99% of respondents satisfied with the repairs service. Barony reports this information to the Executive Committee on an annual basis. The Association recognises that it should extend its approach by seeking feedback from all tenants whose house has undergone planned or cyclical maintenance work.
- 4.24 As discussed in paragraph 3.38 above, Barony has a fair approach to handling customer complaints. The Association has not given sufficient prominence to dealing with complaints and this is reflected in the 2005 Tenant Survey results. As we previously highlighted, there was no evidence that complaints were analysed to identify any recurring themes and no mention of the appeals process in letters to complainants.
- 4.25 Barony has tried to encourage its tenants to become involved in consultation or participation activities but has had limited success. Nevertheless, we saw some good examples of tenant participation and involvement in the property maintenance service. For example, the Tenant Participation Working Group contributed towards the review of the voids policy and the minimum standard required for re-letting an empty property. Plans are also in place for asking tenants their views on how planned maintenance contracts should be prioritised.
- 4.26 Barony's performance in engaging with and responding to tenants on its property maintenance service overall is good. It has shown a commitment to seeking tenants' views on the property maintenance service and recognises that its approach should be extended. Whilst the Association's performance on dealing with complaints is fair, it acknowledges that its performance must improve and staff training is planned. Barony is developing its approach to tenant participation and there are some early positive signs.

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.

- 4.27 Barony's management cost for delivering its property maintenance service was £302 in 2004/05 for each of its properties. This is a decrease of 37% on the

- figure for 2003/04. The 2004/05 figure was 58% above the figure for Barony's peer group. The Association recognises that its current stock size and lack of a development programme results in high costs per unit and this is one of the factors being considered as part of its strategic organisational review.
- 4.28 All of Barony's response repairs are commissioned by allocation to approved contractors operating either in specific localities, or across Barony's operational area, depending on the particular repair and geographic area concerned. Barony recognises that the current system is resource intensive to administer and therefore not cost effective. It is currently carrying out a review of its procurement* methods as it needs to clearly demonstrate that it achieves value for money for its response repairs service.
- 4.29 Barony formally tenders its cyclical and major maintenance works on a project-by-project basis, using traditional procurement methods. As mentioned in the previous paragraph, it plans to review its procurement approach to ensure a greater focus on clearly balancing quality and price in its procurement decisions. We looked at two cases where contracts had been awarded as part of a traditional tendering process. In respect of the contract for the inspection of gas appliances and flues we found that some inspections had been carried out one month after the contract had expired. We also found that the annual review of the list of approved contractors was undertaken without the formal consideration of tenant satisfaction, complaints or the results of post inspections.
- 4.30 Barony now invoices tenants for all rechargeable repairs* although prior to 2005, such charges were written off as there was no process in place to identify them. To date, during 2005/06 it recovered 31% of the £12,276 tenants owed the Association. However, the Association recognises that its performance in recovering rechargeable repairs still needs to improve and is appointing a debt collection agency to assist in addressing this.
- 4.31 Barony's approach to raising and recovering rechargeable repairs has now been introduced but is still underdeveloped. Its arrangements for procuring responsive

* see glossary

repairs, planned and cyclical maintenance work does not always demonstrate that it achieves value for money and balances quality and price.

Performance management

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

- 4.32 We found similar strengths and weaknesses in Barony's planning and management of performance in property maintenance as we identified for housing management. The Association's monthly Technical Services maintenance team meetings allow staff to discuss workloads and share information on current issues, but do not focus on organisational or divisional performance.
- 4.33 Barony has a range of policies and procedures available to guide staff delivering property maintenance services, although in some cases they were still in draft form, requiring approval from committee. However, there are some gaps, for example in relation to pre and post inspections.
- 4.34 Barony's approach to performance management is fair and there are some weaknesses which limit its ability to continuously improve its services. The Association has however, shown a willingness to tackle such weaknesses. In addition to the weaknesses identified under housing management, Barony demonstrated inadequate management controls relating to the delays in issuing of works orders for repairs. Quarterly reports to the Senior Management Group and Executive Committee give a good range of performance information relating to property maintenance but exclude reference to targets and comparisons with its peers. The Association does not provide its staff with comprehensive guidance on how the property maintenance service is to be delivered.

Grade and overall assessment of property maintenance

- 4.35 Our overall assessment of Barony is that its property maintenance service is fair. While there are some strengths there are also some areas where improvement is required, including one area of significant weakness. We set out below the key factors we have taken into account in coming to our overall assessment.

4.36 Barony's houses are built to a high standard and its properties are well maintained. The Association has a good knowledge of the condition of its houses, is carrying out regular and well managed programmes of cyclical maintenance and fully meets its statutory duty to carry out safety checks on its gas appliances and flues. Access to the repairs service is good and tenants are generally happy with the service they receive. The Association largely has a good awareness of its strengths and weaknesses and is taking positive steps to identify and address weaknesses in the repairs service.

4.37 Alongside these strengths, we found some areas for improvement including:

- the unreliability of responsive repairs performance information owing to its procedure for raising works orders having not been followed;
- a significant gap in the organisation's performance management systems, in that it was unaware for at least a year of the above issue;
- methods of procuring response repairs which mean it cannot always demonstrate the value for money it is achieving;
- the Association has not fully met its statutory duties in relation to the management of asbestos in its common areas;
- inconsistencies around the annual review of its approved contractors list; and
- the selection, recording and use of results of pre and post inspections of repairs.

5. Governance and financial management

Governance

Leadership and direction

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

- 5.1 Barony's activities are directed and controlled by the Association's Executive Committee. Its members have a strong awareness of the range of issues and challenges facing the Association and demonstrate a clear vision of its purpose and the future direction for Barony. The Committee has been acutely aware of the changing environment within which the Association has been operating and has been quick to react. A strategic organisational review is underway to ensure a viable future for the Association and Barony has engaged consultants to assist it in looking at the various options available.
- 5.2 The Association's most recent Internal Management Plan (IMP) is for 2004/05 and largely consists of a list of objectives, which are not SMART, for each service area. In view of the volume of work contained within the IMP and the ongoing organisational review, the plan was carried forward into 2005/06 and provided a continuing framework for action. The Housing Services Department staff met in December 2005 to prioritise those areas which should be tackled by March 2007. Five main objectives were agreed which were broken down into actions which are SMART, show a good understanding of the Association's operating context and place tenants and communities at their centre. It makes it easy for the Association to measure or quantify progress against them at its quarterly Housing Services Departmental meetings. This document was subsequently approved by the Executive Committee.
- 5.3 The Association gives its staff individual work plans, which they discuss and update on a regular basis with managers. These plans reflect the ongoing work that staff undertake on a daily basis and provide useful information for managers on progress in service delivery. The opportunity is also taken to discuss any personal or professional development needs the staff member may have.

- 5.4 Barony has a clear sense of purpose and direction. It has recognised the significant challenges facing the organisation and is adopting a well-thought out approach to reviewing the future direction for the organisation.

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 Barony's Executive Committee is aware of its role, as a governing body, in determining the organisation's strategic direction, in setting policy and in exercising ultimate control over all areas of activity. The committee meets monthly and has good working relationships with staff.
- 5.6 The committee receives an extensive range of reports covering the Association's business, including regular reports on the Association's performance in most key service areas. Regular reports to the Association's Finance and Personnel Sub Committee give a good range of performance information. However, we found that reports did not include performance against targets or comparisons with similar organisations. Barony also operates with an Audit Sub-Committee but recognises that the current structure could be improved if a separate Sub-Committee to oversee Care and Support could be introduced. The Association intends to implement this change should it succeed in increasing the membership of its governing body.

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 Barony's committee members have a wide range of skills and experience in different areas which they use effectively to guide and control the activities of the Association at a strategic level.
- 5.8 Barony does not have a formal training programme in place for committee members given the skills profile of its committee. Nevertheless, training on such important issues as equal opportunities and tenant participation has taken place. Members are also encouraged to attend relevant conferences and report back to the committee at subsequent meetings. Effective induction arrangements are in

place for new committee members. Committee members told us they were very satisfied with the opportunities for training and support the Association provides.

- 5.9 Barony's approach to recruiting new committee members is not formally articulated however, due to the current ongoing organisational review, the Association decided to co-opt two new members who possessed skills and experience which would be beneficial to the organisation at this time. In an earlier recruitment exercise in 2003, Barony successfully gained new members with appropriate experience through advertising widely in local and national press and housing publications. The indications are that both recruitment exercises were successful in attracting individuals with the commitment and expertise to benefit the organisation by helping to take it forward.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 5.10 A strong membership and good levels of participation are important ways for a landlord to demonstrate accountability. Barony allows a broad range of people to become members of the Association. It promotes membership at the commencement of new tenancies but does not follow this up by, for example, regularly placing adverts in its quarterly newsletters. There is no mention of membership in the new tenant handbook although this is planned. Membership levels have remained fairly static during the last 3 years and currently stand at 43. Of these members, 18 or 42% are tenants of the Association. Of its seven elected Executive Committee members, one is a tenant. Its last three Annual General Meetings (AGM) were attended by on average 36% of its members. The geographical spread of the communities Barony serves presents it with some challenges. The Association provides facilities such as transport to enable people to attend its AGMs, and has changed its location where the indication was that it would encourage more members to attend.
- 5.11 In the 2005 Tenant Survey 53% of respondents indicated that they were unaware of who has overall control of the Association. In addition, only 39% knew how to become a member and only 32% knew that they could become a member of the Executive Committee. Barony takes a positive approach to engaging with

- tenants and the wider public, but acknowledges that it needs to devote more resources towards promoting the benefits of membership.
- 5.12 Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance. Barony produces informative annual reports, a regular newsletter which is popular with tenants and a range of leaflets and information sheets about its services. A new tenant handbook has been prepared and issued to all tenants but it is incomplete. Barony has plans in place to produce additional information which will convert the handbook into a comprehensive document.
- 5.13 Barony includes relevant information in its annual report and in its newsletters to report on performance. However, the information provided does not cover all areas of its operations against its targets or comparisons of its own performance in key areas against that of other landlords to show how well it is performing.

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.

- 5.14 Barony is aware of the importance of Executive Committee members and staff maintaining high ethical standards. We found that it acts in accordance with statutory requirements relating to the granting of benefits in Schedule 7 of the Housing (Scotland) Act 2001*. The Association's committee members and staff complete an annual declaration of interests form. However, Barony is aware that its approach has a weakness in that there is no requirement for members to declare an interest on any agenda item at the start of each meeting.

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.

- 5.15 Barony is developing a positive approach to identifying and managing risk. Its risk assessment and strategy largely related to the identification of financial risks however the Association's internal auditor is about to complete a risk mapping exercise which will incorporate strategic and operational risks. The Association

* see glossary

- has recently introduced a new Audit Sub-Committee which has delegated responsibility for risk management.
- 5.16 Effective internal audit of all of the organisation's areas of activity is an integral part of risk management. Barony's internal audit function has, in the past, been carried out by a member of staff but the Association recognised that it needed to devote greater resources to this aspect of its operations. With input from staff and the Executive Committee a company was appointed last year after a rigorous tendering exercise. Following the carrying out of an audit needs assessment, Barony approved a three year programme of internal audit commencing 2006/07 which covers all areas of activity. The Audit Sub-Committee receives internal audit reports and oversees the implementation and monitoring of recommended improvements. The Association is aware that difficulties have been experienced in the past in obtaining prompt management responses to recommended improvements. In December 2005 a target of two weeks to respond was introduced to reflect the priority Barony attaches to this issue.
- 5.17 We found that Barony's approach to governance has some strengths. The Committee is committed and operates effectively, has a good range of experience and skills, provides a clear strategic direction in times of considerable change for the organisation and works well with staff. It largely demonstrates effective procedures for managing conflicts of interest and is adopting a more robust approach to the management of risk. The Association and Committee are aware of issues around the promoting of membership, and of other areas where it needs to improve.

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.

- 5.18 Barony's financial projections confirm that it will continue to be viable in the medium term. The Association is aware that uncertainty surrounding the future funding of care costs represents a significant risk which may impact upon its medium to longer term viability. This features prominently in the Association's current review of its future strategic direction.

5.19 The Association is of the opinion that it has sufficient financial resources to carry out the works necessary to bring its houses up to the SHQS by the target date of 2015.

5.20 In recent years Barony has transferred significant resources to reserves and this has been a major factor in creating the net deficits highlighted below. Meanwhile turnover has remained at a relatively steady level.

Financial performance	2002/03 (Actual)	2003/04 (Actual)	2004/05 (Actual)	2005/06 (Actual, but un-audited)
Turnover (£000s)	5014	5712	5922	5994
Operating Surplus/ (Deficit)	509	477	249	205
Net Surplus/(Deficit)	240	195	(63)	(165)

5.21 Barony's overall financial management framework is good. Recent budget reports have provided committee members with comprehensive explanation and detailed information on submitted figures. The Association's budgeting process is robust and the financial position well managed.

5.22 Recent improvements to the Association's medium term financial projections show well founded indications of medium term viability. Reports to committee have developed in order to identify separate housing and care budgets. The Association's Project Accounts show that certain housing activities are presently operating at a deficit.

5.23 During the inspection period a number of potential improvements were identified to the Association's financial reporting framework. These were readily accepted and actioned by Barony while we were on site.

5.24 Barony's statutory annual financial accounting and reporting is of a good standard. Financial planning has been extended to consider longer term strategy and direction.

5.25 Barony is financially viable and should remain so in the medium term. The longer term financial viability of the organisation is being addressed as part of its strategic review. The Association has a number of strengths in relation to its financial management framework.

6. Areas for Improvement Action

6.1 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 Barony should:

- refine and develop its performance management and reporting framework;
- promote its complaints procedure, improve communication with complainants and analyse complaints to identify any recurring themes;
- extend its approach to obtaining tenant feedback by including all areas of its service provision where it interacts with tenants; and
- ensure that its policies and procedures cover all the critical areas of decision making across all areas of service delivery and that those policies and procedures are compliant with legislation and best practice.

In housing management Barony should:

- monitor and report on the outcomes of its allocations process;
- devise a strategy to promote and encourage applications for housing from ethnic minority and physically disabled groups;
- closely monitor and report on the performance of its nominations arrangements and service level agreements;
- review its approach to making repayment agreements with tenants in the earlier stages of the arrears process;
- develop a full set of procedures to support staff in dealing with complaints of neighbour nuisance, anti-social behaviour and harassment; and
- improve its audit trails for nuisance and anti-social behaviour cases.

In property maintenance Barony should:

- tighten up its performance management to ensure that the Association's procedures are being followed by staff;
- strengthen its procurement process by developing clear criteria to measure the value for money it obtains in its procurement of contractors;
- improve upon its routine repairs response time;
- ensure it complies with its statutory duty to manage asbestos in the common areas of its properties;

- prepare staff guidance on the selection of repairs to be pre and post inspected and improve its approach to recording and analysing the results of such inspections;
- develop its approach to the collection of rechargeable repairs; and
- strengthen its approach to the review of its approved contractors by taking into account the views of its tenants and the results of post inspections.

In governance and financial management Barony should:

- improve the information provided in its performance reports in order to enable identification of weaker areas of performance and assist in decision making;
- provide its tenants with information on all aspects of its services including its performance against targets, trends in performance and comparison with other landlords; and
- raise awareness amongst its tenants of the opportunities and benefits of becoming a member and Executive Committee member of the Association.

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 or property maintenance to submit an improvement plan to us within eight weeks of the publication of this report.
- 7.2 Barony's improvement plan should show how the Association intends to respond to our overall findings in the organisation, property maintenance and governance and financial management. The plan will be agreed with us. We will inspect once every five years and follow up improvement plans after two years.
- 7.3 If you would like to see Barony's improvement plan you should contact:

Barony Housing Association Ltd
8 Balcarres Street
Edinburgh
EH10 5JB

Telephone: 0131 447 3587
E-mail: info@baronyha.org.uk

Sources of Evidence

Groups and third parties consulted

- City of Edinburgh Council Development Team
- City of Edinburgh Council Care Housing
- Communities Scotland Investment and Performance Team
- HomePoint*
- Communities Scotland Regulation and Inspection Support Team
- Dunedin Canmore Housing Association
- West Lothian Council Social Policy Team
- Shelter
- Clackmannanshire Council Anti-Social Behaviour Liaison and Mediation Team (CALM)
- West Lothian Council's Neighbourhood Response Team
- Scottish Public Services Ombudsman*

Interviews/meetings

- Director
- Assistant Directors of Housing Services
- Assistant Director of Finance and Administration
- Members of the Association's Executive Committee
- Resources Co-ordinator
- Housing Manager
- Technical Services Manager
- Maintenance Manager
- Area Housing Officers
- Welfare Advice Officer
- Housing Services Assistant
- Allocations Officer (Dunedin Canmore HA)
- Finance Officers
- Administrative Assistants
- Discussions with a range of tenants

Reality checks

- Review of arrears cases
- Review of legal actions against tenants
- Review of documentation for annual estate inspections
- Review of antisocial behaviour cases
- Review of complaints
- Review of reported repairs
- Review of housing list applications and allocations
- Review of empty house management records
- Review of information for applicants and tenants
- Shadowing* arrears interview
- Estate visits
- Empty property visits
- Observation of information and advice to service users
- Observation of tenancy termination

* see glossary

- Observation of annual estate inspection
- Observation of Executive Management Committee meeting
- Observation of Finance and Personnel Sub-Committee meeting
- Observation of Tenant Survey Action Plan meeting

Key documents reviewed

- Inspection submission*
- Allocations policy
- Section 5 Protocol and Nominations Agreements
- Tenant participation strategy and Action Plan
- Tenant satisfaction survey
- Procedures for consulting tenants on the proposed rent increase
- Procedures for consultation with tenants and other users on policy reviews
- Equal opportunities policy
- Estate management visits procedure and documentation
- Arrears management draft policy and procedures
- Anti-social behaviour policy and draft procedures; Service Level Agreements and Protocols
- Starting Tenancies draft policy and guidance for staff
- Voids policy, procedures and documentation
- Committee and sub-committee minutes
- Staff training plans
- A range of written communication with tenants and service users
- Annual Reports
- Internal Management Plan
- Internal Audit Reports
- Internal Audit Plan
- Maintenance Policy
- Gas annual servicing policy
- Right to repair policy
- Tendering procedures
- Rechargeable repair policy and staff guidance
- Housing Management workload register
- Arrears monitoring report sheets
- Performance reports
- Empty house standards
- Newsletters
- Tenancy pack and Tenants Handbook

* see glossary

Examples of Positive Practice

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

Collecting tenant's views on the repairs service

Barony asks its tenants if they are happy with the responsive repairs carried out on their homes by providing them with a satisfaction form for them to complete. The Association contacts by telephone those tenants who do not respond and records any views they are willing to offer. This approach provides Barony with more extensive and better quality information on the standard of its responsive repairs service as experienced by its tenants.

Glossary

Annual Statistical and Performance 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.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Cyclical maintenance	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
HomePoint	A department of Communities Scotland that supports providers of housing information and advice services. HomePoint has broken down advice activities into three types: <ul style="list-style-type: none">• Type I active information, sign-posting.• Type II casework.• Type III advocacy, representation and mediation.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
ICT	A landlord's information communication technology system.
Industrial and Provident Society	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.
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.
Internal Management Plan (IMP)	Strategic plan which sets out what the organisation aims and objectives are as well as outlining how it will achieve them.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.

National median	The central value of the ordered performance of all Scottish RSLs.
Non Technical Arrears	Rental charges owed to a landlord after any outstanding Housing Benefit claims or payments have been taken account of.
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 Standards	Housing standards for all social landlords in Scotland.
Planned maintenance	The planned renewal or maintenance of key property components.
Post Inspection	Inspection by a member of the landlords staff to check the on the quality or deal with a complaint concerning a response repair.
Pre inspection	Inspection by a member of the landlords staff to check the on the exact nature of the work required before ordering a response repair.
Procurement	The way an organisation obtains services or materials from other organisations or agents.
Rechargeable repairs	Work that is the responsibility of the tenant but has been done by the landlord.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
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.
Response repairs	Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance.
Right to Buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Right to Repair	Statutory scheme which sets out timescales for some repairs and actions which can be taken if timescales exceeded.
Scottish Public Services Ombudsman	The independent body appointed to investigate individual complaints against public service bodies including Registered Social Landlords (RSL).

Scottish Housing Quality Standard (SHQS)	Was brought in to ensure minimum quality standards across all of Scotland's homes and is to be achieved by 2015.
Scottish Secure Tenancy (SST)	The Housing (Scotland) Act 2001 establishes the SST 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.
Schedule 7 of the The Housing (Scotland) Act 2001	Defines how those involved with RSLs (governing body members and staff) do not benefit in an inappropriate fashion.
Section 5 referral	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.
Serious arrears	Where a tenant owes more than 13 weeks rent payments and this is more than £250.
Service level agreement (SLA)	An agreement between departments within an organisation or between partner organisations that defines the type and level of service they will provide.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
SMART	The setting of targets which are specific, measurable, achievable, relevant and timed.
Stakeholder(s)	Any person organisation who obtains a service from the landlord or is effected by the landlords actions.
Statutory reasonable preference categories	People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
Technical Arrears	Rental charges owed to a landlord as a result of an outstanding Housing Benefit claim or payment.
Turnover (empty houses)	The number of houses that are vacated in a year expressed as a percentage of the landlords housing stock.
Wider Action	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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