

Communities Scotland
Inspection report

Scottish Borders Housing Association

October 2006

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1. Introduction

About this inspection

1.1 This inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to make an independent external assessment of the effectiveness of housing service delivery and make recommendations for 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 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 housing management and for property maintenance. This is what our grades mean:

A	Excellent	Major strengths.
B	Good	Many strengths and some areas where improvement is needed.
C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.

The inspection team

- 1.5 The inspection was managed by Carol Paton (Inspection Manager), supported by Scott Crossley, Jonathan Grant, Jean Harper, David Love, Elaine Rosie, Elaine Whyte (Inspectors), Josephine McAloon (Inspection Officer), Jim Casey (Financial Analysis Manager) and Murray Smith (Financial Analyst). We were on site between 19 and 30 June 2006. We would like to thank everyone involved in the inspection for their time and co-operation.
- 1.6 A panel of our tenant assessors carried out a desk-top appraisal of leaflets and documents that SBHA makes available to tenants and service users. The panel comprised Archie Thomson, Jessie Martin, Marissa Mundt and Claire Ramsay.

Responding to this inspection

- 1.7 We expect all inspected bodies 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 Scottish Borders Housing Association (SBHA) was registered with Communities Scotland in March 2003, when it acquired 6,730 properties from Scottish Borders Council (SBC). It is an Industrial and Provident Society* and a Scottish charity.
- 2.2 The Association's headquarters are in Selkirk and it owns properties across four of the five SBC administrative areas: Cheviot, Eildon, Teviot, and Tweeddale. SBHA's area offices are in the largest towns in these four areas and include three Community Resource Bases in Selkirk, Galashiels, and Peebles, and shared facilities in the SBC offices in Hawick and Kelso. The Community Resource Bases are offices set up by SBHA to deliver services locally. SBHA's Building Services division is based in separate premises in Selkirk.
- 2.3 At 25 May 2006 SBHA owned 6,100 properties of which 1,018 are in Cheviot, 2,487 in Eildon, 1,766 in Teviot, and 829 in Tweeddale. Three-fifths of the housing stock, including sheltered accommodation, is flats (3,673). The remaining two-fifths are cottages and houses (2,427). The stock is mainly of traditional construction with almost 11% non-traditional construction or high rise.
- 2.4 SBHA is governed by a Board of Management. Membership of the Board comprises tenant and independent members, who are elected by the tenant and independent Association membership, and local authority members who are nominated by SBC. The Board has three more positions for co-opted members.
- 2.5 At the time of the stock transfer, the Council's direct labour organisation transferred and became Scottish Borders Building Services Ltd (SBBS), a non-registered limited company and wholly owned subsidiary of SBHA. SBBS operated in this way until 31 March 2005, when it was brought in-house as a division. The SBBS company is dormant with no assets or liabilities.

* see glossary

Geography

2.6 The Scottish Borders is a large rural area in south-east Scotland spanning 1,831 square miles. SBC's area of responsibility comprises the four former district councils of Berwickshire, Roxburgh, Ettrick and Lauderdale, and Tweeddale. In the 1996 re-organisation of local government these were integrated with Borders Regional Council to form the Scottish Borders Unitary Authority.

Population

2.7 The population in Scottish Borders is 109,270 with a density of 23 people per square kilometre compared to a national average of 65, which makes it the third-lowest density in mainland Scotland. The principal towns are Hawick (population 14,801) and Galashiels (population 12,367). There are 11 other settlements with a population of more than 1,000.

2.8 Compared to Scotland as a whole, Scottish Borders has a lower proportion of children and people of working age. Census information shows that from 1981 to 2001 the percentage of people aged under 19 dropped 9.2% and the percentage of those aged 15-29 dropped 22.3%. During the same period, the percentage of people of retirement age increased by 12.2% and the proportion aged over 75 increased by 32.4%.

2.9 Between 2002 and 2018 the number of younger and working-age people in the Scottish Borders is predicted to decrease at about the same rate as Scotland overall. The number of people in older age groups is predicted to increase significantly with those aged 60-74 predicted to grow by 35% compared to 23% across Scotland.*

Economic factors

2.10 Unemployment in the Scottish Borders is relatively low but the area is a low-wage economy. The Scottish Borders has the second-lowest average weekly earnings of all local enterprise company areas in Scotland. The 2001 Census includes the following information:

* South of Scotland labour market and economic intelligence report - October 2004

- the unemployment rate for the Scottish Borders is 3.1%, which is slightly lower than the Scottish average of 3.97%; and
- self-employment for the Scottish Borders is 11.34%, which is significantly higher than the Scottish average of 6.60%.

2.11 The Scottish Index of Multiple Deprivation only identifies one area in the Borders which ranks in the top 10% most deprived. The Burnfoot and Mansfield ward in Hawick ranks highly in terms of poor education and current income.

Social housing supply

2.12 Just over a quarter of properties in the Scottish Borders are in the social rented sector, and SBHA is the largest social landlord. The stock it acquired from SBC in 2003 represented 59% of the Scottish Borders' social rented sector as recorded in the 2001 Census.

2.13 SBC is responsible for producing the Local Housing Strategy (LHS) and has done this in partnership with the Scottish Borders Housing Forum, of which SBHA is a key partner. The forum meets regularly to bring together the active registered social landlords (RSLs) in the area, SBC staff, Scottish Enterprise Borders and Communities Scotland. The LHS forms part of the New Ways (Community Planning) approach in the Scottish Borders.

2.14 The LHS has six key objectives:

- Affordable housing: Provide more affordable housing, using the planning system in an imaginative and flexible way to increase supply.
- Rural communities: Meet the housing needs and contribute to the sustainability of rural communities.
- Regeneration and economic growth: Housing must make a major contribution to the regeneration of older and run-down areas, building new homes as part of the strategy to deliver economic growth in the Borders.
- The needs of older people: Provide new types of housing for those living in residential care and support people to enable them to live independently in their own homes.

- Social inclusion: Ensure everyone can play a full role in life in the Borders through tackling fuel poverty, resolving homelessness, tackling anti-social behaviour and providing support to those with special needs.
- Resources: Seek increased funding for housing providers so they can meet the multiple challenges of providing affordable housing, assisting with re-provisioning of council care homes and contributing to the regeneration of run-down estates.

2.15 Despite having many of the problems associated with other rural societies, there are also concentrations of 'urban' problems in large housing estates, particularly in Galashiels and Hawick. In these estates the stock is not typically rural but includes many blocks of flats with common stairs and shared external areas.

Key facts

	2003-2004	2004-2005	2005-2006
Houses owned	6,515	6,330	6,179
Employees (full-time equivalent)	124	101	202#
Annual turnover (£'000)	13,512	13,197	13,273
Total possible rental income (£'000)	12,833	13,389	14,345
Rental income from housing benefit (%)	47	43	41.7
Average weekly rent (£)	39.83	44.05	42.52
Average rent increase (%)	3.6	5.5	4.4
Houses re-let	650	730	612
Responsive repairs carried out	21,971	23,207	21,625
Cost of maintenance services per unit (overhead) (£)	Not available	200.96	181.99
Right To Buy sales	206	215	147

Source: APSR* and SBHA annual accounts

The number of employees increased after integrating the SBBS workforce.

* see glossary

3. Challenges and commitments

Introduction

- 3.1 This section looks at the promises made to tenants pre-transfer and the challenges and progress made in the first three years of Scottish Borders Housing Association (SBHA). SBHA was formed as a result of the first full stock transfer from a Scottish council. It acquired 6,730 houses from SBC in March 2003 on the basis of commitments to tenants before the ballot.
- 3.2 At the time of our inspection SBHA had operated for three years. This is a short time for a new organisation to establish itself and change the culture in governance and working practices from that of a local authority to a registered social landlord. At the time of the transfer it was not intended that SBHA would deliver all the commitments within three years but it is possible to show whether SBHA's 'direction of travel' is in line with its commitments for the first 10 years after transfer.
- 3.3 Initially, SBHA took over SBC's area-office structure and purchased rent collection, rent-arrears management, and information communications technology (ICT)* services from SBC. Since then SBHA has established three Community Resource Bases and has brought all these services in-house although it continues to buy certain legal and grounds maintenance services from SBC.

Challenges

- 3.4 SBHA has experienced several challenges in its first three years that have affected its delivery of the investment programme and its operational capacity. These can be summarised as:
- changes to pre-transfer business plan assumptions;
 - the financial viability and operational performance of SBBS;
 - the Bannerfield floods;
 - strengthening consistency and responsiveness in service delivery.

* see glossary

- 3.5 Several issues have affected the financial resources available to SBHA. Since the publication in November 2001 of the “We Promise” document, which set out pre-transfer commitments, the number of units transferred and the sale price both changed significantly. In addition, some planned maintenance work, scheduled for after year 30 at the time the purchase price was set, has been brought forward. Also, the cost of repairing and maintaining the housing stock was higher than had been assumed. SBHA has raised a legal claim under the indemnities clause of the Sale Contract. This matter is ongoing.
- 3.6 Following transfer, SBHA found that SBBS was struggling to reach required quality and performance standards and was trading at a loss. This led SBHA to change the governance and work practices of SBBS. The decision to bring SBBS in-house in 2005 was based on a well-considered business case and has since shown benefits in cost control and service delivery. Implementing the decision required wholesale changes in structure, conditions of employment and work planning.
- 3.7 Floods in Selkirk’s Bannerfield estate occurred less than three months after transfer and left 83 SBHA properties uninhabitable. Responding to this event and tackling SBBS’s problems put heavy demands on staff and affected progress against scheduled priorities, because of the unexpected financial costs.
- 3.8 As in other stock transfers there have been difficulties in developing a new identity, applying new ideas, and changing the culture of the organisation. SBHA has recognised the need for performance improvement and greater consistency and has centralised some service areas in an effort to address this. New policies and procedures, staff training, and involving staff more in planning and performance management continue to contribute to a changing culture.

Commitments

- 3.9 SBHA made six pre-transfer commitments:
1. Modernised homes for all.
 2. Rent guarantee.
 3. Continuing Right to Buy (RTB).
 4. The best repairs service possible.

5. Action on anti-social behaviour.
 6. Real power for tenants.
- 3.10 “Modernised homes for all” means bringing all houses up to a Borders Quality Standard (BQS) by 2014. BQS was developed in consultation with SBC tenants before the transfer. At the time of the ballot, £70m was to be available to bring every house up to the standard which included double-glazed windows, central heating, a new kitchen, a new bathroom with a shower, environmental improvements, and new door-entry systems. SBHA’s first three years’ programme has been consistent with this standard. Although pressures on its business plan have reduced the amount it expects to spend, SBHA is confident that it can meet the Scottish Housing Quality Standard (SHQS), which largely supersedes BQS, by the ministerial target for 2015. SBHA cannot demonstrate that it can continue to meet SHQS after 2015 and is currently appraising its options.
- 3.11 SBHA currently projects a spend of around £58m to bring its houses up to the BQS. The business plan projections changed due to a combination of factors in the run-up to registration and transfer. SBHA now has better information on the condition of its stock which enables it to show that it is on track to meet its commitment to modernise homes despite the lower investment. It has spent £14.4m in its first three years compared with £12.1m planned at the point of transfer.
- 3.12 The rent guarantee was a five-year rent guarantee period and a commitment to complete “rent harmonising” without a specified timescale. The rent guarantee was to restrict annual rent increases to inflation (RPI^{*}) plus 1% plus 45p a week. Harmonising rents means addressing the historic differences in rent, for the same size and type of property, due to the previous split of stock across four former district councils. In addition, SBHA was to review rent collection methods in consultation with tenants. SBHA has met its rent guarantee, has started rent harmonisation, and has introduced a swipe card system for tenants to pay rent at a wide range of outlets across the Borders.

* see glossary

- 3.13 On transfer, SBHA promised SBC tenants to continue RTB. SBHA has given transferring tenants a contractual right to buy that replicates the rights they would have had if they had stayed with SBC. In accordance with RTB legislation, transferring tenants would lose their right to buy if they moved to another SBHA property. The contractual right allows them to buy their home, as if the legislation and the modernised RTB applied. This commitment to tenants is being met.
- 3.14 “The best repairs service possible” included a commitment to introduce a Freephone repairs line, to operate a repairs-by-appointment system, and to complete non-urgent repairs within 20 days. A Freephone line and an appointments system have now been introduced. The completion target reflects the promise but actual performance against this target has been poor, partly due to the difficulties with SBBS mentioned earlier. SBHA promised better quality control of repairs, but the inspection report identifies scope for improvement in this area. Every tenant was to receive a Freepost postcard to report their level of satisfaction with the repairs service. SBHA has yet to fully develop this and only sends 20% of tenants a postcard. Overall, progress is being made against the repairs commitment.
- 3.15 “Action on anti-social behaviour” included a promise to work in partnership with SBC, the police and other landlords, and respond quickly to all complaints. SBHA was to employ additional staff resources and support the Scottish Borders Mediation Service. SBHA can demonstrate a positive approach to managing anti-social behaviour; is an active member of the Borders Anti-Social Behaviour Strategy Group; and has appointed a Tenancy Support Officer.
- 3.16 “Real power for tenants” was a fundamental promise to give tenants genuine influence in how services are delivered. SBHA has improved tenant influence since transfer as confirmed by tenants’ representatives. Tenants are involved in governance, in local decision-making, and through membership of the Scottish Borders Tenants Organisation (SBTO), which is the umbrella organisation representing SBHA tenants and is a Registered Tenants Organisation (RTO). SBTO sits outside the formal governance structures, which it believes makes it more able to lobby and challenge, but it also takes a central role in decision making through ongoing consultation. The SBTO, which grew out of the pre-

transfer Joint Tenants Panel, confirmed to the inspection team that since transfer the new landlord (SBHA) has shown greater customer focus and a positive attitude to tenant participation. One specific commitment of SBHA was to establish four Area Boards with decision-making powers on key local issues. In reality there has been sufficient interest in membership to establish two Area Boards so far. Together they oversee the whole of SBHA's area of operation. There remains the facility in the constitution to expand this should capacity be developed in future. Good progress has been made against the commitment to give real power to tenants.

- 3.17 Much of the service development and investment-related activity regarding the transfer promises has long-term targets. In several aspects of the commitments no definitive timescales were set. However, overall SBHA's "direction of travel" in its first three years demonstrates achievement or progress against these commitments. SBC's Administration Policy Working Group has responsibility for overseeing SBHA's performance against the "essential standards" of the sale contract. These essential standards were developed from the points set out in the ballot. SBC acknowledges that SBHA is making good progress in meeting the essential standards, and 21 out of the 22 indicators show satisfactory progress. The one exception relates to an underspend in planned maintenance work, because staff resources were diverted to deal with the Bannerfield flood. This underspend was subsequently caught up in 2005/06. SBC has also accepted that the original detail in the sale contract may change to reflect new legislation and changing operational practices.
- 3.18 SBHA has a positive relationship with SBC across all operational areas and as a member of the Borders Housing Forum. It should ensure that its activities and plans continue to align with the Local Housing Strategy and that its contribution to community planning evolves.

Summary

- 3.19 SBHA has made good progress against its commitments to tenants before transfer. This has been achieved despite considerable challenges in its first three years of existence. Where there have been departures or delays in

meeting these commitments, these have happened in consultation and agreement with SBTO and SBC.

3.20 Leadership and direction is strong, with the organisation demonstrating a clear and consistent purpose – to deliver services that tenants want. Planning and decision-making processes are well-informed and inclusive. The Board is drawing strength from an excellent mix of skills, local knowledge, political awareness, and commitment and contribution.

3.21 Future challenges include:

- sustaining and improving a standard of service despite a reducing stock;
- fully establishing SBHA's separate identity;
- completing the development of infrastructure to deliver efficient and high-quality local services;
- continuing to develop the Area Boards and their ability to provide reliable and regular evidence about service delivery;
- developing SBHA's partnership role in regeneration; and
- maintaining good relationships with SBC at strategic and political levels.

4. Housing management

4.1 The grade awarded for housing management is:

C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
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We explain at the end of this section how the assessments and judgements we have made result in this grade.

How good is the service?

Access

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

- 4.2 SBHA operates an open housing list and anyone aged 16 or over can join at any time. Applicants can find out about SBHA's housing in Hawick and the surrounding areas through homehunt* Hawick, a pilot common housing register (CHR)* and choice-based lettings system (CBL)*. Applicants who wish to be housed in all other areas can apply to SBHA's housing list.
- 4.3 There is a lack of publicity and information about SBHA's housing and how to access it, with only limited information on the websites of SBC and the Scottish Borders Housing Forum. SBHA is currently developing its own website, which will include information about its housing and a downloadable housing application form. SBHA produces leaflets and other materials in large print or translated into community languages and provides access to interpreters where appropriate. It publicises this service in its offices but not in its leaflets or its newsletters. Its application form for sheltered housing is produced in large print.
- 4.4 The Association administered housing applications and allocations from its local offices until the process was centralised in February 2006. This was to ensure a consistent approach and to release housing officers' time for home visits and estate inspections. Applicants can apply at any of SBHA's Community Resource

* see glossary

Bases (CRB), and local offices or they can send their application to the Allocations Administrator at the head office in Selkirk.

- 4.5 On 1 July 2006 there were 2,857 applicants on SBHA's housing list. The target for processing applications is two days but SBHA does not monitor actual performance. We found that dates were not always recorded on applications but, where this had been done, it was taking up to five days to process applications. We saw consistent recording of dates on the more recent applications. SBHA is aware that it still has to develop its monitoring and reporting on time-scales for processing applications. Before centralisation, SBHA used to check the accuracy of the points given to a 20% random sample of applications. Since centralisation, staff check the accuracy of all applications, and 20% of allocations decisions. These are positive developments.
- 4.6 The Association writes to tell applicants they are on the housing list and confirm their choices but does not provide information on:
- their points level and how points have been awarded;
 - the likelihood of being re-housed;
 - alternative housing options and where to get more detailed advice; or
 - the applicants' right to appeal the decision.
- However, we saw that applicants who contacted the Association did get information about their points and were given a realistic assessment of their re-housing prospects.
- 4.7 SBHA actively manages its housing list. It reviews applications on the anniversary of the application, when it writes to applicants enclosing a change-of-circumstances form. However, there are several weaknesses in its cancellation procedures. We found from case reviews that it cancelled applications after receiving uncorroborated information from third parties. SBHA undertook to end this practice while we were on site. It does not send a further reminder letter to applicants who do not respond, or inform them of their right of appeal or about how to have their application reinstated and this also needs to be remedied.
- 4.8 SBHA had suspended 43 applicants (1.5%) at 1 July 2006. In the cases we looked at 49% were suspended for rent arrears; 46% for refusing two offers; and

5% for anti-social behaviour (ASB). Five applications were deferred at the applicant's request. SBHA suspends applicants for six months after they refuse two reasonable offers of housing. Applicants to homehunt Hawick are not suspended for refusing offers. SBHA used to review suspensions for arrears on an ad-hoc basis. At centralisation, it introduced a three-monthly review of applications suspended for rent arrears, but because of staff shortages it has still to implement this. The Association suspends applicants with ASBOs* for between one and two years and offers them the opportunity to discuss what they are doing to remedy their behaviour and find support, and this determines the length of their suspension. However, it is not made clear to applicants that the discussion could lead to a review of their suspension.

- 4.9 Our case reviews confirmed that SBHA tells applicants how long they will be suspended and why, but not their right to appeal. It is planning to include this information in its standard letters in future. SBHA does not monitor or report on the number or reasons for suspensions, so cannot assess trends or the implications for applicants.
- 4.10 The SBHA collects information on applicants' ethnicity and disability but does not analyse this information or use it to confirm whether it is achieving fair outcomes. This is a weakness. However, the Association participates in initiatives to address equalities issues. The Borders Housing Network made a successful bid to the Scottish Executive for a Community Outreach Worker to provide advice and support to migrant workers from EU countries. The worker will be employed by Eildon Housing Association, and SBHA will be able to make referrals to this service.
- 4.11 SBHA is one of four RSLs piloting the use of a common housing register and choice-based lettings system in the Hawick area since March 2005. This is a positive development. Homehunt Hawick is advertised in all participating landlords' offices and on the homehunt and the Scottish Borders Housing Forum websites. The registration form and pack are available in various formats and applicants can register by Freephone, on the internet or by completing a simple application form. Our tenant assessors carried out a desk-top review of all the

* see glossary

- tenant literature issued for homehunt Hawick and found the documents easy to read and informative.
- 4.12 On 30 June 2006, 3,346 applicants were registered with homehunt Hawick. Once registered, applicants can apply for any vacant properties. These are advertised weekly in the local press, on the website, and in the participating landlords' offices. Homehunt Hawick publishes information on its website and in newsletters about how properties are let – for example which priority category of applicant they go to – to help prospective applicants understand how the system works.
- 4.13 SBHA is a member of the strategic and operational groups set up to manage the development of the CHR and CBL. The partners share responsibility under a co-operation agreement and are currently evaluating the pilot. Service users surveyed show high levels of satisfaction with homehunt: 95% of respondents said they found it easy to register; 96% found it easy to understand; and 91% liked being able to choose properties. SBHA plans to analyse how the pilot has affected its performance in managing empty houses and tenancy sustainability and to compare costs with its in-house service, before deciding whether to extend the approach to all its houses. SBHA staff provided anecdotal evidence that properties that had lain empty for several years have been brought back into use and that demand is increasing for houses in areas that were previously hard to let.
- 4.14 In summary, SBHA provides fair access to its housing list. Access is open to anyone over 16. SBHA is an active partner in a pilot CHR in Hawick and the surrounding areas and this provides good access to its housing. It does not actively promote access to its own housing list. It gives applicants only limited information about their housing options and does not inform them of their right of appeal. It has not been giving sufficient notice before cancelling applications and there are various weaknesses in its management of suspensions. The Association is taking steps to address each of these weaknesses.

Meeting need and maximising choice

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

- 4.15 SBHA prioritises allocations depending on a range of housing needs which clearly reflect the statutory reasonable preference categories of housing need*. In 2005/06 SBHA allocated 612 houses, of which 26.6% were through choice-based lettings; 13.1% were to its existing tenants; 69.4% were to people from its housing list including homeless applicants; 16.5% to homeless people nominated by SBC; and 1% to Section 5 referrals*. Homehunt Hawick does not assess all the housing needs of people who apply for housing i.e. insecurity of tenure, sharing facilities, and harassment but all the allocations we reviewed were to people with one or more of the statutory reasonable preference categories. Applicants to homehunt Hawick can apply for one of a range of priority passes that broadly reflect the statutory reasonable preference categories. Homeless people are awarded the highest priority. Homehunt Hawick encourages applicants who indicate a housing need to apply for a priority pass.
- 4.16 Under a local agreement with SBC, SBHA has up to 12 weeks to offer housing to Section 5 referrals. The Association received seven Section 5 referrals in 2005/06; it housed six of these and one was withdrawn. The average time between referral and re-housing was 69 days. SBHA, with other local RSLs, is discussing a new service-level agreement with SBC for Section 5 referrals which would require a six-week turnaround. The Association received 150 homeless nominations from SBC in 2005/06 and had housed 67% (101) of these by May 2006. SBHA monitors its progress in housing people nominated as homeless but its performance reports do not analyse outcomes or make comparisons with peers. Therefore, it cannot identify where problems are occurring and assess its performance fully. It is aware of delays in finding properties to match applicants' requirements, and meets SBC to review outstanding cases. There is currently no timescale for re-housing homeless nominations although these may be treated as Section 5 referrals in the future service-level agreement. SBHA also houses

* see glossary

- homeless nominations through homehunt Hawick. In 2005/06 14% of its total lets through homehunt were made to homeless nominations and this figure had increased to 22% in the first quarter of 2006/07. Homeless people receive two offers, the same as other applicants, which is positive practice. SBHA participates in HOMES and also helps arrange local mutual exchanges.
- 4.17 SBHA encourages applicants to select any number of areas and types of properties on their application forms, and offers choice over types of heating and a garden. However, it suspends applications for six months when two reasonable offers are refused, which does not promote choice.
- 4.18 SBHA, in common with all the other social landlords in the Borders, participates in the Unified Health Assessment Scheme. The scheme, which was designed by the National Health Service – Borders with local RSLs, allows a housing applicant to fill in one simple health assessment form. Trained housing staff assess the form and decide on the applicant's particular housing needs in relation to their health. They share this decision with all RSLs to whom the applicant has applied. This makes it easier for people with medical needs to apply for housing.
- 4.19 SBHA found its administration of allocations was inconsistent across local offices. Staff were not clear about procedures or how to implement them on the IT system, particularly on by-passing an applicant in favour of someone with fewer points. As a result, SBHA centralised administration to address this weakness and ensure consistency. But it does not know how many applicants were by-passed inappropriately or for how long this was happening. It acknowledges that some of the highest-priority applicants may have been by-passed and that staff may have used discretion in some allocation decisions, although this is not provided for in SBHA's published policy.
- 4.20 Applicants with the highest priority or most points should receive the next offer of housing, in accordance with SBHA's Allocations Policy. We found that applicants at the top of the list were by-passed in 82% of our sample of cases and in two-thirds of these cases the reason for the by-pass was unclear. 45% of these lets were made to people between 6th and 12th on the list. The Association changed

its procedures in February 2006, and from then we saw that staff rarely use the by-pass facility on the IT system and those at the top of the list are automatically considered first. Where applicants are by-passed the reasons are clearly recorded; 83% of these more recent lets were made to applicants who were between 1st and 3rd on the list.

- 4.21 Home visits are a good opportunity to collect information on an applicant's requirements and verify their circumstances. The Association did not previously carry out pre-allocation home visits in all cases but since centralisation all applicants receive a home visit before allocation. This is a positive development.
- 4.22 An internal audit in November 2005 found that allocations decisions were not being counter-signed. SBHA responded quickly to this and introduced a system where 20% of all allocations are checked by a senior member of staff. This is acceptable for a large organisation. However, SBHA does not fully monitor or report on the outcomes of its allocations processes and so cannot assess how far it is meeting its aim of providing housing to those in greatest need.
- 4.23 In summary, SBHA has a fair approach to meeting need and maximising choice. Applicants can choose any number of areas and types of houses, and homeless applicants have the same level of choice as other applicants. However, the Association limits the number of offers to two and refusals will lead to suspensions for six months, which does not promote choice. The Association does not have a fully developed framework in place for monitoring and reporting on its performance in housing homeless nominations. Until recently, a lack of guidance for staff and poor audit trails have meant SBHA could not always show that lets were made to the applicant most in need. However, it has recently made improvements that have led to greater transparency in allocation decisions.

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.

- 4.24 SBHA has signed up 82% of its tenants to the Scottish Secure Tenancy agreement (SST)* and is sending reminders to its remaining tenants. At the time of our inspection SBHA had eight tenants with a Short SST. We saw the Association has a clear policy for granting Short SSTs and uses them appropriately and in line with legislation. It has only recently started to keep a signed copy of the tenancy agreement in tenants' house files, on the advice of its external auditor.
- 4.25 Good information and access to appropriate support are important ways in which landlords can help sustain tenancies. SBHA uses sign-up interviews to give new tenants a range of helpful information about their tenancy and uses a sign-up checklist to ensure a consistent approach. The pack for new tenants includes an Information Guide; leaflets about welfare benefits, debt advice and home insurance; a complaints form; and copies of the tenants and SBTO newsletters. With our tenant assessors, we found that the contents were informative and easy to read, though the layout could be improved and some information e.g. about repairs, was confusing. In addition there were gaps in information:
- there was no signposting to where tenants could get information in other languages and formats;
 - the Information Guide does not include contact details for offices; and
 - there is no information about estate management services, or about neighbour nuisance and anti-social behaviour.
- 4.26 SBHA aims to carry out settling-in visits within four to six weeks of the beginning of a tenancy but it is aware these have not always taken place. It has made this a greater priority for Housing Officers since centralising the administration of the housing list and allocations. We saw pre-allocation and settling-in visits being carried out routinely and these are used well to emphasise the responsibilities of a tenancy, advise tenants about the welfare rights and tenancy support services, and identify problems early.

* see glossary

- 4.27 SBHA employs a Tenancy Support Officer (TSO) to provide flexible support to help new, young or vulnerable tenants sustain their tenancy. Since January 2006, the service has been targeted at homeless referrals and people with an ASBO. The TSO has established good links with other support agencies and service providers for referrals as well as providing direct support to tenants. Housing Officers are able to refer tenants to the TSO as well as to other support agencies and services. In the first six months of operation the service has assisted 50 tenants and sustained seven of the eight tenants receiving direct support in their tenancy. One tenant subject to an ASBO had their Short SST successfully converted into an SST after receiving support.
- 4.28 SBHA is committed to preventing homelessness. It uses eviction only as a last resort, and uses a range of measures to address breaches of tenancy. We saw evidence of a tenant-focused approach with incentives available to all tenants, such as rent-free periods and the offer of a discount for tenants who pay their annual rent in advance. The range of measures the Association uses to address tenancy breaches includes:
- early and sustained contact with tenants whose rent accounts fall into arrears;
 - use of alternatives to legal action including proportionate and realistic repayment agreements and wage arrestment*;
 - ASBOs to curb anti-social behaviour; and
 - Short SSTs and support where tenants have been involved in serious anti-social behaviour.
- 4.29 SBHA introduced the post of Welfare Benefits Officer (WBO) in January 2005, and the role has developed as an important resource for supporting tenants experiencing financial difficulties. SBHA has helped tenants claim £47,000 in grants and benefits. We found that the service is tenant-focused, and any member of staff can make referrals to the WBO. The service is well publicised through leaflets, the tenants newsletter, and by arrears staff in their contact with tenants.

- 4.30 The number of Notices of Proceedings* (NOPs) issued by SBHA has increased from 842 in 2004/5 to 1,139 in 2005/6. During the same period the proportion of those cases proceeding to court action has dropped, from 317 (37.6%) cases in 2004/5 to 223 (19.6%) cases in 2005/6. The Association issues NOPs in appropriate circumstances, and the increase in the number of notices issued reflects an increased activity in managing rent arrears. Over the two-year period, SBHA has agreed more repayment arrangements with tenants, resulting in less legal action.
- 4.31 Although the number of cases where decrees for eviction were granted has increased slightly from 36 in 2004/5 to 41 in 2005/6, the number of actual evictions carried out dropped from 28 to 21 over the same period. The increase in the number of decrees in part reflects past weaknesses in managing rent arrears, which are now being addressed. We looked at a range of arrears cases and found that SBHA takes action in proportion to the level of arrears, and initiates legal action appropriately. The Association recognised that it needed to tackle several long-term arrears cases where it had been unable to contact the tenants involved. It has enlisted the help of an external agency which it already uses to pursue its former-tenant arrears. This is a pilot exercise that SBHA intends to benchmark against 20 similar cases that it is pursuing through its normal procedures.
- 4.32 We found the number of abandoned tenancies has reduced from 107 in 2004/5 to 66 in 2005/6, representing 1.7% and 1.1% of the Association's properties respectively. The proportion of abandoned properties in 2004/5 was higher than the national median (0.56%) but SBHA has shown an improving trend in performance in 2005/6. The number of post-decree abandonments is very low. We found that, until recently, the Association continued to accept rent payments to tenants' accounts after decree for repossession had been granted. SBHA has recognised weaknesses in its management of post-decree tenancies and introduced new procedures in April 2006. These procedures address the identified weaknesses effectively and SBHA is issuing new tenancies or pursuing evictions as appropriate. A minimum of 75% of the arrears must be paid off and

* see glossary

an arrangement put in place to repay the balance, before a new tenancy will be granted.

- 4.33 In summary, SBHA has a good approach to helping tenants sustain their tenancies and preventing homelessness. It has addressed areas of weakness, although many of the measures it has introduced are new and will take time to develop fully.

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.

- 4.34 SBHA's area of operation includes urban and rural areas, with a varied mix of property types spread across mixed-tenure estates, many of which feature substantial areas of open ground. We found that the Association's neighbourhoods were generally well-maintained with no major litter, vandalism or graffiti problems.
- 4.35 The Association has recognised that some areas require regeneration and investment. Its housing stock features several areas of low demand, particularly in Hawick and Galashiels, and also various sheltered housing developments spread across the Scottish Borders. SBHA has been developing proposals to regenerate its Stonefield estate in Hawick, with resident involvement, and to demolish low-demand housing.
- 4.36 SBHA has recognised that it has not always managed its estates effectively or in a planned way. In April 2006 it established a new programme of planned estate inspections, to be carried out by Housing Officers in their respective "patches". We shadowed some of these inspections and found that they covered a range of issues including the external condition of properties, litter problems, and the condition of gardens and common areas. The approach is new for the Association and it plans to extend the range of issues these inspections can cover. It does not yet have a framework in place to monitor the result of its estate inspections or to use this information to improve services.

- 4.37 The large areas of communal and open ground within its estates present particular challenges for SBHA. It has recognised that pressures on staff resources have meant it has not monitored and maintained the performance of its grounds maintenance service. It expects that changes to its internal working practices across its housing management and property maintenance services, for example through centralisation of key activities, should enable staff to manage estates more proactively. However, at the time of our inspection these benefits were not yet evident.
- 4.38 SBHA's approach to dealing with anti-social behaviour and neighbour nuisance is good. It makes appropriate use of a range of measures to deal with these issues, and staff are supported by clear policy and procedures. We found:
- good awareness among staff of SBHA policy and how to deal with anti-social behaviour;
 - prompt initial responses to complaints;
 - appropriate use of escalating actions and responses depending on the circumstances of each case;
 - effective multi-agency working for more serious cases; and
 - the recent establishment of a centralised database of anti-social behaviour complaints has improved tracking of actions and monitoring of cases.
- 4.39 We found weaknesses in SBHA's evidence of contact with complainants during and after investigations of anti-social behaviour. It has not clearly and consistently recorded all actions taken and outcomes. We also found it did not refer victims to support services, even in the more serious cases we looked at.
- 4.40 The number of neighbour nuisance and anti-social behaviour complaints made to SBHA has decreased from 375 in 2004/5 to 230 in 2005/6. Until very recently, SBHA has lacked a robust system to enable it to analyse the range and types of complaints it receives. However, its new database, introduced in April 2006, makes it better able to analyse trends in complaints and its own performance in dealing with them.
- 4.41 SBHA is a key partner in implementing the Borders Anti-social Behaviour Strategy. It works well with SBC, the police and other landlords in dealing with

cases of anti-social behaviour, and has obtained 11 ASBOs over the last three years through working in partnership with these agencies. Feedback from SBHA's key partners confirms that it has positive and effective working relationships with its partners.

- 4.42 In summary, the quality of SBHA's neighbourhoods is fair. The Association has recognised its weaknesses in the management of its estates, and is now becoming more active and increasing staff presence in local areas. One of its strengths is to use a multi-agency approach in dealing with neighbour nuisance and anti-social behaviour. While there have been some weaknesses in the monitoring and analysis of its anti-social behaviour work, SBHA has recognised them and recently introduced measures such as the anti-social behaviour database which are having a positive effect.

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.

- 4.43 SBHA does not routinely seek regular feedback from tenants about its housing management services. However, it plans to introduce satisfaction surveys for various aspects of the service during the current financial year.
- 4.44 SBHA's first comprehensive survey of its tenants is due to start in July 2006. It will comprise 1,200 face-to-face interviews with tenants and discussions with several focus groups about key issues. The survey questionnaire was designed with SBTO and covers the whole range of landlord services. SBHA intends to measure tenant satisfaction and to find out what they would like to see in service delivery. The Association plans to incorporate the outcomes from the survey into its strategic and operational plans from 2007/08 onward.
- 4.45 SBHA's commitment to tenant participation, through its RTO, is a strength. It developed its tenant participation strategy with tenants and supports it with an action plan that is reviewed annually. A Community Participation Coordinator is employed to encourage and raise awareness of tenant participation, and SBHA commits significant funding to the SBTO whose main aim is to co-ordinate tenants' views on key issues. The funding allows SBTO to employ its own full-

time tenant development worker and have a permanent independent office. SBHA also funds and supports two other RTOs and several less formal groups.

- 4.46 SBHA works well with SBTO to encourage tenant involvement. Publicity material promoting tenant participation in general and SBTO in particular is readily available in SBHA offices and a regular SBTO newsletter goes to all tenants. SBTO purchased a people-carrier vehicle in May 2005 (part funded by Communities Scotland and by SBHA), which enables SBTO committee members to visit more remote areas, engage with individual tenants, and promote participation. At June 2006 179 tenants had registered interest on the SBTO's database for future consultations. SBTO is currently developing its own website to further improve access to information.
- 4.47 The Housing (Scotland) Act 2001 requires landlords to consult tenants before increasing rent and to involve them in policy review. We saw clear evidence that SBHA takes account of tenants' views when it develops and reviews its policies and strategies. Within the last year SBHA has consulted SBTO on, among other things, its allocations policy, its business plan, customer care standards and its service charge review. All tenants are kept informed through newsletters and invited to contribute their views. Examples of more direct consultation methods are:
- in September 2004, SBTO sent questionnaires to all tenants asking for views on changes to rent payment methods and received a good response (almost 50%); and
 - as part of its current service charge review, SBHA intends running a series of road shows in areas with properties that will be affected by the proposed changes.
- 4.48 A key commitment to tenants as part of the stock transfer was a five-year guarantee on the level of the rent increase - that rents will not increase by more than the rate of inflation plus 1% plus 45p weekly and that rents will be harmonised*. Following consultation with SBTO, over the last two years, SBHA has agreed that the rent increase, whilst remaining within the rent guarantee levels, would not amount to more than £2.50 weekly. SBHA has informed

* see glossary

tenants about its proposed rent increase in its newsletter, invited comments but received no response. To widen debate in 2005, in addition to its newsletter, SBTO sought the views of its RTOs as well as sending questionnaires to all tenants on its consultation database. 81% of respondents favoured the proposal. SBHA did not provide options to tenants about possible alternative rent levels or about their effect on service quality.

- 4.49 SBTO told inspectors that it is involved in all policy reviews and service delivery decisions. This involvement has developed significantly since transfer. Other groups said that not all staff are as involved with them as senior managers and tenant participation staff. SBHA is aware of this and is trying to establish tenant participation firmly throughout the organisation by providing tenant participation awareness training for all staff, including manual workers.
- 4.50 SBHA has a clear complaints policy, and information about how to complain is readily available in all SBHA offices. However, our tenant assessors found that the complaints leaflet, although containing good information, is not well laid out or easy to read. We reviewed various complaints and found SBHA dealt with these in line with its policy and within its published timescales. SBHA also keeps complainants well informed of all the issues, including their right to appeal. In a few cases SBHA has paid compensation to complainants when the Chief Executive has decided that service delivery has been poor. However, we noted that SBHA does not have a policy governing these payments and that it does not report these, or any remedial action, to the Board.
- 4.51 SBHA has a positive approach to dealing with complaints and welcomes them as a form of feedback which can help it improve services to tenants. We saw several examples where SBHA has amended procedures in response to complaints. SBHA provides a twice-yearly report to the Board, detailing the volume and type of complaint as well as performance in responding to target timescales. However, this report does not contain outcome information or details of how complaints have been used to improve service delivery. SBHA is aware of these weaknesses and plans to improve the format of the report.

- 4.52 SBHA does not have formal customer care standards, so tenants and service users do not have a clear indication of what level of service to expect and this makes it difficult for the organisation to monitor its performance in service delivery. SBHA is aware that this is a weakness and has developed a draft customer care policy and established standards in consultation with SBTO and RTOs through a series of workshops. SBHA intends seeking Board approval of these standards and monitoring mechanisms in August 2006. It intends to train all staff on customer care by December 2006 and then to publicise the standards to tenants and service users.
- 4.53 SBHA uses various methods to publicise its services and provide information and advice. We saw some examples of good user-friendly communication:
- It publishes a regular tenants newsletter which our tenant assessors described as “bright, informative and easy to understand”.
 - All tenants receive an annual calendar, designed in conjunction with SBTO, which contains key telephone numbers and a range of information about SBHA’s services.
 - It is currently developing a website, in consultation with SBTO, which will be live by September 2006.
 - It has produced a clear three-year review document, distributed to all tenants, detailing progress made against ballot commitments.
- 4.54 SBHA provides a range of information leaflets to tenants and service users. We noted that the quality and coverage of these varied. Although more recently produced leaflets are good, others were difficult to understand and poorly laid out. SBHA is aware that it should review many of these and provide better and more detailed information for its tenants.
- 4.55 SBHA does not currently provide a tenants handbook. This has previously been discussed with the SBTO, which prefers an annually issued calendar rather than a handbook. SBHA is aware of the limitations of the calendar in providing in-depth information. SBHA and SBTO are currently reviewing this matter, and will ask tenants for their views during the 2006 tenant survey.

4.56 SBHA can make information available in alternative formats, including community languages and Braille. It has access to a telephone translating service and several staff are receiving British Sign Language training. However, apart from information on the telephone translation service, SBHA does not advertise this service to tenants and applicants in its offices or in publicity material.

4.57 One of SBHA's transfer commitments was to bring its services closer to local communities. Since transfer, the organisation has established three Community Resource Bases in Peebles, Galashiels and Selkirk. These are accessible to people with disabilities and provide a good service to tenants and applicants calling at the office. At Hawick and Kelso SBHA staff still work within SBC offices. SBHA is seeking alternative accommodation to improve the facilities for tenants and staff in these areas, and to emphasise SBHA's independence. Examples of how SBHA is making services available to all those who want to use them are:

- housing officers hold regular surgeries in Newcastleton and Jedburgh;
- arrears officers visit all five local offices weekly, offering appointments as well as a drop-in service; and
- the WBO visits local offices fortnightly.

4.58 In summary, the level of support to, and consultation with, the SBTO is very good. Policy and practice have changed following consultation. SBHA is responsive to the formal complaints it receives and has changed procedures as a result. The quality of information available to tenants is variable, and although SBHA can respond to the need for alternative formats, this is not well publicised. Services are provided locally and are accessible to people with disabilities. SBHA cannot yet demonstrate what tenants think about its services, beyond the views of registered groups, and plans to address this in 2006.

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.

4.59 SBHA offers tenants a good range of accessible ways to pay their rent. Tenants can pay by standing order, through a widely available swipecard system, over the

phone or in person at local offices. The Association plans to add the option of direct debit payments later in 2006. It also offers the incentive of a reduction of 2.5% in rent to tenants who pay their annual rent in advance.

4.60 The table below summarises SBHA's performance in collecting rents.

	At March 2004	At March 2005			At March 2006
	SBHA	SBHA	Peer group	National median	SBHA
Total arrears as % of total gross rental income	4.99	6.6	7.58	5.5	8.8
Total current arrears as % of total gross rental income	3.89	4.82	4.34	4.3	6.6
Current arrears (non technical) as % of total gross rental income	Not available	Not available	4.33	2.9	Not available
Current arrears (technical*) as % of total gross rental income	Not available	Not available	0.01	0.8	Not available
% of current tenants in serious arrears (owing more than 13 weeks rent and > £250)	14.0	7.2	6.4	4.6	9.1
Total former tenant arrears (£)	141,744	238,004			321,034
As % of total gross rental income	1.1	1.78	3.24	1.0	2.2
Rent arrears written off (£)	Not available	65,979			98,781

Source: APSR and SBHA's Inspection Submission*

4.61 SBHA's total arrears as a percentage of total gross rental income has increased from 6.6% in 2004/5 to 8.8% in 2005/6, and this has continued the upward trend of rent arrears since 2003/4. SBHA has performed poorly compared to the national median of 5.5% for 2005. In terms of the number of serious arrears cases, SBHA performed considerably worse than the national median and its peers in 2004/5, and its own performance has deteriorated in the last year. The Association does not monitor technical and non-technical arrears separately, which would give a clearer picture of SBHA's performance in collecting rent due directly by the tenant.

* see glossary

- 4.62 The Association recognised that its performance in collecting rent has been poor and introduced changes to working practices from early 2005, such as:
- bringing its rent collection service in-house from SBC;
 - establishing a dedicated rent arrears team to improve the focus and coordination of arrears work;
 - recruiting a WBO to improve tenants' access to benefits and assistance with paying rent; and
 - reviewing policies and procedures, including its approach to managing tenancies where it has obtained a decree for rent arrears.
- 4.63 We found the escalation of actions on arrears was appropriate and the recent centralisation of a dedicated Rent Arrears team helps to ensure actions taken are consistent and proportionate. ICT problems during 2005, which limited awareness of true arrears performance, were rectified by September 2005.
- 4.64 Arrears levels for SBHA remain high, although performance trends in recent months suggest that these levels have begun to stabilise. SBHA has established systems for managing and monitoring the way it deals with arrears, and in the majority of cases looked at we found:
- good information and advice to tenants;
 - early and sustained contact with tenants in arrears, including contact outwith office hours;
 - appropriate escalation of actions and follow-up; and
 - referrals being made to internal and external support agencies.
- 4.65 SBHA's reported performance in collecting former tenant arrears is fair. In 2004/5 it was below the national median but significantly better than its peer group of RSLs. However, the percentage of its total rental income lost to former tenant arrears has been steadily increasing, rising from 1.1% in 2003/4 to 2.2% in 2005/6. SBHA has acknowledged weaknesses in its performance, and has responded by recently appointing a new external agent to recover former tenant arrears.

4.66 The table below summarises SBHA's performance in letting houses that have become empty:

	At March 2004	At March 2005			At March 2006
	SBHA	SBHA	Peer group	National median	SBHA
Rental income lost due to empty houses (£)	721,224	746,950			657,784
As % of total rental income	5.6	5.7	4.2	0.9	4.7
Total no. of re-lets	650	730			612
% re-let in <2 weeks	4.5	6.2	12.2	32.1	4.2
% re-let in 2-4 weeks	29.7	24.8	32.9	22.7	24.2
% re-let in >4 weeks	65.8	69.0	54.9	35.6	71.6
Average time to re-let (days)	49	99	73	26	102

Source: APSR

4.67 Rent loss from empty properties has improved in the last year, reducing by 1% to 4.7% in 2005/06. However, SBHA's performance in 2004/5 compared poorly to that of its peer group, and was significantly poorer than the national median of 0.9%.

4.68 SBHA's performance in re-letting empty houses is poor, and has deteriorated over the last three years. In 2005/6 it took an average of 102 days to re-let its empty houses, and the proportion of those taking more than four weeks to re-let is also increasing. Using the most up-to-date comparative information for 2005, the Association's performance is considerably below the peer-group average turnaround time of 73 days, and well below the national median of 26 days. The proportion of its houses that took more than four weeks to re-let in 2005, at 69%, also compared unfavourably to its peer group and the national median, at 54.9% and 35.6% respectively.

4.69 SBHA has recognised that it needs to improve its performance in this area. The recently centralised allocations process enables it to better co-ordinate and monitor the turnaround of empty houses. It has brought together housing management and maintenance teams in weekly meetings to focus on dealing with empty houses, and in April 2006 it introduced a new lettable standard for its empty properties to improve the internal condition of its houses across all areas. We saw examples of empty properties repaired under the new lettable standard,

- and found them to be of good quality. These initiatives are too recent for the Association to assess their impact.
- 4.70 The Association finds it difficult to assess and analyse its performance because it lacks a robust and comprehensive performance-management framework for managing empty properties. SBHA identifies separately the empty properties that it is trying to re-let, and those identified as hard to let or separated from its lettable housing. However, it does not assess the effect of this differentiation on its overall performance. We also found that individual area offices have developed their own separate tools for recording and monitoring progress with empty properties, partly because no useful performance information is available through SBHA's computerised housing management and maintenance system. Over time a range of ad-hoc monitoring methods has developed between departments and across levels of the Association, which are not synchronised and do not share the same information on empty properties. This leads to information being recorded more than once, with consequent mistakes. This means that SBHA cannot have confidence in the accuracy of its reported performance in managing empty properties, so it cannot effectively assess the impact of its improvement initiatives.
- 4.71 SBHA's cost for managing its houses in 2004/5 was just under £333 per house. This is much lower than both the peer group and national median figures (£731 and £530 respectively). The Association has not specifically asked tenants if they feel the rents they are charged represent value for money, but it plans to do this through its proposed tenant satisfaction survey later this year.
- 4.72 In summary, SBHA's approach to maximising its income is poor overall. It has recognised weaknesses in its rent collecting and has implemented a range of measures to improve its management of rent arrears. There are significant weaknesses in its management of empty houses, and its ability to improve is hampered by weaknesses in its performance-monitoring framework.

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.

4.73 SBHA's Internal Management Plan (IMP) includes a strategic objective for the housing management service. It has SMART^{*} objectives for most key operational areas of housing management. We found that staff are well aware of the targets they should be aiming for.

4.74 SBHA's approach to monitoring the performance of individual members of staff is good. Staff are given individual targets which link into the IMP and performance is discussed with managers regularly. However, the Association's approach to performance reporting is underdeveloped. Regular reports to the Board and Area Boards give a fair range of performance information but there are key gaps in the picture of performance and outcomes:

- There is no monitoring or reporting on performance in processing housing applications.
- It lacks a fully developed framework for monitoring and reporting on its performance in housing homeless nominations.
- Because of limited monitoring and reporting on allocations outcomes, it cannot tell if it is meeting its aim to house those in greatest need.
- Rent arrears performance is not broken down between non-technical and technical arrears, and performance trends against targets and use of repayment agreements are not analysed.
- Performance reporting on the management of empty properties is limited and the effect of different categories of empty houses on rent revenue is not broken down or analysed.
- The more recent overall target to turn empty properties around in 25 days has not changed the frequent practice of setting a 30-day target for individual empty properties.
- There is no outcome analysis of measures to tackle anti-social behaviour, or outcomes of estate-management actions.

* see glossary

- 4.75 Although SBHA has made improvements over the last year, its reports remain narrowly focused with little analysis of trends and no benchmark information. SBHA does not report on the quality of outcomes or the effectiveness of its service delivery. It is aware that its approach to performance reporting requires significant improvement.
- 4.76 SBHA has a good range of housing management policies which take account of legislation and good practice. These are made available to all staff through the Intranet*. SBHA is aware that, as a result of the pace of change since transfer, new policies and procedures and working practices have not always been firmly established throughout the organisation. It recognises this as a weakness and is making considerable remedial efforts. It invests heavily in in-house training for its staff and also holds regular housing conferences to reinforce their understanding of policy and procedures.
- 4.77 In summary, SBHA's overall approach to performance management is fair. The range of policies is good but managers do not know if these are followed consistently. It is committed to improving its housing management services and has a clear understanding of its weaknesses and has good planning processes in place to deal with them.

Grade and overall assessment of housing management

- 4.78 Our assessment is that SBHA's housing management service is fair. There is some poor performance so improvement is needed. During the early years, staff resources have been stretched and priorities changed because of events outside SBHA's control. Despite this, senior managers have implemented some key changes in how the work is organised with early indications of improved performance.
- 4.79 The Association's strengths in housing management affect tenants and applicants directly and include:
- offering choice of area and house types including choice-based lettings through a CHR pilot;

* see glossary

- providing responsive and appropriate support to help tenants sustain their tenancies and prevent homelessness;
- providing accessible local services;
- dealing with anti-social behaviour effectively through a range of measures; and
- actively using the views of tenants in changing policy and service delivery.

4.80 We found several areas where improvement is needed:

- performance in housing homeless applicants;
- management of suspensions and cancellations from its housing list;
- range and clarity of written information provided to tenants at sign-up;
- poor performance in managing rent arrears;
- poor performance in letting empty houses;
- quality and accuracy of performance information on the housing management service; and
- routine collection of customer views of the service.

5. Property maintenance

5.1 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.

How good is the service?

Access to the repairs service

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

- 5.2 SBHA's tenants can report repairs by telephone, in writing, by e-mail or by calling in person at any of its offices. The Association introduced a freephone call centre in 2004 and 91% of its repairs are reported using this service. Tenants can report repairs by telephone when the offices are closed by using Bordercare, a general emergency reporting service operated by Scottish Borders Council. SBHA has not assessed whether its tenants find it easy to report repairs but it has received positive anecdotal feedback from Scottish Borders Tenants Organisation (SBTO).
- 5.3 The Association gives tenants helpful advice about how to contact its repairs service in its regular newsletters and leaflets and on its tenants' calendar. It has also used radio advertising to promote the launch of its call centre. However, we found some gaps in the information SBHA provides on other important parts of the service, for example on tenant's repairs responsibilities and the Right to Repair*.
- 5.4 SBHA has worked well with SBTO to improve access to its responsive repairs service. The Association has extended the morning opening hours of its call centre in response to a request from SBTO and decided to develop a call centre after consultation with the group.

* see glossary

- 5.5 SBHA introduced a flexible responsive repairs appointment system in January 2006 following consultation with SBTO. Tenants can make appointments that include visits before work and that avoided school runs. The Association is currently installing supporting information technology systems (ICT), and performance monitoring is not yet effective. SBHA does not know how many appointments it has made or kept although it estimates it has made around 6,000 appointments and is confident that it has kept most of these. Tenants are sent a text or voicemail message to confirm the appointment.
- 5.6 In summary, SBHA is improving access to its repairs service in consultation with SBTO and is developing this further through a responsive appointments system. There are gaps in the information it provides to its tenants and it is not yet monitoring its performance effectively.

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.

- 5.7 The target that SBHA sets itself for emergency repairs to attend within two hours and complete within 24 hours compares with the national median target of six hours for completion. Its target for the completion of urgent repairs aligns with the national median of three working days. Its target for routine repairs of 20 working days is less challenging than the national median of 10 working days. SBHA introduced an additional repairs category in 2004 – routine urgent – with a target of 10 working days. The table below summarises SBHA's targets and reported performance of work completed within target since 2003/04.

SBHA's target response time		Performance				
		SBHA			National median 2004/05	RSL peer group 2004/05
		2003/04	2004/05	2005/06		
Emergency repairs	2 hours to attend 24 hours to complete	94.3%	95.7%	97.2%	98.9%	97.2%
Urgent repairs	3 working days	80.6%	65.7%	87.1%	95.0%	89.8%
Routine repairs	20 working days	87.7%	80.4%	89%	95.1%	86.9%

Source: APSR

- 5.8 In 2005/06, and since bringing SBBS in-house, SBHA has improved its reported performance in all its repairs categories compared with a poor result in the previous two years. Its 2004/05 performance in completing emergency, urgent and routine repairs was in the bottom 25% of all Scottish RSLs.
- 5.9 SBHA introduced a new work scheduling system in January 2006 to improve its performance in completing repairs on time. Since the introduction of the system, SBHA has reported significant improvements in the time it takes SBBS to complete repairs. From January to April 2006, it reported an overall performance of completing 98% of repairs within target. Our own case reviews also showed that the contractor's performance is improving.
- 5.10 We identified several weaknesses that affect the overall accuracy and reliability of the reported performance of SBHA:
- Emergency repairs performance is measured and reported against a target of 24 hours and not against the target of 2 hours set by SBHA. This means that SBHA does not know how many emergency repairs are attended to within its two hours target time.
 - The time taken to pre-inspect repairs work is not included in the reported performance. In the cases we looked at, this added between 7 and 13 days to the overall period between the repair being reported and the work being started. SBHA completed 2,648 pre-inspections in 2005/06.
 - Where the contractor has responded but is unable to complete a repair due to a shortage of materials, not having the correct tradesmen or finding that an additional inspection is needed, these repair orders are recorded as being complete within the target time.
- 5.11 Pre- and post-inspections* are important tools for ensuring repairs are targeted accurately and carried out to a high standard. SBHA completed pre-inspections for 6.9% of its ordered repairs in 2005/06. It has not set a target for the number of pre-inspections it intends to complete and does not report its performance in this area to the Technical Services Sub-committee. In addition, only 40% of pre-inspections were completed within SBHA's target time of three working days.

* see glossary

Staff told us that they rely on their experience to identify repairs for pre-inspection and SBHA currently provides only limited written guidance.

- 5.12 SBHA recognises that it does not use post-inspections effectively as a tool for controlling the quality of response repairs. It inspected only 3.96% of its ordered repairs in 2005/06 against its target of 10%, although it had increased its target from 3% to 10% during this period. In addition it inspected only 67% of these within its target time of three working days. Its method for selecting post-inspections and its written guidance to staff is limited; its ICT system randomly generates a sample and this includes pre-inspections and cancelled works. SBHA does not record how many of its repairs are found to be sub-standard, or analyse and report this information to the Technical Services Sub-committee.
- 5.13 SBHA does not effectively monitor performance for pre- and post-inspections across specific repairs categories and this is in part due to limitations in its ICT system. SBHA has firm plans for all future inspections to be appointments and will use its new work-scheduling system to achieve this. It expects that appointments will improve performance and that the ICT changes to support the appointments system will allow it to monitor completed repairs more accurately. However, this planned improvement does not address the need to clarify the selection of works for pre- and post-inspections and the recording of sub-standard work.
- 5.14 SBHA issued its first repairs satisfaction survey in May 2006 and we comment further on this at paragraph 5.32. The tenants we spoke to during the inspection expressed mixed views on the speed and quality of the responsive repairs service although the tendency was toward dissatisfaction with the time it takes SBHA to complete repairs.
- 5.15 SBHA is aware that it has several weaknesses in its approach to the statutory Right to Repair* (RTR) scheme. It began to inform its tenants of qualifying repairs during our inspection and provided its staff with basic guidance. However, we found a few cases where the repair had not been completed within

* see glossary

the statutory timescale and SBHA had not paid compensation. Also the Association does not:

- record or monitor how many qualifying repairs are issued and therefore cannot determine when it should compensate its tenants;
- provide tenants with details of an alternative contractor;
- inform all its tenants every year of their rights; and
- inform its tenants that the repair is a qualifying repair, unless they use the call centre to report a repair.

5.16 In summary, SBHA's overall performance on the speed and quality of repairs has been poor. It has further weaknesses in its recording and monitoring of its responsive repairs performance, its use of pre- and post-inspections and its non-compliance with statutory elements of the Right to Repair. It is aware of the weaknesses in key areas and has recently improved its contractor's performance in completing responsive repairs on time.

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.

5.17 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard* (SHQS) by 2015. Social landlords were required to prepare a plan by April 2005 showing how they will achieve this. SBHA did not submit a fully developed Standard Delivery Plan (SDP) in 2005 and was unable to demonstrate to Communities Scotland that it could meet the SHQS by 2015. The Association is now reviewing its SDP and expects to re-submit it to Communities Scotland during October 2006.

5.18 SBHA is confident that it can achieve the SHQS by 2015 although it is aware that it faces significant challenges in keeping all its stock to the standard at all times after 2015. SBHA is currently investigating options on how it will ensure its stock continues to comply with SHQS after 2015.

5.19 SBHA is committed to improving its stock to achieve its own Borders Quality Standard (BQS) by 2014 and the statutory SHQS by 2015. The BQS was

* see glossary

developed as one of the promises made to tenants as part of the deal to transfer ownership from SBC to SBHA. While the two standards are similar, specifications differ, for example in the insulation levels required to achieve the SHQS and in the installation of over-bath showers and carbon-monoxide detectors in the BQS. SBHA told tenants £70 million would be spent achieving BQS. It now projects a spend of £58 million for the same period. The new information about its stock and its profile of future planned maintenance gives confidence that the BQS promise can still be met. Progress against specific ballot promises has not been clearly reported to tenants.

- 5.20 SBHA has recently improved its understanding of the condition of its stock. It surveyed the condition of 20% of its houses in 2005 to assess compliance with the SHQS. It also updates its stock condition information as it completes inspections of empty houses and improvement work and knows what information it will need in future. It has firm plans to complete further annual 20% surveys to achieve full stock information by 2010.
- 5.21 The Association's stock is in a variable condition, reflecting the different approach to investment adopted by the four councils before local government reorganisation. Overall its houses have "a significant backlog of investment need"^{*} and 90% do not currently meet the SHQS. These include 9% that require significant repairs to the external structure, 57% without modern kitchens or bathrooms and 63% not meeting modern energy-efficiency standards.
- 5.22 SBHA has invested an average of £4.8 million a year since the transfer on improvements to its houses compared to an average of £4 million each year planned at the point of transfer. Its programme was severely disrupted by a serious flood in one of its estates, resulting in an under-spend of £1.7 million in 2004/05. However, the Association's investment programme has now recovered and it invested £7.6 million in 2005/06.
- 5.23 The Association has invested mainly in internal modernisation improvements, for example new kitchens, bathrooms and heating systems in accordance with commitments to tenants at transfer. Its approach to external building repairs is

^{*} Source - SBHA Stock condition survey (2005)

- reactive, with houses repaired individually as they are identified as defective. SBHA recognises that it can improve on this area and the stock condition information will help it plan work to the external fabric of its properties in its future planned improvement programmes.
- 5.24 SBHA is good at managing the delivery of its investment programme. It monitors its contractors' performance regularly, challenges poor performance and deals with complaints from its tenants quickly. While the Board is informed of progress with the improvement programme through regular detailed reports, these do not refer clearly to performance against targets or give reasons for delays in starting or finishing projects.
- 5.25 There is a hard-wired smoke alarm in 92.5% of SBHA's houses and 1.1% have a battery-operated device. The Association does not operate a cyclical inspection for smoke alarms and relies instead on tenants to report faults. SBHA told us that 394 (6.4%) of its properties lack any type of smoke alarm. This is a weakness that the Association plans to address. SBHA is currently installing 193 new door-entry systems and has a planned programme for future installations. It is replacing its lead pipes as part of its kitchen and bathroom modernisation programmes. Information provided by the recent stock condition survey indicates that only 44 properties contain lead piping but SBHA considers this an underestimate.
- 5.26 SBHA is required to carry out safety checks every 12 months on all gas appliances and flues which it provides for its tenants' use. At the time of our inspection, SBHA lacked a valid safety certificate for 49 (1.4%) houses with gas appliances. In addition, it did not achieve continuous 12-month cover for 800 (22.5%) of its houses. This is a significant weakness.

	June 2006	
	Number of houses	Percentage of houses (%)
Houses with gas appliances	3,604	100
Houses with current gas safety certificates	3,555	98.6
Houses where a safety check was carried out within 12 months of previous check	2,755	76.7
Houses where a safety check was up to 1 month late	610	17.2
Houses where a safety check was between 1 and 3 months late	93	2.6
Houses where a safety check was more than 3 months late	97	2.7

Source: SBHA's Inspection Submission

- 5.27 SBHA identified early in 2006 that its performance in gas servicing was a weakness. Its inspection cycle did not always ensure that all its houses were scheduled to be inspected within 12 months of its previous inspection. It has begun a new inspection cycle where all its houses with gas will be serviced every 10 months and expects this change to be complete by 2007. It has also recently received the results of an audit of its gas maintenance services by CORGI, which SBHA instigated to help it plan further improvements.
- 5.28 The Association has good procedures to enable it to gain access to its houses to complete gas inspections. However, we found that it does not consistently follow its procedures or monitor performance in this area. Our case reviews identified delays of up to 18 days in sending letters against a target of seven days, and one case involving a four-month delay. This affects its ability to achieve its inspections within the statutory timescale of 12 months. SBHA responded well to our findings and improved its approach during our inspection; it has now gained access to all the properties that we identified.
- 5.29 From April 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. In 2004, SBHA lacked an asbestos management plan. It had in place a basic asbestos register of information gathered by its own staff, and a procedure covering the control of work on asbestos-containing materials. It has since introduced a new procedure and is planning a new survey by qualified asbestos surveyors. A review of its current procedures was due to start in July 2006. While its approach has improved, it currently has several weaknesses in how it seeks to comply with the regulations:

- It has not fully assessed the risk it faces as it has not identified the condition or types of asbestos present in its common areas or detailed the action it will take based on a risk assessment.
 - It does not inform tenants of the presence of asbestos in their home.
 - SBHA does not monitor whether it is informing responsive repairs tradesmen about asbestos in its houses before they start work. As a result it does not know if it is complying with this part of the regulations.
- 5.30 The Association recently reviewed the condition it expects its houses to be in at the start of a new tenancy. It introduced a new Lettable Standard in May 2006 and we saw that its houses were being repaired using the standard as a guide. Overall performance in this area is good.
- 5.31 In summary, SBHA has improved its knowledge of its stock condition, introduced a good lettable standard and has an improvement programme that is responsive to tenants' needs. However, it did not submit an acceptable SHQS Standard delivery plan on time, a few of its houses lack a smoke detector and its approach to meeting asbestos regulations is weak. The Association does not meet its statutory and regulatory requirements on gas safety and this is a significant weakness.

Responsiveness to tenants

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

- 5.32 SBHA does not yet have an effective framework to obtain and use tenant satisfaction information to improve its responsive repairs service. It has recently begun issuing questionnaires to 20% of its tenants who have ordered a repair but the return is very low at 3% and the survey form and subsequent analysis are weak. We found that staff and Area Board members had a general awareness that tenants were dissatisfied with the repairs service and that this has helped SBHA to target its service improvements. The Association aims to gather further feedback on the service as part of its first large-scale tenants survey due to begin in July 2006.
- 5.33 SBHA has done good work to involve SBTO in developing its property maintenance services and reviewing key decisions that affect tenants. SBTO

has helped to develop the new repairs policy and its input was an important factor in establishing and developing the repairs freephone call centre.

- 5.34 The Association has an excellent approach to targeting its improvement programme to the needs of its tenants. It provides regular information, holds open days and offers a variety of good quality choices for improvement works. It also enables tenants to nominate a representative for each improvement project to liaise between tenants and the contractor for complaints or enquiries. We saw that complaints are dealt with effectively and that 95% of tenants who responded to the post-completion surveys are satisfied with the service. Overall, this is an area of strength for SBHA.
- 5.35 We report on the quality and responsiveness of SBHA's approach to formal complaints and appeals in the *Responsiveness to tenants* section in Housing Management.
- 5.36 In summary, SBHA is good at involving tenants in developing its services generally. It has an excellent approach to involving tenants in its planned maintenance programme. Although it is committed to seeking tenant satisfaction information for its responsive repairs services, its approach is not yet effective.

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.

- 5.37 SBHA's management cost for delivering its property maintenance services in 2004/05 was £195.77 for each of its houses. This is lower than the sector average of £234. Figures for 2005/06 show that these costs have decreased to £181.99.
- 5.38 SBHA uses SBBS to complete its responsive repairs. Its transfer agreement entitles SBBS to complete these works over a five-year period. The fact that SBBS is already an in-house resource provides SBHA with greater control over a decision about whether to continue in this way after five years.

- 5.39 SBHA has done significant work to manage organisational and financial challenges in its relationship with SBBS. In 2004 it commissioned an independent analysis of its operations to identify ways to improve the effectiveness and efficiency of SBBS. Since then SBHA has:
- brought SBBS in-house into its property maintenance department;
 - developed a partnering arrangement to provide its repairs materials that has enabled it to provide repairs materials more efficiently;
 - reviewed and simplified its Schedule of Rates; and
 - introduced an automated work scheduling system to improve SBBS's performance in achieving its repair timescales.
- 5.40 SBHA is confident that these changes mean that SBBS is operating more efficiently than before. It told us that it now avoids the costs of invoicing to another part of the same organisation and achieves savings from its materials contract, and that working relationships are improving. SBHA intends to benchmark its performance against other RSLs to get a broader picture. It has not said how it will do this and is currently unaware of how competitive SBBS's costs and performance are compared to those of other organisations.
- 5.41 For its improvement programme, SBHA uses external contractors procured through competitive tendering. Contractors are invited to tender from SBHA's approved list, which we found to be up to date. We saw that it considers past performance as a factor in its re-use of contractors and has suspended one contractor for poor performance. The Association is also making good progress in working with its partner social landlords in the Borders to develop bulk procurement* plans. SBHA intends that 80% of its improvement programme will be tendered this way by 2007. Performance in this area is good.
- 5.42 SBHA is poor at recharging repair costs effectively. It had recovered only £873 in 2005/06, having invoiced a total of £21,235. This represents a recovery rate of just over 4%. In addition, weaknesses in its procedures and practices meant that it issued 650 re-chargeable repairs, 3% of the total repairs completed in 2005/06, but only invoiced for 122 of these.

* see glossary

- 5.43 In summary, SBHA's repair costs compare favourably with those of other RSLs and it is working well to improve the operating efficiency of its repairs contractor. Its procurement arrangements for its planned maintenance programme are good. It is poor at re-charging for repairs.

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.

- 5.44 SBHA's Internal Management Plan (IMP) includes strategic objectives and targets for the property maintenance service. In addition, SBHA completed a self-assessment of its performance shortly before our inspection which identified additional areas for improvement. We saw other elements of the service where the Association was less aware of the extent of weaknesses, particularly in repairs performance monitoring and reporting, access for gas servicing and tenant satisfaction.
- 5.45 SBHA sets SMART* objectives in its responsive repairs service and it is developing new targets for tenant satisfaction for 2006/07. However, it has not achieved its targets for 2005/06 in its performance in responsive repairs completion times, post-inspections and gas-safety servicing. The Association does not routinely include benchmarking in its performance reports to the Technical Services Sub-committee or to the Board.
- 5.46 The Association is aware that its performance monitoring and reporting framework in its property maintenance service are weak. It provides regular reports to the Board and Technical Services Sub-committee and it has recently introduced new regular reports for tenant satisfaction and gas safety. However, some of this performance information is inaccurate, for example in responsive repairs and appointments. It also has gaps in its reporting framework, for example in Right to Repair and pre- and post-inspections.
- 5.47 The Association recently reviewed its repairs policy and it has some written guidance for staff across the range of its property services. However, there are gaps in its policy and procedural framework, for example in Right to Repair and

* see glossary

re-chargeable repairs. Also, the guidance is not always being followed in gas-safety and asbestos management.

Grade and overall assessment of property maintenance

5.48 Our assessment is that SBHA's property maintenance service is fair. We found areas of poor and good performance in the service and we take confidence in the action SBHA has taken to improve performance despite the unexpected pressures on staff in responding to the Bannerfield flood. SBHA has carried out a significant restructuring in bringing SBBS in-house and this area of operations now appears stable.

5.49 SBHA has some strengths that benefit service users. In particular, it has an excellent tenant focus on its planned maintenance programme and it is good at involving SBTO in developing its property maintenance services and at responding to feedback. The Association has also done good work on its new re-let standard, has good and improving procurement arrangements to improve capacity and efficiency in planned maintenance. It has recently introduced ICT work scheduling and an appointment system that are now beginning to have a positive impact on responsive repairs performance.

5.50 The Association does, however, have significant weaknesses that affect tenants in its performance in completing repairs on time and in its management of gas servicing. Other weaknesses are:

- its performance monitoring and reporting framework is under-developed;
- it does not comply with some statutory obligations in Right to Repair;
- it has gaps in its approach to meeting asbestos regulations;
- it does not have accurate and reliable performance information for parts of its responsive repairs service;
- it has a limited understanding of tenant satisfaction with its services;
- it does not use pre- and post-inspections effectively; and
- it is poor at re-charging repairs to its tenants.

6. 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.

- 6.1 SBHA's Mission Statement is "Created by Tenants for Tenants, SBHA is an independent Housing Association serving the Scottish Borders by providing quality, affordable homes". The Association is run by a voluntary Board of Management which sets the strategic direction and oversees the activities of the organisation. Members have a strong awareness of the range of issues and challenges facing SBHA and demonstrate a clear vision of its purpose and future direction.
- 6.2 Leadership and direction is strong with the organisation demonstrating a clear and consistent purpose which is focused on delivering services that tenants want. Planning and decision-making processes are well-informed. The Board is drawing strength from an excellent mix of skills, local knowledge, political awareness, and commitment and contribution. The leadership of the Board has been tested in its first three years with the requirement to make key strategic decisions and react to risk events. Our inspection found that the Board has been in full control of the decision-making process and takes decisions on the back of detailed discussion, option appraisal and external advice.
- 6.3 SBHA has an on-going relationship with Scottish Borders Council at a governance level through the nominations to the Board, and at a strategic and operational level. This relationship is constructive and positive despite tensions experienced during the first three years since transfer, particularly around the decision to take legal action against the Council. Currently Board members are working well together as a cohesive group. At the strategic level SBHA is actively engaged with New Ways* through its participation in, and current chairing of, Borders Housing Forum. Real examples on the ground are the Stonefield regeneration project and homehunt Hawick. Both SBC and SBHA report positive working relationships at the operational level e.g. on antisocial behaviour.

* SBC's community planning process

- 6.4 SBHA sets out its strategic objectives in its Internal Management Plan (IMP). The IMP has both a short-term and medium-term context, detailing the Association's immediate and future goals. Strategic objectives are to enhance viability, be customer focused, develop its people, maintain good quality homes, and to grow and diversify. Objectives reflect tenant priorities as a result of tenant involvement with Scottish Borders Tenants Organisation, and the Area Boards. The planning process and the IMP itself link effectively with the Association's financial planning.
- 6.5 SBHA takes an inclusive and thorough approach to developing its IMP. As well as the Board, Area Boards, and SBTO, it involves frontline staff. The process, which begins in October and concludes in May with a staff training session, ensures there is time for exploration, consultation, option appraisal, and refining before final approval. The process enables all parties to contribute in a meaningful way.
- 6.6 In its first three years of operation SBHA has been working to the priorities agreed with tenants pre-transfer and contained in the transfer agreement with SBC. Before setting its priorities for the next five years, SBHA will consult tenants to assess their views on progress against ballot promises and to gauge their aspirations for the future. One of SBHA's key strategic activities for 2006/07 is to carry out a comprehensive tenant survey, as well as a staff survey. SBHA intends that the outcomes from these surveys will be used to set its future direction from 2007/08.
- 6.7 In the first three years strategic planning focused on the immediate priorities facing the Association which were improvements to properties and its own development as an organisation. SBHA intends to change its approach to planning from 2007/08 and develop an outward focus, taking account of the wider environment and its impact on the organisation. Board members have already received awareness training on housing sector change. Strategic and operational planning will also be strengthened by the integration of SBHA's recently introduced risk-management strategy into next year's IMP.

- 6.8 The Association has good arrangements for monitoring objectives identified in the IMP. The IMP includes an operational work plan based on corporate priorities which clearly identify timescales for implementation and management responsibility. These tasks and targets are cascaded from corporate objectives to team targets and then to individual staff-appraisal targets. However, the Association has acknowledged that monitoring staff practice needs to be strengthened. Progress on key IMP tasks is reported to each Board meeting with a fuller progress report presented to the Board every six months.

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.

- 6.9 SBHA's Board of Management has a clear understanding of its role as a governing body in setting policy and determining the organisation's strategic direction. It has an excellent working relationship with staff, and Board and Area Board members display the confidence to question and challenge staff.
- 6.10 The Board meets on a two-monthly cycle and is supported by two specialist Sub-committees, Audit and Compliance and Technical Services, and by two Area Boards. Area Board (North) covers Tweeddale and Eildon, and Area Board (South) covers Teviot and Cheviot. These Sub-Committees and Area Boards also meet every two months and report to the main Board at the end of each cycle. This structure has evolved since transfer and influences all areas of SBHA's business at a local level as well as meeting one of its key transfer commitments to tenants.
- 6.11 The two Area Boards act as local sub-committees of the Association with delegated authority to scrutinise local matters in more detail. Area Boards have been fully operational since April 2005, following extensive consultation in 2003/04 on the draft constitution and remit, and efforts to stimulate tenant and independent membership. Their key functions are to oversee performance management in front-line services and tenant participation, and to monitor progress on any Board-approved projects that have a local impact. Our inspection found that the role of the Area Boards is growing in effectiveness in increasing tenant and community focus in the Association's practices.

- 6.12 We attended meetings of the Board, the Sub-committees, and both of the Area Boards. The reports they receive are generally good quality and contain a good level of detail to inform decision-making. However, as we have noted in sections 4 and 5 of this report, performance reporting is underdeveloped in certain areas. Although SBHA has improved the quality and coverage of performance reports over the last year, Board and Area Board members do not receive a full and accurate picture of SBHA's performance across all service areas. We did, however, find that Area Board members are beginning to identify gaps and request additional information to enable them to monitor service delivery effectively. Senior staff are aware of the weaknesses of the current performance-management framework and intend making further improvements in 2006.
- 6.13 At the meetings we observed a good level of discussion with challenge and contributions from all members. We also considered the Board decision-making process involved in two key matters over the last year – the decision to take legal action against SBC and the decision to bring the SBBS subsidiary in-house. We found that in both cases Board members were well briefed, took external advice as appropriate, devoted time to the discussion, and were in full control of the decision-making process.

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.

- 6.14 Board members have a wide range of relevant skills and experience in different areas, which they use effectively to guide and control the activities of the organisation at a strategic level.
- 6.15 Places for both independent and tenant members are filled by open election. This is a positive approach which enhances accountability, although on its own it potentially limits the capacity of the organisation to influence the composition of the Board and its balance of skills and experience. However, SBHA makes sure that prospective new members are fully aware of their role and responsibility and the level of commitment required by giving them an informative briefing pack and offering a personal briefing with the Chief Executive.

- 6.16 SBC has the right to nominate up to five councillors to serve on the Board of SBHA. In the first two years after transfer SBHA had some difficulties in getting nominations to all five councillor positions and some councillor members found the legal action against SBC prevented their making a full commitment as SBHA Board members. Currently SBHA's Board reflects the full complement of tenant, independent and councillor places and all serving members work effectively as a group, are supportive of the organisation, and contribute well to its work.
- 6.17 The make-up of both the Board of Management and the Area Boards is based on the principle that no one group can dominate. Meetings cannot take place unless at least two categories of membership are present. Members and staff find that this structure has worked successfully to ensure equality for all members.
- 6.18 The Association has good arrangements for training Board members and developing their skills. We spoke to three new members from each group who confirmed that they had received effective induction training that helped them integrate and participate in an informed way in the business of the Association. SBHA is also aware of the need to plan for a turnover of governing body members. It views Area Boards as a source of future Board members.
- 6.19 SBHA is developing a good approach to ensuring that all its members have access to training and development opportunities to meet their needs including:
- a recently introduced annual skills audit and individual training plans for Board members;
 - good use of in-house training to brief members before they made key decisions; and
 - access to a wide range of external training and development opportunities.
- 6.20 The Board does not formally evaluate its own performance and effectiveness. However, there is evidence that it does have good awareness of where the group could develop further. For instance, at the IMP away day in November 2005, members said they needed better awareness of wider housing issues. As a result, a briefing session was arranged on changes in the sector.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 6.21 Under SBHA's constitution, the governing body may comprise five tenant members, five independent members, and five councillors nominated by SBC. In addition it can have up to three co-opted members. At the time of inspection all places on the Board were filled and there were two co-opted members, one of whom is an SBHA tenant. Each of the two Area Boards is made up of three tenant members, three local independent members and three co-optees from the main Board. This structure ensures that tenants and interested local people play a key role in the formal governance of SBHA.
- 6.22 Overall attendance at the Board meetings was 68% in 2005/06 which is good given the wide geographic spread of SBHA's area. The Board actively monitors and discusses attendance, which is particularly high at 85% for tenant members.
- 6.23 SBHA has generated strong local interest in participating in the Association's governance. Each year since transfer SBHA has received substantially more nominations than Board places available and elections have been contested. Candidates provide details of their experience and reasons for serving, to help the electorate make an informed decision.
- 6.24 A strong membership and good levels of participation at the annual general meeting (AGM) are important ways for a landlord to demonstrate accountability. 77% of SBHA's 250 members are tenants and 48% of them took part in Board elections in 2005. Attendance at the AGM, which was 17% in 2005, is lower than peer and national averages but could partly be attributed to the wide geographical spread of the stock. SBHA's efforts to offset this include offering members the option of registering their vote by post. Elections for the Area Boards are made by post.
- 6.25 Only 3% of tenants are members of the Association and entitled to vote in Board and Area Board elections. SBHA recognises that this is a weakness and undermines its efforts to be constitutionally accountable to its tenants, and it regularly promotes membership in its newsletters and in publicity material available in its offices.

6.26 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. As we have highlighted in sections 4 and 5, SBHA has limited information on individual tenants' views and priorities. It is only now beginning to formalise ways for gathering service user feedback.

Although this is a weakness, it must be seen in the context of the following:

- SBHA's priorities over its first three years of operation were set by its tenants at the time of transfer.
- Tenants play a key role in formal governance structures.
- SBTO is the principal route for consultation and seeking tenants' views and has been extensively involved in shaping service and policy reviews over the past three years.
- SBTO's activities are well publicised and all tenants are kept informed on how they can get involved.
- SBHA is developing alternative ways for tenants to participate including establishing a register of interested tenants (separate from the SBTO database) to complete questionnaires on key topics regularly.
- The forthcoming tenant survey will be used to develop SBHA's understanding of how tenants prefer to participate and be consulted.

6.27 Social landlords should give stakeholders the information they need about the organisation, its service and performance. Although SBHA reports some performance information through its newsletters and annual reports, this information is limited and there is no trend information or comparisons with other landlords. As a result tenants do not get as much information as they should to enable them to judge whether they are getting a good service from their landlord. In the forthcoming survey, SBHA intends asking tenants their views on the amount and quality of information they receive about the Association's services and performance.

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.

- 6.28 SBHA recognises the importance of Board members maintaining high ethical standards. It has a Code of Governance in place for Board members and has recently strengthened the way it deals with declarations of interest. In pursuing the sensitive legal claim against SBC, the Board showed integrity in seeking to avoid a conflict of interest.
- 6.29 SBHA is aware that payments and benefits to staff, Board members and their relatives may only be granted in accordance with Schedule 7 of the Housing (Scotland) Act 2001*. However, until recently it did not always comply with the reporting requirements set out in Communities Scotland Guidance on Special Exceptions. The Association recognised this and amended its procedures before the inspection.
- 6.30 SBHA has a code of conduct in place for staff. However, it is a fairly general document and does not provide clear guidance on Schedule 7 and potential conflicts of interest. Staff are not required to complete declaration-of-interest statements and we found that there was a lack of understanding about the implications of Schedule 7 in some parts of organisation. SBHA is aware that this is a weakness and intends providing training to all staff by October 2006.

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.

- 6.31 SBHA is developing a good approach to identifying and managing risks to the organisation. The Board approved its Risk Management Strategy in October 2005 and has delegated authority for the monitoring of risk management to its Audit and Compliance Sub-committee, which identifies corporate risks. SBHA is currently developing a process to make sure that people throughout the organisation understand risk management and that it becomes an integral part of managing the organisation.

* see glossary

- 6.32 Particular strengths in SBHA's approach to risk management are:
- a Corporate Risk Panel, reporting to the Audit and Compliance Sub-committee, meeting quarterly to review risk assessments and prepare risk maps across all the activities of the organisation;
 - Organisational Risk Groups of staff with operational experience in the particular risk area scrutinising high-risk areas;
 - risk-management training for all its staff; and
 - a planned annual review of the Risk Management Strategy starting in October 2007, to ensure that it is fit for purpose.
- 6.33 Effective internal audit of all the organisation's areas of activity is an integral part of risk management. SBHA has a three-year programme of internal audit which is reviewed annually and overseen by the Audit and Compliance Sub-committee. We saw evidence that SBHA has a positive approach to implementing its Internal Auditor's recommendations. The Corporate Risk Panel uses the outcomes of internal audit to inform their risk assessments and identify new risks. This is a robust and rounded approach.
- 6.34 In summary, SBHA has major strengths in governance. The Board of Management is very able, provides clear strategic direction and works well with staff. SBHA provides good induction, ongoing training and support for its governing body members. It has a clear planning framework and has developed good mechanisms to allow tenants to become involved in decision-making. We identified as areas for improvement: resource efficiency; the quality and scope of performance reporting; membership levels; and the limited public information about performance. SBHA is aware of these weaknesses and has plans to address them. We have confidence that the leadership exists to shift SBHA's focus and link its future direction to a thorough analysis of the Borders context socially and economically and to be clear about its role in the community planning process.

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.

- 6.35 SBHA's long-term financial planning forecasts, based on its recent stock condition survey, indicate that it will remain viable in the medium term. It expects to be able to sustain this over the longer term and meet the requirements of the SHQS. The Association is currently appraising options to maintain housing quality standards after 2015.
- 6.36 SBHA is exposed to financial risk. This is typical of a stock-transfer organisation in the early years after transfer.

Financial performance	2003/04 £000s	2004/05 £000s	2005/06 £000s	2006/07 (forecast) £000s
Turnover	13,512	13,197	13,273	13,686
Operating surplus/(deficit)	1,426	2,816	(1,264)	(836)
Net surplus/(deficit)	1,203	2,164	(1,336)	(1,156)

Source: SBHA financial statements and forecast

- 6.37 SBHA recorded a £2.2m surplus in the year to March 2005, an improvement on its initial period of operation. Because of a significant increase in planned maintenance, the accounts for 2005/06 show a worse position with a £1.3m deficit. Projections show further deficits to 2009 and, despite a return to surplus by 2010, predict cumulative net liabilities of £1.1m by 2011. This is weaker than the forecast at transfer, which projected a deficit in only the first full year of operation (2003/04), and a cumulative surplus by 2011 of around £13m.
- 6.38 Surpluses over the initial plan period to 2032 were forecast to take accumulated reserves to around £97m. The revised forecasts now show reserves reduced to £39m at 2032 because of higher than previously forecast operating costs. This reduction is due to a combination of events that include: bringing some planned maintenance forward into the 30-year forecasts that was originally scheduled beyond year 30; maintaining the SHQS; financial problems of SBBS; higher-than-expected ongoing maintenance costs; and higher-than-initially forecast staff costs.

- 6.39 SBHA has appropriate long-term debt facilities in place to fund the expenditure programme scheduled for the first decade of operation. In line with Lloyds TSB's loan covenants, peak debt is forecast to occur in 2016. At £31m, it is £10m below the £40m facility agreed with its lender. While retention of this facility incurs costs, SBHA has said that this spare capacity is being retained for potential future development and that it is being kept under review.
- 6.40 The budget-setting process has many strengths. Importantly it includes timescales and clear procedures. This allows for effective senior staff input and Board discussion before approval ahead of the financial year. The overall financial management framework integrates short-term planning, with the annual budget being year 1 of the 30-year projections and forming an integral part of the internal management plan. The budget comprises an income and expenditure account, a balance sheet, a cashflow statement and a narrative summary of the main assumptions.
- 6.41 A strength of SBHA's management accounting is the monthly rather than quarterly preparation of accounts. Reporting every two months to the Board, the accounts provide clear and concise detail from which the Board can review performance against budget. They also include forecast year end outturns. The reports include enough detail for the Board, with additional detail and narrative being made available to SBHA's management team for operational management purposes.
- 6.42 The Treasury Management Policy and the Annual Treasury Strategy are both of a very good quality. The policy has been prepared in line with established good practice and with reference to the key recommendations of CiPFA and Communities Scotland. SBHA reports on treasury management activities in various ways and should provide a consolidated treasury management report to the nominated sub-committee on a half-yearly basis in accordance with the Treasury Management Policy.
- 6.43 SBHA prepares and formally reviews medium-term plans, including five-year financial projections and assumptions. These form an integral part of its longer-term planning.

- 6.44 Due to the long-term nature of SHQS compliance, the 30-year financial forecasts are prepared annually with particular emphasis on future major repairs. SBHA should enhance the Board report that summarises each revised 30-year financial plan by including an analysis and discussion of any major variances from the previous approved plan. SBHA should also include sensitivity analysis and more detailed discussion on option appraisals.
- 6.45 In summary, SBHA's financial projections indicate it is financially viable in the medium term. SBHA is reviewing options to ensure that this is sustainable in the longer term. It has a good financial management framework for management accounting and short-term financial planning. However, longer-term planning suffers from a lack of sensitivity analysis and of detailed explanations as to why the current financial plan differs from earlier approved planned results.

7. Areas for improvement action

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

Across all of its activities, SBHA should:

- improve its performance management and reporting framework; and
- improve its use of performance information and ongoing tenant feedback to pursue tenant-centred service improvements.

In housing management, SBHA should:

- improve the promotion of its housing list;
- improve its use and management of suspensions and cancellations from its housing list;
- improve its performance in re-letting empty houses;
- improve its performance in managing rent arrears;
- improve its performance in housing homeless people alongside the development of protocols with SBC; and
- improve the range and clarity of written information provided to new tenants at sign-up.

In property maintenance, SBHA should:

- ensure it meets its statutory duties in gas safety, asbestos management and Right to Repair;
- improve its performance in the speed of its responsive repairs service from a service-user perspective;
- improve the use of pre- and post-inspections; and
- ensure it charges its tenants for repairs that are their responsibility and improves the collection of re-charges.

In governance and financial management, SBHA should:

- improve the information in its performance reports to help Board members identify weaker areas of performance and to assist in decision-making;

- provide tenants, service users and other stakeholders with fuller information about performance against targets, trends in performance and comparisons with other landlords;
- improve awareness throughout the organisation of Schedule 7 of the Housing (Scotland) Act 2001; and
- develop its approach to sensitivity analysis in its long-term financial planning and explore all options to ensure its properties continue to meet SHQS standards after 2015.

8. Next steps

- 8.1 This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments overall in their housing management, property maintenance or governance and financial management to submit an improvement plan to us within eight weeks of the publication of this report. The plan should show how the organisation intends to respond to our findings. We will inspect once every five years and follow up improvement plans after two years.
- 8.2 SBHA should produce an improvement plan to show how it intends to respond to our findings in housing management and property maintenance. The plan will be agreed with us.
- 8.3 If you would like to see SBHA's improvement plan you should contact:

Scottish Borders Housing Association
South Bridge House
Whinfield Road
Selkirk
TD7 5DT

Telephone: 01750 724444
E-mail: enquiries@sbha.org.uk

Sources of evidence

Groups and third parties consulted

- Local housing associations: Berwickshire Housing Association, Eildon Housing Association, Waverley Housing
- Scottish Borders Council: Housing Department and Social Work Department
- Scottish Borders Anti-Social Strategy Group
- HomePoint
- Communities Scotland Tenant Participation Team
- Communities Scotland Investment Team
- Scottish Public Services Ombudsman
- Shelter
- Scottish Borders Tenants Organisation
- Bannerfield Residents Organisation (RTO)
- Gala Park and Gala Park Court Residents Association (RTO)

Interviews/meetings

- Board Chair
- Board office bearers
- Board members
- Area Board members
- Scottish Borders Tenants Organisation members
- Bannerfield Residents Organisation members
- Gala Park and Gala Park Court Residents Association members
- Chief Executive
- Director of Operational Services
- Housing Projects Director
- Head of Technical Services
- Acting Director of Finance
- Housing Manager Policy & Performance
- Housing Manager (Customer Services)
- Housing Co-ordinators (North and South)
- Housing Co-ordinator Policy & Performance
- Corporate Manager
- PA to Chief Executive
- Committee Administrator
- HR Manager
- HR coordinator
- Building Services Manager
- Repairs & Voids Manager
- Planning & Cyclical Co-ordinator
- Community Participation Co-ordinator
- Tenant Development Worker
- Housing Officers
- Housing and customer services assistants
- Tenancy Support Officer
- Welfare Benefits Officer
- Rent arrears staff
- Allocations administrator

- Chief Executive, and Group Manager Housing Strategy and Services, of Scottish Borders Council
- Development Manager, Eildon Housing Association

Reality checks

- Stock tour
- Observation of Board and Sub-Committee meetings
- Observation of Area Board meetings
- Observation of information and advice provided to service users
- Observation of repairs reporting staff
- Observation of Area Allocations & Voids meeting
- Shadowing* housing officers' home visits, arrears interviews, empty house inspection, estate inspections, neighbour nuisance complaints
- Shadowing of allocations interviews and accompanied viewing
- Shadowing maintenance inspectors
- Review of housing list applications and allocations
- Review of information for applicants and tenants
- Review of arrears and evictions cases
- Review of anti-social behaviour cases
- Review of abandonment and void property cases
- Review of gas safety management
- Review of complaints cases
- Review of response repairs

Key documents reviewed

- SBHA's inspection submission
- Transfer 30 Year Business Plan version 12
- Business Plan 2006/07 February 2006
- Internal Management Plans 2005-08 and 2006-09
- Board and Sub-committee reports and minutes
- Area Board reports and minutes
- Allocation policy and application form
- Sheltered housing allocations policy
- homehunt information sheets
- Anti-social Behaviour policy and procedures
- Rent Arrears policy and procedures
- Maintenance policy
- Current planned and cyclical maintenance programme
- Tenant participation strategy and action plans
- Complaints policy
- Consultation documentation
- Internal audit reports
- Schedule 7 Register
- Declarations of Interest Register
- Risk Strategy and risk maps
- Protocols and service level agreements with other organisations, including section 5 referrals
- Newsletters, leaflets and other publicity information
- Care Commission Inspection Report 18 January 2006

* see glossary

- Papers relating to 2006 tenant satisfaction and aspiration survey
- Stock condition survey September 2005
- Publications relating to the ballot (stage one and stage two notices)
- Report by Director of Social Work to SBC's Administration Working Group 15 November 2005 on SBHA Housing Stock Transfer - Key Monitoring Arrangements

Appendix 2

Examples of positive practice

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

SBHA has a direct-labour division, Scottish Borders Building Services. SBHA introduced an innovative information communications technology-based work-scheduling system to improve its responsive repairs service.

The system is still developing but it enables direct control by the client over the work time of SBHA's tradesmen. This is achieved by using set time periods for every job order which are linked electronically to pre-arranged tenant appointments system. It also enables 'live' work completion dates to be input to handheld consoles.

SBHA has an excellent approach to shaping its planned maintenance works around the needs of its tenants. It provides regular information on progress with work and gives contact details for within and outside office hours. The Association holds open days and pre-start meetings and also encourages individual tenants to act as points of contact for planned maintenance projects. Also a flat is made available for tenants and their representatives to use, for example for meetings, during the on-site phase. Tenants have a choice of high quality finishes and material, many of which have been considered in advance by the Scottish Borders Tenants Organisation. There is an effective complaints system which is quick to respond to problems and easy for tenants to use.

Glossary

Affordability	An assessment of what a tenant can pay towards rent after living costs and other debts have been taken account of.
Annual Performance and Statistical Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Anti-social Behaviour Order (ASBO)	ASBOs are preventative orders designed to protect individuals from further anti-social behaviour that causes or is likely to cause alarm or distress. Breach of an ASBO is a criminal offence, punishable by a fine or imprisonment.
Arrears direct payments	Payments direct to a landlord from a tenant's state benefits to cover outstanding arrears.
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, with other organisations, to identify best practice.
Bulk procurement	Obtaining services or materials from other organisations or agents in a way that aims to maximise the economy and efficiency of these services. For example procuring services for several projects or for the longer term.
Choice-based lettings (CBL)	A lettings scheme that allows people to apply for advertised vacant houses. The successful applicant is the person with the highest priority for the property that they bid for.
Common housing register (CHR)	A register of all applicants for social housing used by two or more landlords within an area.
Cyclical maintenance	A planned programme of work to deal with predictable deterioration of building components; for example, regular painting of window frames.
Focus group	A group of people brought together to have a structured discussion on a specific subject or set of subjects.
homehunt	A pilot CHR operated by four landlords including SBHA.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
ICT	A landlord's information and communication technology

system which includes telephones and computers.

Industrial and Provident Society	An organisation conducting its business, either as a co-operative or for the benefit of the community, and 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 on its performance, context and how it is structured.
Internal management plan (IMP)	Strategic plan that sets out the organisation's aims and objectives and how it will achieve them.
Intranet	Web-based information centre that is used to provide information within an organisation.
Language line	A telephone translation service.
Life-cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
National median	The middle value of the performance results of all Scottish RSLs, put in order of value.
Non-technical arrears	Rental charges owed to a landlord after any outstanding Housing Benefit claims or payments have been taken into account.
Notice of proceedings (NOP)	The formal notice given to tenants informing them that their landlord is intending to raise an action in the courts to end the tenancy.
Partnering	A structured contract management approach to improve efficiency and reduce confrontation between the RSL and its consultants and contractors. Partnering requires formalised objectives, agreed problem-solving methods and an active search for continued measurable improvements.
Peer group	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs.
Performance indicator	A measure of how an RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Performance standards	Housing standards for all social landlords in Scotland.
Planned maintenance	The planned renewal or maintenance of key property components.

Post-decree abandonment	When the tenant abandons the property after a sheriff has awarded an eviction decree against the tenant.
Post-inspection	Physical inspection by a member of the landlord's staff to check the suitability and quality of repairs or deal with a complaint.
Pre-inspection	Physical inspection by a member of the landlord's staff to confirm 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.
Quartile	The range represented by one quarter of the ordered performance of all Scottish RSLs. So for example, the upper quartile is the top 25% of RSLs.
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	Letting a property to the second or subsequent tenants. Distinguished from new lets that are made when the property is first built or modernised.
Rent harmonisation	Addressing historic differences in rents for properties of the same size, type and amenity which would otherwise be expected to have the same rent as set out in a landlord's rent policy.
Response repairs	Day-to-day repairs carried reactively, distinguishable from planned, capital or cyclical maintenance.
Retail prices index (RPI)	A measure of inflation compiled and published monthly by the Office for National Statistics.
Right to Buy (RTB)	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Right to Repair (RTR)	A statutory scheme which sets out timescales for some repairs and the actions which can be taken if these timescales are exceeded.
Schedule of rates	List of costs for repair items, usually organised by trade.
Scottish Public Services Ombudsman	The independent body appointed to investigate individual complaints against public service bodies including registered social landlords.

Scottish Housing Quality Standard (SHQS)	Minimum quality standards, to be achieved by 2015, across all homes managed by registered social landlords.
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 SST can apply to some tenants of social landlords in Scotland in place of a full SST.
Schedule 7 of the Housing (Scotland) Act 2001	Defines how those involved with RSLs (governing body members and staff) cannot 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 that has accommodation in its area to provide accommodation to specific homeless people.
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, between related organisations, 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 or organisation that obtains a service from the landlord or is affected by the landlord's actions.
Standard arrears letters	A series of general letters held by a landlord to be sent out to tenants in arrears.
Statutory reasonable preference categories	People who have one of these housing needs as set out in The Housing (Scotland) Act 2001: homelessness; overcrowding; large families; living in below tolerable standard housing or unsatisfactory living conditions.
Stock-transfer RSL	An RSL where most of its houses were acquired as a result of a transfer of local authority or Scottish Homes houses.
Suspension or suspension policy	Where a landlord may temporarily suspend an applicant from receiving offers of housing, as defined in the 1987 Housing (Scotland) Act and amended in The Housing

(Scotland) Act 2001.

Technical arrears	Rental charges owed to a landlord as a result of an outstanding Housing Benefit claim or payment.
Tenancy agreement	Legal document or contract between a landlord and tenant setting out the rights and responsibilities of each.
Tenant assessor	Tenant assessors are trained lay people (tenants) who are part of the inspection team. They may be involved in the preparation for the inspection, reading landlord documents, on-site visits, and talking to tenants.
Tenure	The method by which a person occupies a property i.e. a tenant, lodger, or owner-occupier.
Turnover (empty houses)	The number of houses that are vacated in a year expressed as a percentage of the landlord's housing stock.
Variations	A term used to refer to the practice of charging a repair works order on-site, where the contractor feels additional or alternative work to that specified is required.
Void	A property without a tenant. Voids occur in the period between one tenant leaving and another taking over the tenancy.
Wage arrestment	A landlord can recover rent arrears directly from an employer, if the tenant receives employment income above a set level, and this is deducted from the tenant's wage.
Wider role/action	Actions taken by a landlord, in addition to its normal landlord role, which promote social inclusion in the communities it serves.

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