

Aberdeenshire Housing Partnership Inspection Report Summary



1. Communities Scotland is responsible for the regulation and inspection of all Registered Social Landlords (RSLs). We inspected Aberdeenshire Housing Partnership in June 2003. This summary report sets out the main findings from our inspection.

Aberdeenshire Housing Partnership

2. Aberdeenshire Housing Partnership (AHP) was set up in 1999. It provides 489 homes in the north east of Scotland through both mainstream tenancies and special needs provision. AHP has built 189 of the houses since 1999. The remaining 300 transferred from the local authority through a 'trickle transfer' arrangement.
3. AHP is a company limited by guarantee and is governed by a Board of Directors. The Board has responded to some of the performance issues identified in our last Performance Audit Report in 2001, by employing its own staff in 2002 to provide services.

Inspection Grades

4. AHP is a relatively young organisation and has gone through significant growth and change in the last few years. It is making improvements, but these are taking some time to make a difference. Therefore, at the time of our Inspection, these are the inspection grades achieved by Aberdeenshire Housing Partnership:

Overall	D	<p>The Partnership is a poor performer with major areas where improvement is needed.</p> <p>Prospects for improvement in overall performance are uncertain.</p>
Governance & Financial Management	D	<p>The Partnership does not perform well in governance & finance and improvement is needed in a number of major areas.</p> <p>However, we consider the prospects for improvement are uncertain.</p>
Housing Management Services	D	<p>The Partnership delivers a poor housing management service with major areas where improvement is needed.</p> <p>However, we consider the prospects for improvement are uncertain.</p>
Property Management Services	D	<p>The Partnership delivers a poor property management service with major areas where improvement is needed.</p> <p>We consider the prospects for improvement to be uncertain.</p>
Property Development Services	C	<p>The Partnership delivers a fair property development service with some strengths, but with significant areas where improvement is needed.</p> <p>We consider AHP's prospects for improvement in development to be promising.</p>

Overall assessment of AHP

5. This section describes how good AHP's services are overall and how well they are managed.
6. These things are working well overall:
 - ✓ AHP has quickly established a good reputation as a developing organisation that can deliver new homes in Aberdeenshire and has worked hard to develop an identity around its development activities.

- ✓ It works well with the local authority and Communities Scotland's area investment team.
- ✓ It has a stable and committed Board.
- ✓ It took the decision to take core services away from agents, build up an in-house team to deliver services and set up a new ICT system.
- ✓ AHP has adopted financial projections that show that it is financially viable in the longer term, and AHP intends to keep these under review as longer term maintenance commitments are factored in.

7. These things could be working better overall:

- Establishing a clear strategy for the organisation to clarify its aims, how it will achieve them and how it will know it is making progress.
- Being more responsive to tenants and other service users, to routinely consider their views and factor them into service delivery, new house-building activity or planned improvements.
- Stronger leadership in the core service delivery areas of housing management and maintenance and greater support for staff in these areas during a time of significant change.
- A better performance management framework to enable AHP to know how good or otherwise its services are, increase its self-awareness about its performance and where improvement is needed.
- Meeting its legal obligations around gas safety, consultation with tenants, and moving quickly to sign up all tenants to the Scottish Secure Tenancy.
- Establishing a clear framework for the management of empty houses and rent arrears to improve performance.
- Demonstrating an accountable and value for money approach to procurement across its business.
- Providing support to staff in their day-to-day work in terms of policies, procedures and training.
- Agreeing an approach to handling anti-social behaviour where it emerges.
- Actively promoting equal opportunities and diversity throughout its management and service delivery.

8. These are our key overall recommendations.

- ❖ AHP should develop a robust approach to planning and performance management and put systems in place to report on outcomes, effect improvements and report them more widely, particularly to tenants.
- ❖ AHP should review the balance of its focus at senior management and Board level to give leadership to core services.
- ❖ AHP must decide quickly how it will meet its legal obligations around gas safety, consultation with tenants and also the requirement to complete the sign-up of tenants to the Scottish Secure Tenancy.

- ❖ AHP should review its approach to procurement.
- ❖ AHP should improve its tenant participation strategy and place tenant and service user views at the heart of its work.
- ❖ AHP should mainstream its promotion of equal opportunities throughout its work.
- ❖ AHP should produce a programme of policy and procedure development, backed up with training, to support staff and to give an agreed approach and consistency to their work.
- ❖ AHP should review its approach to managing empty houses and collecting rent arrears.
- ❖ AHP should develop its own approach to enable it to respond to anti-social behaviour and should participate in any future local authority strategy to tackle anti-social behaviour.

Governance and Financial Management

9. This section describes how well AHP's governing body of volunteer members control the organisation, and examines the wider opportunities for tenants to become involved in managing AHP. It also looks at AHP's financial health and how it manages its finances.

10. These areas that are working well in governance and financial management:
 - ✓ There have been considerable improvements in how AHP's finances have been managed since services were brought in house in September 2002.
 - ✓ Long-term financial plans have been put in place and indicate AHP should remain viable in the long-term. However this depends on the accuracy of information relating to stock condition and life cycle costings.
 - ✓ Effective daily financial controls are in place and the finance function is well managed.
 - ✓ Well-structured, informative Management Accounts and finance reports are provided to the Board.
 - ✓ Directors demonstrate a variety of skills and experience.

11. These are the areas that could work better in governance and financial management:
 - Leadership in terms of strategic and operational planning and a performance management framework.
 - Strategic risk management and internal audit.
 - Better reporting on performance and the quality of service delivery to the Board, and more effective use of the ICT system to report performance.
 - A better balance of time spent by the Board on development issues in relation to other service areas.
 - Deeper questioning and analysis of financial data by the Board.

- Developing an organisational culture for continuous improvement.
 - Greater opportunities for tenants to be involved in the work of the Board.
12. These are our key recommendations in governance and financial management:
- ❖ The development of a comprehensive risk management strategy needs to be prioritised.
 - ❖ An internal audit programme should be implemented based on the risk management strategy.
 - ❖ Long-term financial forecasts should be updated to include stock condition and life cycle costing information, in order to confirm long-term financial viability.
 - ❖ A skills assessment and training plan must be developed for Board members to ensure they have the relevant financial and strategic expertise to direct the Partnership.
 - ❖ Performance in all areas should be reviewed by the Board and key areas for improvement identified.
 - ❖ The Board should address the high proportion of time spent on development and establish effective control over all of the Partnership's activities.
 - ❖ AHP should consider ways to maximise tenant representation on the Board and allow full participation and influence by tenants in the work of the Board.
 - ❖ Internal financial regulations should be updated and implemented in order to manage the business more effectively.
 - ❖ Cashflow reports should be provided to the Board and reviewed regularly by members of the Board.

Housing Management

13. This section summarises how well AHP controls access to its houses, how it sets rents levels, and deals with empty houses and rent arrears. It also describes how AHP manages its estates and deals with antisocial behaviour.
14. These are the areas that are working well in housing management:
- ✓ AHP reduced the number of empty properties within a short time after taking over direct management of its houses.
 - ✓ AHP is working with the Council towards the establishment of a common housing register.
 - ✓ AHP works well with the Council to provide supported housing for those with particular needs.
 - ✓ Allowances have been introduced to compensate new tenants for poor decoration.

15. These are the areas that could work better in housing management:
- Monitoring who gets access to its houses.
 - Recording whether it is meeting its obligations to homeless people.
 - Some empty houses have remained empty for a long time and AHP does not have clear procedures for managing voids. Monitoring reports to the Board on voids are poor.
 - Rent arrears are relatively high and AHP does not have sufficient monitoring and control processes in place to prevent and reduce arrears.
 - Clear service plans and objectives for housing management.
 - AHP has signed up a relatively small proportion of its tenants with an SST, and has no clear strategy on how to address this issue.
16. These are our key recommendations for housing management:
- ❖ AHP must establish a comprehensive performance planning and management system for the housing management service to ensure it can track service delivery and outcomes.
 - ❖ AHP should review its approach to allocations.
 - ❖ AHP should review its management of rent arrears and implement a process for preventing and reducing arrears.
 - ❖ AHP should improve its management of empty houses.
 - ❖ AHP must consult tenants on future rent increases.
 - ❖ AHP must increase the rate of sign-up to the SST agreement by all of its tenants.

Property Management

17. This section summarises how well AHP maintains the fabric of its houses. It describes the quality of repairs that are done when they are needed (“responsive repairs”) as well as maintenance and improvements planned in advance.
18. These are the areas that are working well in property management:
- ✓ AHP has continued to provide a reactive repairs service to its tenants throughout a period of major change for the organisation.
 - ✓ The majority of tenants are satisfied with the repair service they receive.
 - ✓ Tenants are asked their views on the quality of repair service through a feedback survey.
19. These are the areas that could work better in property management:
- AHP is not meeting its statutory duties relating to gas safety. Gas safety inspections are not always being carried out, as procedures are not being followed to contact tenants where the gas service contractor has not had access to properties.

- Recording and monitoring repair completion rates so AHP knows whether repairs are being carried out within a reasonable time.
- Assessing the quality of repairs being carried out for tenants.
- Producing a life cycle costing using stock condition information.
- Producing a programme for planned or cyclical maintenance.

20. These are our key recommendations for property management:

- ❖ AHP presents a serious risk to tenants and to the Partnership by not carrying out gas safety checks in line with statutory requirements. AHP must, as a matter of urgency, arrange for gas safety checks to be carried out on properties where no valid certificate is in place.
- ❖ AHP should establish a clear performance management and planning framework, including a system for recording and monitoring performance, and reporting this to the Board.
- ❖ AHP should take a more active approach to using feedback from tenants and involving them in reviewing and improving the service.
- ❖ Realistic information on stock condition should be used to develop long term costed plans for the maintenance and improvement of AHP's properties. This must be linked with financial projections to ensure plans can be funded over the medium and long term.
- ❖ AHP should produce detailed planned and cyclical maintenance programmes in order to make sure its property is well maintained and to minimise the need to carry out repairs in a reactive way.
- ❖ AHP should introduce a targeted system of post repair inspections to make sure repairs are being carried out to a high standard.
- ❖ The repairs contract should be procured appropriately and underpinned by monitoring and management of contractor performance.

Property Development

21. This section describes AHP's achievements in building houses, and how well it plans for and manages its development programme.

22. These are the areas that are working well in property development:

- ✓ AHP has developed 189 properties since it was set up in 1999, to meet a range of housing needs.
- ✓ There are good working relationships with a range of other housing providers and funders in the area, including the Council and Communities Scotland Area Office.
- ✓ The Board and staff have a good awareness of key development policy areas such as the modernising procurement agenda and physical quality issues.
- ✓ AHP carries out a good quality financial assessment of development projects.
- ✓ AHP has recently shown an enthusiastic commitment to Communities Scotland's Building a Better Deal policy.

23. These are the areas that could work better in property development:
- Having a development plan or strategy to follow the NHP initiative, which is linked with other strategic plans.
 - A clear assessment of whether the balance of time spent by the Board and staff in development issues is efficient or effective.
 - Procuring project team members and consultants in line with a policy or framework that demonstrates value for money.
24. These are our key recommendations for property development:
- ❖ The Board should work with staff to produce a clear strategy for the Partnership's ongoing development role, to ensure that projects fit within a clear, agreed framework.
 - ❖ AHP takes a structured approach to risk assessment in development.
 - ❖ The procurement, and any re-appointment of project team members and consultants, should be based on clear procurement policies and should ensure value for money is achieved.
 - ❖ AHP should consider a strategic review of its options for resourcing the development service.
 - ❖ The Partnership should seek the views of tenants on the physical quality of houses, consider tenants' requirements and preferences in relation to design issues and do more to involve tenants in the development process.
25. Anyone can ask for a copy of the full inspection report. All reports are on the Communities Scotland website at <http://www.communitiesscotland.gov.uk>
26. This summary can also be made available on tape, in Braille, MOON, large print and community languages. For information please contact Janette Campbell on 0131 479 5162 or email campbellj@communitiesscotland.gov.uk.
27. We are fully committed to supporting AHP make the improvements it needs over the next couple of years. We have asked AHP to produce an implementation plan within eight weeks of publication of the inspection report to show how it intends to respond to all our recommendations. We will monitor AHP's progress in putting its improvement plan into action and will re-assess AHP within the next two years.