

Communities Scotland
Inspection report

Abronhill Housing Association

August 2005

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Abronhill Housing Association Inspection 2005, Summary

This inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of Performance Standards. The Inspection of Abronhill Housing Association took place in January 2005.

Inspection Findings

Abronhill Housing Association owns 220 properties throughout Abronhill, a suburb of Cumbernauld. The Association is governed by a voluntary Management Committee of 12 members, 4 of whom are tenants. The Association has 284 shareholding members.

The Management Committee shows a positive commitment to supporting the organisation and is dedicated to providing a good local housing service in Abronhill. The relationship between staff and the Management Committee is positive and productive. Governance, however, is generally under-developed and the lack of strategic and risk management plans is a significant weakness. The Association has good informal contact with its tenants and responds well to individual tenants. However, it does not systematically gather a range of views on tenant satisfaction or regularly involve tenants in setting service standards.

Abronhill has an exposure to financial risk that can be explained by its stock profile but is financially viable in the medium term. It has a good financial management framework.

Abronhill has some strengths and many areas where significant improvement is required.

Key strengths in Abronhill's Services:

- It works to sustain tenancies, as staff have an excellent knowledge of individual tenants' needs;
- It provides attractive and well maintained neighbourhoods;
- It provides good access to its repairs service; and
- It collects good information about the condition of its stock.

Key areas for improvement in Abronhill's Services:

- The development of a strategic planning, performance and risk management framework, including monitoring and reporting of key service outcomes;
- Ensuring that it fully complies with its legislative duties relating to gas safety;

- Reviewing its allocation policy and points system, to ensure that those in greatest housing need are given priority access to the available houses;
- The development of measures to systematically assess tenant satisfaction.

Next steps

Abronhill should respond to our findings by submitting an improvement plan for agreement with us, within 8 weeks of the publication of this report. We expect all inspected bodies to make this report available to anyone that wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report. We require Abronhill to give this summary of the inspection report to all its tenants.

How to get more information and contact details

If you would like to find out how Abronhill plans to respond to the findings of this inspection you should contact:

Abronhill Housing Association
Unit 101
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Cumbernauld
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The full report is on our website at www.communitiesscotland.gov.uk. This Summary can also be made available on tape, in Braille, large print and community languages. For information please contact Janette Campbell on 0131 479 5162 or email: janette.campbell@communitiesscotland.gsi.gov.uk.

1. Introduction

About this inspection

1.1 This inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of Performance Standards.

How we assessed performance

1.2 Our inspectors asked two key questions:

- How good are the services we have inspected?
- How well are these services being managed for improvement?

1.3 In order to answer these questions the inspectors:

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

The inspection team

1.4 The inspection team was led by Margaret Paton, an Associate Inspector, supported by Murray Smith (Financial Analyst). We were on site on the 21st January 2005. We would like to thank everyone involved, particularly the Committee of Management and staff, for their time and co-operation.

Responding to this inspection

1.5 We expect all inspected bodies to make this report available to anyone that wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report. We require that the summary of this report is issued to all tenants.

2. Context

About the Organisation

- 2.1 Abronhill Housing Association was first registered with Scottish Homes, now Communities Scotland in 1993. It is constituted as an Industrial and Provident Society and was registered as a charity in 2002.
- 2.2 The Association is based in Abronhill, a suburb of Cumbernauld, where all its houses are situated. The Association owns 220 properties throughout Abronhill, of these 52% are houses and 48% are flats. Apart from 11 recently completed new build homes, all properties were constructed by Cumbernauld Development Corporation between 1968 and 1980. The suburb of Abronhill contains a total of 4,000 houses, approximately 78% are owner occupied, 15% are let by North Lanarkshire Council, 2% are privately rented, and Abronhill Housing Association owns 5%. The Association also provides a factoring service on behalf of owners within 3 tenement closes in Abronhill.
- 2.3 Abronhill is governed by a voluntary Management Committee elected annually at its Annual General Meeting. It currently has 12 committee members, 4 of whom are tenants. It has 284 members.
- 2.4 The table below gives background information about the Association and shows trends over the last three financial years.

Key Facts

	2002-2003	2003-2004	2004-2005
Houses owned	217	221	220
Employees	5	5	4
Annual turnover	£683,000	£514,000	£525,000
Total possible rental income	£484,000	£507,000	£527,000
Average weekly rent	£37.64	£43.84	£45.37
Houses re-let	14	19	14
Total Right to Buy sales	5	8	4

3. How good are the services?

Housing management

Access

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

- 3.1 Abronhill Housing Association operates an open waiting list and people aged 16 and over can apply at any time.
- 3.2 The Association advises new applicants, through its published applications guidance, that it may discriminate in favour of current tenants on its housing list when deciding who should be housed. This practice may act to discourage new applications and does not follow the Association's allocations policy. This issue is covered further at 3.9 below.
- 3.3 The Association lets around 35% of its houses to people nominated by North Lanarkshire Council. It is also involved in the development of a Common Housing Register and is represented on a Common Housing Register Working Party with North Lanarkshire Council and other local landlords.
- 3.4 Abronhill processes applications for housing quickly and exceeded its performance targets in 2003/04. The Association reviews its waiting list on an annual basis and has an accurate understanding of demand for its housing. There are quarterly reports to the Management Committee on the numbers on the housing list and details of lets, though reporting could be improved by including information on performance against target timescales.
- 3.5 Abronhill is good at minimising suspensions from its housing list. At the time of our inspection, only one applicant was suspended in accordance with its allocations policy.
- 3.6 The Association collects equalities information on its applicants as part of the application process and it reports this information regularly to the Management

Committee. There is one applicant from Black and Minority Ethnic (BME) communities on the current waiting list.

Meeting need and maximising choice

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

- 3.7 There are significant weaknesses in Abronhill's approach to meeting housing need and maximising housing choice. The Association has a waiting list of 408 applicants and a low turnover of 6%, letting 14 houses per year. It has a nomination arrangement in place with North Lanarkshire Council and a protocol for dealing with Section 5 referrals was agreed in December 2003. Abronhill monitors which groups it houses and reports this to the Management Committee.
- 3.8 The Association is concerned with the impact of stock loss, through Right to Buy, on its ability to continue to offer a range of housing choice. To counteract the potential loss of stock it is working well to look for ways to increase its stock, for example through the former Empty Homes Initiative and Mortgage to Rent schemes. It is also offering Tenants Choice to Local Authority tenants and actively seeking new development opportunities.
- 3.9 Abronhill's letting outcomes do not meet statutory requirements. Although Abronhill prioritises allocations based on a range of housing needs, it does not give reasonable preference to those in priority housing need. The Association's systems give an advantage to transfer applicants by giving additional points, which are not always directly connected with housing need. This advantage significantly outweighs the points based assessment of need for waiting list applicants. We found that the most recent let to a transfer applicant involved bypassing other applicants with greater housing need. The Association staff and the Management Committee are fully aware of, and support, this policy towards transfer applicants. This poor practice was highlighted in the Association's previous Performance Audit in 1999 but has not been addressed.

- 3.10 An impact of the Association giving priority to existing tenants as transfer applicants has also been to restrict the opportunities for groups already under represented among Abronhill's tenants
- 3.11 In addition to the enhancement to the points of transfer applicants, the Association introduced a quota system for transfer applicants in 2004, giving further favour to existing tenants. The Association has a low turnover and relatively small number of lets and is anxious to retain its existing tenants. However, the quota system combined with the enhancement of points could further restrict access to housing and choice for other new applicants seeking accommodation.

Sustaining tenancies and preventing homelessness

Social landlords should maximise security of tenure for all residents of their accommodation, and should work to sustain tenancies and prevent homelessness through their delivery of housing management services.

- 3.12 Abronhill has worked well to sign-up 100% of its tenants to Scottish Secure Tenancy (SST) agreements.
- 3.13 The Association delivers good support visits to new tenants offering information about the Association's services and other welfare benefits. The centrally located Association office provides a base for other advice agencies and the staff have a good knowledge of the other services offered in the area in order to make referrals. The Association is actively involved in the Abronhill Regeneration Forum, which has links to other support services and organisations in the area.
- 3.14 Abronhill evicted one tenant in 2004/2005 for rent arrears. We found that the Association worked well with the tenant and a range of support agencies in seeking to prevent homelessness.

Quality of Neighbourhoods

Social landlords should deliver services to ensure that neighbourhoods are attractive, well-maintained and safe places to live. They should deal appropriately with anti-social behaviour.

- 3.15 Abronhill is generally a sought after area and the Association recognises the need to maintain and improve it. The Association helped to set up the Abronhill Regeneration Forum, which draws together residents within Abronhill to work to improve the area. The Regeneration Forum carried out a survey of all residents in Abronhill to identify the main concerns with the area and has co-ordinated action to tackle these issues. The Association also regularly meets with local authority staff to work jointly on local issues.
- 3.16 The Association has a formal policy on anti-social behaviour that it reviews annually. It uses North Lanarkshire Council's Anti Social Task Force to provide it with an investigation service for individual cases. It has only used this service once. Abronhill is committed to developing its staff in this area and one staff member is a qualified Mediator.

Property Maintenance

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.

- 3.17 Tenants can make contact by telephone, in writing, by email or in person at the Association's office. The Association's out of hours repairs service enables tenants to contact contractors direct. The tenant survey completed in 2000 found that 100% of tenants are satisfied with arrangements for reporting repairs.
- 3.18 Although the Association undertook a satisfaction survey in 2000, the scope of the survey was very limited and the Association relies on customer complaints to get any informed view on access to its services.
- 3.19 Details of the repairs service are publicised through the Association's regular newsletters and the tenant welcome pack, which gives a good range of information on repairs responsibilities and key elements of the service.
- 3.20 Though the Association does not operate a formal repairs appointment system it tries to arrange tradesmen for when the tenant can give access. The tenant survey in 2000 did not assess tenant satisfaction with access arrangements

although Abronhill does intend to include this issue within a tenant satisfaction survey proposed in 2005. The Association does not keep a record of no access calls therefore it has very little feedback from any source on whether this is an area where performance requires to be improved.

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.

3.21 The Association sets targets for dealing with responsive repairs which are comparable with other RSLs and more challenging in the case of emergencies. As shown below it's performance in completing repairs to target time scales is poor. It was at least 10% below the national average in all categories and deteriorated considerably between 2002/03 to 2003/04. It completed only 72% of routine repairs within time scales in 2003/04 compared to a national average of 95%.

	AHA target response time	Performance				
		Abronhill			National average 2003/04	Peer average 2003/04
		2001/02	2002/03	2003/04		
Emergency Repairs	2 hours	91	98	82	97	97
Urgent Repairs	3 days	90	87	83	93	94
Routine Repairs	10 days	83	87	72	95	90

3.22 The Association's targets for the completion of repairs included in its tenant handbook are out of date although it has published separate information in recent newsletters.

3.23 Abronhill could improve how it collects satisfaction information for repairs. It routinely asks tenants for comments on the contractor's performance but receives only around a 30% return.

- 3.24 The Association operates a Right to Repair scheme which complies with the statutory requirements. The Association has reported that all qualifying repairs since March 2003 have been completed within the required timescales.

Physical quality of houses

Social landlords should have good information about the condition of their houses and should deliver effective maintenance programmes that take account of housing quality and home safety needs.

- 3.25 The Association is developing and reviewing its information base about the physical quality of its houses and a major repairs programme was recently developed and incorporated into its 30 year Business plan.
- 3.26 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords are required to prepare a plan showing how they will achieve this, by April 2005. The Association is confident that all its houses will meet the SHQS within the statutory timescale and is preparing its plan for achieving this.
- 3.27 The Association is required to carry out safety checks every 12 months on all gas appliances and flues it provides for its tenants' use. The Association has a clear system in place and there is generally a good working relationship with the contractor. However, the Association did not meet its statutory duty for a small number of its houses (4 houses or 3.6%) in 2003/04. The Association has recognised this weakness in its performance and recently instructed its Internal Auditor to review its gas safety service. It has implemented the recommendations for improvement, such as contacting those tenants that are routinely slow to give access, within 11 months, though it is too early to say whether this will improve performance.
- 3.28 All Abronhill's houses have battery-operated smoke detectors and these will all be upgraded to hard-wired systems during the Association's planned electrical re-wiring programme. No houses have lead pipes and the Association has an ongoing programme of central heating renewal.

3.29 From April 2004 social landlords have had a statutory duty to prepare a written plan for managing asbestos in the common areas of their properties. The Association is developing an asbestos register with a detailed survey of each type of the Association's properties but has not yet surveyed all of its properties. The Association indicates that it does not have responsibility for the majority of common closes in its area but where it has any ownership it must prepare a plan. The Association operates a good re-let standard and there has been only one refusal of a property in the last 3 years.

Responsiveness to tenants

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

- 3.30 Abronhill is an approachable organisation and has good informal links with its tenants. It is a good performer in its treatment and approach to tenants on an individual basis.
- 3.31 However, the Association is poor at systematically gathering tenants views. It carried out a very limited tenant satisfaction survey in 2000, the analysis of the results was limited and there was no follow up action plan. While the Association holds regular open days, these are poorly attended.
- 3.32 Abronhill could improve how it involves tenants in reviewing its maintenance policies and setting standards across its repairs and maintenance service. The Association does not routinely consult with tenants on the content and timing of its planned maintenance programmes.
- 3.33 The Association set up a Rent Policy working party of tenant and Committee members to review its rent policy in 2003. However, the composition of this working party was limited and may not have fully reflected the interests of all tenants. There was a broader consultation with all tenants on the rent policy but the main response came from those who would have been disadvantaged by the proposed rent restructuring. The Association needs to apply greater care to ensure that its consultation processes are properly balanced.

3.34 The Association has a fair approach to dealing with complaints. There are very few complaints and the complaints process is well publicised in its newsletters and tenant handbook. The Association maintains a complaints register but there is no regular reporting to the Management Committee.

4. Is the service managed for improvement?

Resource management and efficiency

Social landlords should maximise their income, in a way that is fair to service users, and manage costs effectively.

4.1 Abronhill is aware that its performance in rent arrears, while generally good, could be improved. Arrears as a percentage of its total rental income increased between March 2003 and December 2004, but are still relatively low in comparison to peer group and national averages. The current non-technical arrears level is below its peer group average. The proportion of the Association's tenants in serious arrears was below its peer group average at December 2004 but has risen since March 2003. Former tenant arrears have increased since 2003 and are now slightly above the peer group average but in line with the national average. The Association believes that staff shortages are the cause of the decline in performance and indicates that this has now been addressed.

	At March 2003	At March 2004			At Oct 2004
	Abronhill	Abronhill	Peer Average	National Average	Abronhill
Total arrears as % of total gross rental income	2.98	3.36	6.40	6.38	4.70
Total current arrears as % of total gross rental income	2.80	3.10	5.36	4.56	4.31
Current arrears (non technical) as % of total gross rental income	2.0	1.2	3.29	3.43	2.50
Current arrears (technical) as % of total gross rental income	0.8	1.9	2.06	1.13	1.80
Total former tenant arrears (£) As % of total gross rental income	0.14	0.26	1.04	1.81	1.81

4.2 The Association manages its void property effectively and is a good performer in relation to both the national and Peer group averages. It lost 0.57% of its total rental income due to void property in 2004.

	At March 2003	At March 2004			At Oct 2004
	Abronhill	Abronhill	Peer Average	National Average	Abronhill
Rental income lost due to empty houses (£)	3062	2595	-	-	3063
As % of total rental income	0.6	0.5	0.6	3.0	0.57
% of empty houses re-let in less than 2 weeks	14.3	36.8	42.4	27.0	35.7
% of empty houses re-let in 2-4 weeks	50.0	26.3	30.4	27.3	28.6
% of empty houses re-let in more than 4 weeks	35.7	36.8	27.2	45.7	35.7
Average time to re-let (days)	29	28	31	34	21

4.3 In 2003/04 the Association's 28-day average re-let time was below the national average but above its peer group average. As the Association re-lets a small number of higher demand properties there is scope to increase efficiency.

4.4 The costs for delivering its housing management services were £557.60 for each of its houses in 2002/03. This figure is slightly higher than its peer group but similar to the national average. The Association was unclear about the accuracy of the figure supplied for 2003/04, indicating a lack of continuous monitoring and awareness of overall costs.

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

4.5 The Association's management costs for delivering its property maintenance service were £262 in 2003/04 for each of its houses, increasing by 13.9% from 2002/03. The costs were significantly higher than its peer group costs and £30 higher than the national average in 2002/03. The higher costs are not explained by any improvement to the service at that time and the target time scale for

repairs completion was not being met. The Association contended that this cost was high due to the lack of economies of scale but this would equally apply to its peer group where the cost difference was greatest. The Association does recognise that its staff costs are currently high in relation to the stock numbers and that with the proposed changes to staff grading these costs will increase further.

- 4.6 The Association follows a good set of procedures to put the majority of its work out to tender and maintains a tender register. However, it recently negotiated a contract based on a schedule of rates with an existing contractor. This was initiated without any formal and consistent assessment of contractor performance being considered by the Management Committee and with limited tenant feedback on contractor performance.

Performance management

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

- 4.7 Abronhill does not review its Internal Management Plan (IMP) annually or have an alternative and current strategic document that sets out the objectives and targets for the Association. There are however a number of operational targets in place. There is no bench-marking of the service in any of the performance reports, so the Management Committee is not being informed of the Association's performance in comparison to other similar organisations.
- 4.8 Abronhill has some weaknesses in how it reports its performance in Property Maintenance against agreed targets. We found only limited reporting to the Management Committee on the timescales for the completion of repairs. For example, the number of repairs not completed within timescales is reported quarterly, but not the length of the delay or the trade/value of the delayed repair. There is no regular monitoring of the quality of service received from service agents and no regular reporting on performance required in the service level agreements.

- 4.9 The Association believes that its poor performance in maintenance is caused by a long-term staff absence and it intends to concentrate on improving the service. However, there is no agreed improvement plan in place. The Association provided limited information on its repairs performance to tenants in its 2004 Annual Report, though it provides no explanation as to why performance is declining.
- 4.10 The Association could improve how it reports and monitors performance in housing management against key targets. There are quarterly reports to the Management Committee on the current housing list but there is limited information on the monitoring of other targets. Staff and Committee have no firm plans to improve in this area due to concerns about the amount of time available to report to the Management Committee and to keep it informed about performance.
- 4.11 In the absence of a wider performance management framework, policies and procedures can provide guidance on standards to be achieved. The Association has a comprehensive range of policies and procedures for housing management that provide a good framework for its services. These are reviewed on a regular basis but without any input from service users. The Association recognises that it could improve its property maintenance policies and procedures, though there are no firm plans for a review.

5. Governance and financial management

Leadership and direction

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

- 5.1 Abrohill's performance in its strategic planning function is poor and the Management Committee has failed to set a strategic framework or a clear direction for staff. The Association has no current internal management plan (IMP) to set out its vision for the future. This has left the organisation without clear direction throughout 2004/05. The Association did produce an IMP in 2003/04 but with limited Committee input. The Association is of the view that the 2003/04 plan gives some direction and remains suitable for the current year.

However, the IMP does not address the areas for improvement identified by the Association in its preparation for inspection and, therefore, omits important areas for development.

- 5.2 The Management Committee has a constructive relationship with staff. Despite the attention given to training it does not have a clear understanding of its role in dealing with the strategic issues facing the Association, exercising control and setting the overall policy direction.
- 5.3 The Management Committee receives regular reports on the Association's performance across most key elements of its services. These reports do not always provide detailed performance information on relevant targets. For example, they do not always present clear summaries highlighting key issues, do not benchmark performance with other landlords and have limited information on trends over time.
- 5.4 The Association has 4 tenant members on its Management Committee. It is concerned that members are generally older people and would like to attract a wider range of people to better reflect the client group that it serves. Although there have been a number of recruitment drives for new members these have had limited success.
- 5.5 The Association ensures that Management Committee members have access to training to support them in their role. It does this by:
- carrying out an annual review of members' training needs after the Annual General Meeting, which informs the content of the training programme;
 - arranging good quality training both through the local RSL forum and via external trainers;
 - providing a good induction pack for new members; and
 - organising a "buddy" system for new and potential members.
- 5.6 A strong membership and good levels of participation at Annual General Meetings (AGMs) are important ways for a landlord to demonstrate accountability. The

Association allows a broad range of people to become members and it currently has 284 members, 43% of whom are Association tenants. The Association has consistently made efforts to encourage attendance at AGMs, e.g. exhibitions, quiz nights and open events, although the number of tenant members has dropped in the last three years. The Association's last AGM was not quorate, with only 7% of members attending.

- 5.7 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. The Association's performance in engaging stakeholders is fair. It is good at informal engagement with its tenants but does not achieve any systematic feedback. It has provided only limited information to tenants with regard to its performance against targets and it does not give comparisons with its peer group or with the other landlords operating in Abrohill. It has no registered tenants groups but it is exploring the opportunities to set up a joint initiative with the other landlords in the area.

Ethical standards.

Staff and governing body members should promote values that underpin good governance and should act with honesty and integrity, focusing on the best interests of the organisation and its service users.

- 5.8 The Association's approach to ethical standards is generally fair but there has been one exception to this, in relation to decisions on the rent setting review.
- 5.9 The Association has adopted a code of conduct for the Management Committee, based on the SFHA model. This requires all Management Committee members to confirm annually any potential conflicts of interests that might arise from their involvement with the Association, for inclusion in a register of interests. We found some duality of Management Committee interest in the consideration of the rent restructuring exercise, which was not properly acknowledged or declared. The decision, to continue to maintain and extend anomalies between house sizes, is inconsistent with the responsibility of the Management Committee to ensure a fair and equitable system. The Association consulted tenants on this preferred proposal and argues that the tenants accepted the proposal. It does acknowledge however, that of those who responded to the consultation, the

majority would have been adversely affected by the alternative rent restructuring option. The Management Committee has not fulfilled its obligation to ensure that the best interests of all its tenants are met in this instance.

- 5.10 The Management Committee is aware that payments and benefits to staff, Committee members and their relatives may only be granted in accordance with Schedule 7 of the Housing (Scotland) Act 2001. The Association complies with these requirements and maintains a proper Schedule 7 register which is regularly reviewed and available for public inspection.

Managing risk

Social landlords should be aware of all the risks they face and put in place robust arrangements to minimise these risks and to deal with them if they do occur.

- 5.11 The performance in ensuring that risks are identified and minimised is poor. The Association does not have a formal risk management plan in place and, as it does not have an Internal Management Plan, does not address any strategic risks to the Association in a systematic way. A draft strategy and policy has been prepared for Committee approval, though there is still a need for the Management Committee to fully understand its role and responsibilities in the management of risk.

Financial viability and management

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

- 5.12 A satisfactory financial performance over recent years extends to the financial plans which suggest that this trend will continue into the foreseeable future.
- 5.13 The Association currently prepares 30 year long term cash-flow projections. These incorporate the most recently updated life cycle costing information for long term property maintenance. Although reviewed annually, these projections are currently only updated every three years in the absence of any material change. However they do continue to indicate long term sustainability. Abrohill does not currently prepare any separate medium term financial forecasts.

Financial Performance	£000's 2000/01	£000's 2001/02	£000's 2002/03	£000's 2003/04	£000's 2004/05
Turnover	460.3	471.4	683.3	514.6	531.5
Operating Surplus/(Deficit)	155.5	109.3	159.2	103.4	121.5
Net Surplus/(Deficit)	18.2	6.2	62.8	55.8	28.4

- 5.14 Results over the past four years together with the current years forecast indicate fluctuations in turnover, largely in line with stock fluctuations over the period through acquisitions and Right to Buy sales.
- 5.15 Despite similar increases in turnover and costs being forecast for 2004/05 and an increased operating surplus, the net surplus is forecast to be only around half its 2003/04 level. This is largely explained by the reduced number of Right to Buy sales predicted for the year. Increased major repairs expenditure planned for 2005/06 is likely to lead to an operating deficit being recorded in that year. However, the Association's cash resources mean that this does not represent an immediate threat to ongoing viability.
- 5.16 Abronhill has an effective budget setting process; its timescales and procedures enable the committee to discuss and approve the budget ahead of the start of the financial year.
- 5.17 In contrast to other areas of performance monitoring, quarterly financial monitoring reports provide the committee with a good level of detail with which to review actual performance and inform decisions. At present this includes both variance analysis against budget and analysis of targets against key performance indicators.
- 5.18 Abronhill has an exposure to financial risk that can be explained by its stock profile, but is financially viable in the medium term. It has a good financial management framework.

6. Areas for improvement action

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

Across all of its activities, Abronhill should:

- develop a strategic performance and risk management framework, including monitoring and reporting of key service outcomes;
- develop a portfolio of measures to properly and regularly assess tenant satisfaction;
- give tenants meaningful opportunities to be involved in the development of its services;

In housing management, Abronhill should:

- review its allocations policy and points system to ensure that it will meet with legislative standards, ensure that those in greatest housing need are given reasonable priority and that there is fair access to its housing for all applicants.

In property maintenance, Abronhill Housing Association should:

- ensure that it complies with its legislative duties relating to gas safety;
- review the delivery and management of its property repairs service to improve its performance in meeting target timescales.

In governance and financial management, Abronhill should:

- ensure the Management Committee understands and fulfils its strategic management responsibilities; and
- review its rent policy to comply with good practice.

7. Next steps

- 7.1 This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We have asked Abronhill 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. The plan will be agreed with us.
- 7.2 If you would like to find out how Abronhill plans to respond to the findings of this inspection you should contact:

Abronhill Housing Association
Unit 101
Abronhill Shopping Centre
Cumbernauld
G67 3AZ

Telephone: 01236 457948
E-mail: abronhil@ukonline.co.uk

The full report is on our website at www.communitiesscotland.gov.uk .
This Summary can also be made available on tape, in Braille, large print and community languages. For information please contact Janette Campbell on 0131 479 5162 or e-mail janette.campbell@communitiesscotland.gsi.gov.uk.

Glossary

Annual Statistical and Performance Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Cyclical maintenance	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
Inspection submission	Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured.

Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
Peer group	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs.
Performance indicator	A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Performance Standards	Housing standards for all social landlords in Scotland.
Planned maintenance	The planned renewal or maintenance of key property components.
Serious arrears	Where a tenant owes more than 13 weeks rent payments and this is more than £250
Statutory reasonable preference categories	People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
Rechargeable repairs	Work that is the responsibility of the tenant but has been done by the landlord.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to Buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.
Scottish secure tenancy (SST)	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.

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