

Communities Scotland
Inspection report

Bowerswell Memorial Homes (Perth) Ltd

February 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 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 tenants, the agent's 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;
 - analysed tenant satisfaction surveys; and
 - analysed published performance and financial information.

The inspection team

- 1.4 The Bowerswell inspection was carried out by Scott Crossley who was supported by Pauline McFadden (Financial Analyst). We were on site on 8 November 2005. We would like to thank everyone involved in the inspection, particularly the Management Committee 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

* see glossary

raised in this report. We require that the summary of this report is issued to all tenants.

2. Context

About the Organisation

- 2.1 Bowerswell Memorial Homes (Perth) Ltd is the City of Perth's war memorial site. Bowerswell is a Registered Social Landlord. The Association was registered by the Scottish Homes in 1988. It is a charitable Industrial & Provident Society*.
- Bowerswell owns 41 sheltered housing properties located in the grounds of a large Victorian mansion house situated to the east of the river Tay within the City of Perth. The stock consists of 21 flats and 20 cottages and caters for older people.
- 2.2 The Association is governed by a voluntary management committee elected from its membership at its Annual General Meeting (AGM). It currently has 16 committee members, two of whom are tenants. At the time of inspection Bowerswell has neither full or part time employees. The Association receives all of its services from Viewpoint Housing Association. The table below shows some key facts on Bowerswell.

Key Facts	2002-2003	2003-2004	2004-2005
Houses owned	43	41	41
Employees (full time equivalent)	0	0	0
Annual turnover (£'s)	121 000	109 000	121 000
Total possible rental income (£'s)	112 000	111 000	116 000
Total Arrears (£'s)	1 214	1 452	1 372
Average* weekly rent (£'s)	52.54	51.30	29.44**
Houses re-let*	3	2	5
Average days to re-let*	20	20	66
Responsive repairs carried out	138	29	120

Source: Annual Performance & Statistical Returns (APSR)* & annual accounts

** This figure is for rent only and does not include charges for services

* see glossary

3. How good are the services?

Accessible Services

Social landlords should provide open, fair and equal access to their houses and services.

- 3.1 Bowerswell seeks to maximise access to its housing and we saw that in 2005, it had had five new applicants added to its housing list*. However, the housing list not widely advertised which prevents the Association from demonstrating that it provides full open access to its housing.
- 3.2 Application forms are available from its agents, Viewpoint Housing Association, who will visit applicants in their homes to assist them to complete the application form, if required. However, the Association does not have a target timescale for adding new applicants to the housing list and does not monitor its agent's performance.
- 3.3 Bowerswell operates an allocation policy that is based on housing need which seeks to prioritise those entitled to reasonable preference* under the legislation, while still meeting the aspirations of its own internal transfer applicants. However, the allocations policy in use at the time of our inspection did not cover harassment or domestic violence and has not been reviewed since before the introduction of the Housing (Scotland) Act 2001.
- 3.4 Allocations are taken from Bowerswell's housing list. At the time of our visit Bowerswell did not have a Section 5* protocol in place to assist Perth and Kinross Council accommodate homeless people, nor was there a formal nominations agreement in place with the Council.
- 3.5 While we were on site the Association was unable to re-let one of its empty houses from the applicants on its housing list and was going to approach the council seeking a nomination.
- 3.6 We reviewed a number of selections for housing. Bowerswell do not point applicants for priority on their housing list. It was therefore not possible to confirm that applicants are selected on the basis of need or reasonable preference. While we

* see glossary

were advised that the Association made contact with applicants before by passing them, there was no clear, documented audit trails.

- 3.7 We looked at a number of applicants for housing and could find no supporting correspondence in the Association's file to confirm applicants had been advised of their likelihood of being made an offer of housing or documentation to support a clear audit trail. The Association acknowledged that its current practice was weak and took measures to improve this while we were on site.
- 3.8 Bowerswell has not had to suspend anyone from its housing list. There are procedures in place to deal with suspensions of offers of housing. However, these do not fully comply with legislation. The Association is aware of this and advised us that it would only suspend applicants in line with good practice and legislation.
- 3.9 There are a number of significant weaknesses in Bowerswell's policy and procedures for the letting of its houses. This means that the Association cannot demonstrate that it meets all of its statutory obligations when allocating its houses.
- 3.10 Bowerswell provides good access to its repairs service. Tenants can report a repair by phone or to staff onsite. It publicises arrangements for reporting repairs in its Tenant Handbook. Tenants have direct access to the out of hours emergency repairs telephone number. We were advised that there had been a number of problems surrounding access to the new out of hours repairs service, which was introduced early this year. Bowerswell have addressed the issues raised by its tenants, arranging for the contractor to meet with tenants to discuss and alleviate their concerns.
- 3.11 The Association does not operate a formal appointment system for repairs. However, it tries to accommodate suitable access times as far as possible. Tenants we spoke to, with the exception of not having access to local contractors, were generally satisfied with access to the responsive repairs service for their homes.
- 3.12 Bowerswell provides good access to its services. Through its agent the Association can provide access to translation services, large print or audio tape if required and this is advertised in the Tenant Handbook as well as in leaflets detailing the services provided. The majority of tenants access Bowerswell's services through the onsite

warden by either calling in person at her office or alternatively using the community alarm call system.

Service Quality

Social landlords should deliver high quality services and maintain their houses to a high standard.

Housing Management

- 3.13 Bowerswell carries out a very small number of re-lets* each year; in 2004/05 there were five re-lets, with only two in the previous year, 2003/04.
- 3.14 Bowerswell has signed up all of its tenants to the Scottish Secure Tenancy (SST)* agreement. To date it has not been appropriate to offer any tenant the Short Scottish Secure Tenancy (SSST)*; however the Association is prepared to use this type of tenancy in appropriate circumstances and has policies and procedures in place which would allow it to do so.
- 3.15 New tenants receive a copy of the Association's Tenant Handbook. This provides comprehensive information on:
- the tenancy agreement;
 - the repairs service;
 - Right to Repair*;
 - neighbour disputes;
 - rent arrears; and
 - complaints and appeals.
- 3.16 The Association has not been required to issued Notices of Proceedings* nor has it initiated court actions during 2004/05, in relation to tenant rent arrears or anti-social behaviour.

* see glossary

- 3.17 Bowerswell has a good approach to support and welfare advice. The Association has good policies and procedures to help tenants maintain their independence and to continue to live in the community.
- 3.18 We visited the estate and found that it is in an excellent condition. The area is very clean and there is no evidence of graffiti or vandalism. Staff carry out regular estate checks as part of their duties. The majority of tenants we spoke to were very satisfied with Bowerswell as a place to stay.
- 3.19 Bowerswell outlines its approach to dealing with anti-social behaviour in the Tenant Handbook. This details actions it will take to resolve complaints; these include the use of mediation. Formal complaints about anti-social behaviour are very few and there have been no recorded incidents of anti-social behaviour in the last year.
- 3.20 Bowerswell provides a good housing management service with only a few areas where improvement is needed.

Property Maintenance

- 3.21 In their Tenant Handbook Bowerswell advise tenants that the target for Emergency repairs to be completed is 24 hours, Urgent repairs 7 days and Routine repairs to be completed within 28 days. However, for the monitoring of responsive repairs Bowerswell has in place more challenging targets. Urgent repairs aim to be completed within 3 working days and Routine repairs in 15 working days.
- 3.22 In 2004/05 Bowerswell completed 120 responsive repairs, 106 or 88.3% of all responsive repairs were completed within target timescales, which is below the national median* of 95.5%. Current performance has improved with 97.8%, or 45 out of 46 responsive repairs, being completed within target timescales. All of the responsive repairs we reviewed were completed within the target timescale.
- 3.23 The governing body receive good feedback on contractor's performance and at the time of our inspection, Bowerswell had just introduced systems for formally reporting tenant satisfaction in relation to repairs.
- 3.24 Pre and post-inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. While Bowerswell does not set a

target for the proportion of repairs to be pre-inspected, it uses good selection criteria, adopted from its agent, to ensure that it effectively and efficiently targets inspections.

- 3.25 The Association has adopted the same criteria for the selection post-inspections as its agent, Viewpoint Housing Association. We saw that some of the criteria, while suitable for a larger organisation for selection of repairs to be post-inspected, are not necessarily appropriate for a landlord of Bowerswell's size.
- 3.26 The Association has had a statutory duty to provide tenants with Right to Repair since September 2002. While Bowerswell advises tenants of qualifying repairs, it does not monitor its performance on Right to Repair and does not advertise the service annually among its tenants. As a result Bowerswell does not fully meet its statutory requirements.
- 3.27 Scottish Ministers have set a target that all landlords' houses should meet the new Scottish Housing Quality Standard (SHQS)* by 2015. Landlords were required to prepare and submit to Communities Scotland, a standard delivery plan showing how they would achieve this, by April 2005. At the time of our inspection Bowerswell had concluded that it did not currently meet the standard and was still developing a standard delivery plan, on how it will achieve the SHQS.
- 3.28 From May 2004 social landlords have a statutory duty to manage asbestos in the common areas of their properties. The Association intends to carry out surveys for asbestos in the common areas before March 2006. However, as Bowerswell does not have an asbestos management plan for common areas in place, it is not complying with its statutory duty.
- 3.29 Bowerswell has a fair approach to maintaining its houses however, there are a number of significant weaknesses particularly around its requirements to meet its statutory obligations.

Service user focus

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.

*See glossary

- 3.30 The Association commissioned the Tenants Information Service (TIS) to carry out consultation with tenants over the development of its tenant participation strategy. At that time tenants stated that they were not interested in forming a Registered Tenant Organisation (RTO)*
- 3.31 Following on from this in 2004/05, two tenant representatives were elected as full members of the Association's management committee. Bowerswell also gathers informal feedback of tenant's views at regular coffee mornings, at which tenants can raise with management committee members and staff, any issues or concerns.
- 3.32 Tenants were directly involved in the selection of the contractor to provide the warden call system. Following complaints received from tenants, the contractor was invited back to the complex to discuss with tenants the problems encountered.
- 3.33 However tenants we spoke to felt that their concerns were not always adequately addressed by the Association's management committee. Viewpoint Housing Association, Bowerswell's agent, has developed an internal monitoring system to regularly survey both its and Bowerswell's tenants views on the housing services provided. The last survey report indicated that Viewpoint Housing Association and Bowerswell tenants' were, on the whole, highly satisfied. However, the results were not broken down between the two individual landlords and a formal indication of the views of Bowerswell's tenants could not be obtained.
- 3.34 As well as having tenants as member of the governing body, there is also provision for two of Bowerswell's tenants to participate in the work of the governing body, without being members of the Association. Tenants select two individuals to attend committee meetings, representing tenants' views and voicing any concerns on the services provided.
- 3.35 Bowerswell monitors levels of tenant satisfaction through:
- tenant members elected to the governing body;
 - feed back from the two tenant representatives attending governing body meetings;
 - repair satisfaction cards; and
 - informal contact with the onsite warden.

- 3.36 Bowerswell does not produce an annual report or advertise its performance annually in order that its tenants can formally judge how well their landlord is performing and this is a weakness.
- 3.37 We saw that there were very few formal complaints and that there is a policy in place for complaints about services, the Association's agent's staff or its management committee members, with related targets for responding to the complainant. Bowerswell publicise the complaints procedure in its Tenant Handbook including details on the Scottish Public Services Ombudsman service and sources of independent advice. In 2004/05 there was one formal complaint and we saw that this was dealt with in the target timescales.
- 3.38 Bowerswell has a fair approach to engaging with service users with some good practice, as well as a number of significant weaknesses where improvement is required.

4. Is the service managed for improvement?

Performance and resource management

Social landlords should have clear objectives, standards and targets, manage costs effectively and should work to continuously improve services.

- 4.1 Bowerswell offers a range of methods by which tenants can pay their rent. Tenants can pay their rent in a number of ways including: housing benefit direct, standing order and by post office giro.
- 4.2 Bowerswell's approach to rent arrears management is good. In 2004/05, arrears were 1.2% of gross rental income and the Association was ranked 10 out of all 179 RSLs nationally. At the time of inspection arrears had increased to £936 or 2.0% of gross rental income; however, this drop in performance was caused by factors out with the control of the Association and their tenants. Bowerswell has now resolved this issue with its bank.
- 4.3 In 2003/04 Bowerswell took an average of 20 days to re-let its empty houses; this was better than the national median of 31.5 days. The turnover of houses has increased to 12.2% in 2004/05, when there were five re-lets. The average time to re-let empty houses also increased to 66 days; this is above the national median of 36 days and Bowerswell is ranked 54 out of 65 RSLs who report on sheltered lets.

- 4.4 During 2004/5 Bowerswell lost 0.78% of rental income through its houses being empty; it was ranked 82 out of 179 RSLs for lost rental income as a result of empty houses. This is an improvement on 2003/04 when it lost 2.2% of rental income through empty houses. Rental income lost as a result of empty houses has decreased to 0.43% in 2005/06 to date.
- 4.5 The lack of adequate policies or procedures are weaknesses which may restrict future improvements in Bowerswell's performance for re-letting its empty houses. Bowerswell is aware of this and plans to develop a marketing strategy for empty houses which are proving difficult to let, as part of the review of the allocations policy.
- 4.6 Bowerswell's reported costs for delivering all of its housing services have reduced significantly over the last two years. In 2002/03 these were £857.14 for each of its houses. By 2004/05 these costs had reduced to £321.02.
- 4.7 Bowerswell has a number of policies in place that it has developed or adopted directly from its agent. A number of these are current and guide staff in delivering the services, such as providing support to tenants and the recovery of rent arrears. The Association does not have a clear timetable for the continued review of its policies and to date, tenant involvement in this process has been limited. There are also a number of key policies which still require to be revised or developed including allocations, estate management and repairs. We saw that this had previously been highlighted in our performance audit in April 2000 and this is a significant weakness.
- 4.8 Bowerswell does not carry out internal audit and this limits the Association's ability to demonstrate its commitment to continuous improvement. This is a weakness.

5. Governance & Financial management

Leadership, ethical standards and risk

Social Landlords should have a clear vision, promote values that underpin good governance and effectively manage organisational risk.

- 5.1 Bowerswell's management committee members have views on where the Association should be going and how to achieve this, but there is no formal strategic vision statement, or related objectives tied into a prioritised action plan. We also

found that in its current planning there are no links to financial plans, internal audit or a risk management strategy and this is a significant weakness.

- 5.2 Bowerswell's rules date back to 1979 and it has only recently started to review them. While its present rules permit Bowerswell to act unlawfully, we saw that, in practice, the Association generally acts within the scope of current legislation. This weakness has previously been highlighted in our performance audit in April 2000. This does not represent good governance of the Association and remains a significant weakness.
- 5.3 Bowerswell's committee currently comprises 16 members with space for up to 21 members. Two members of the current committee are tenants . There is no formal induction pack for new governing body members and committee training is not structured nor based upon an annual needs assessment of individual governing body member's training requirements.
- 5.4 Average attendance at committee meetings in 2004/05 was 64% and all meetings were quorate. Bowerswell reports that it has 73 members, 18 of whom are tenants. This means that more than 40% of Bowerswell's tenants are members of the Association. The 2004/05 AGM was quorate with 23 or 32% of members attending.
- 5.5 The Association is aware that the membership list is not up to date. We saw that despite efforts by the Association's committee, this was not resolved by the time of the last AGM. Under these circumstances Bowerswell cannot be confident that their AGM was quorate.
- 5.6 A strong membership and good levels of participation are important ways for a landlord to demonstrate accountability and ensure that tenants' interests are at the heart of the organisation's decision making process. While Bowerswell has a good level of tenant membership, at its committee meeting in July 2005, Bowerswell voted to restrict tenant membership of its management committee to two members. This is a breach of its current rules and is a significant weakness.
- 5.7 Bowerswell recognises the importance of both their agent's staff and committee members adhering to the highest ethical standards. We saw that Bowerswell seeks to act in accordance with statutory requirements relating to the granting of benefits in

Schedule 7 of the Housing (Scotland) Act 2001. However, its rules are out of date and there is not a formal Schedule 7 Register in place.

- 5.8 We saw that Bowerswell is effective in managing potential conflicts of interest in most areas.
- 5.9 While Bowerswell's committee are aware of the risks that face the Association, it has no formal approach to the management of these risks.
- 5.10 Bowerswell has some strengths in governance but there are a number of significant weaknesses some of which remain unresolved from our performance audit of April 2000. Bowerswell has not yet attained good levels of tenant participation in the governance of the Association; however it has put in place measures in an effort to improve its performance.

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.

- 5.11 Bowerswell's accounts to 31st March, 2005 indicate they are financially viable; their accounts show a small surplus for the year with cash balances in excess of £180,000. Although a small deficit is incurred on its management of empty houses, its balance sheet shows the Association to have net current assets and a significant level of reserves.
- 5.12 Bowerswell considers that it can remain financially viable, however as the Association has not prepared medium or long term financial plans. It is therefore not possible for Communities Scotland to comment on the Association's future financial viability.
- 5.13 For the last two financial years the budgets have not been approved prior to the start of the financial year to which they relate and this is a poor approach to budget setting.
- 5.14 The Association's financial management framework is fair, with some strengths and a small, though significant number of areas where improvement is required.

6. Areas for improvement action

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

In **Access** Bowerswell should:

- complete the review of its Allocation Policy;

In **Service quality** Bowerswell should:

- prepare and submit a delivery plan for the SHQS;
- prepare an asbestos management plan for common areas;
- review its responsive repairs targets; and
- develop an appropriate action plan to tackle problems identified by tenants.

In **Performance and resource management** Bowerswell should:

- develop a regular rolling programme of internal audit;
- improve its performance for letting empty houses; and
- increase the frequency of key performance indicator reporting to committee.

In **Governance and financial management** Bowerswell should:

- revise its rules to comply with legislation;
- develop an Internal Management Plan;
- mainstream risk assessment;
- demonstrate long term sustainability in cashflows;
- approve the budget before the start of the financial year; and
- increase the information included in budget and financial performance reports for committee.

7. Next steps

7.1 This report highlights our findings following this housing inspection. We expect Bowerswell to respond effectively to our recommendations using an improvement plan to be submitted 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 see Bowerswell improvement plan you should contact the Chairperson at:

Bowerswell Memorial Homes (Perth) Ltd
Bowerswell House
Bowerswell Road
Perth, PH2 7DN

Telephone: 0131-668-4247

Sources of Evidence

Groups and third parties consulted:

- Perth and Kinross Council
- Communities Scotland Homepoint Team
- Communities Scotland Tenant Participation Development Team

Interviews / meetings:

- Members of the Association's Committee
- The Association's Tenants
- Agent's Housing Manager
- Agent's Senior Housing Officer
- Agent's Allocations Officer
- Agent's Maintenance Manager
- Agent's Maintenance Officer
- Agent's Maintenance Assistant
- Agent's Finance Manager

Reality checks:

- Review of complaints
- Review of reactive repairs
- Review of housing list applications and allocations
- Review of committee rent accounts
- Observation of committee meeting

Key documents reviewed:

- Inspection submission^{*}
- Complaints register
- Management committee rent accounts
- Performance reports

^{*} see glossary

Examples of Positive practice

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

Service user focus

- Tenant involvement in the selection of a contractor to provide out of hours service.

Service quality

- Support services to allow tenants to remain in their homes.
- Management and collection of rent arrears.

Glossary

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 order is a criminal offence, punishable by a fine or imprisonment.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Focus group	A group of people brought together to have a structured discussion on a specific subject or set of subjects, facilitated by an independent person.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
Industrial and Provident Society	Many RSLs are legally incorporated as industrial and provident societies. I&Ps can be charitable or non-charitable, or housing cooperatives. They must be non-profit making and supervised by the Register of Friendly Societies.
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.
Median	The mid point in a series of numbers, half the data values are above the median and half below.
Notice of proceedings	The formal notice provided to tenants informing them that their landlord is taking legal proceedings to seek a court order for recovery of possession of a property.
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 Standards	Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations. Housing standards for all social landlords in Scotland.
Reasonable Preference categories	Homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Registered Tenant Organisation (RTO)	A registered tenant organisation (RTO) is an independent organisation set up to represent tenants' interests on housing and related issues. Registered tenant organisations must be registered with their landlord.
Re-lets	Lets made to the second or subsequent tenants. Distinguished from new lets that are made when the property is first built or modernised.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.
Section 5 referrals	Under Section 5 of the Housing (Scotland) Act 2001 a local authority can request a registered social landlord which has accommodation in its area to provide accommodation to homeless people. This request is known as a Section 5 referral.
Scottish Housing Quality Standard (SHQS)	All property managed by registered social landlords must be brought up to a certain standard by 2015.
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.
Short Scottish secure tenancy (SSST)	Section 34 and schedule 6 of the Housing (Scotland) Act 2001 establish the basic conditions when a Short Scottish Secure Tenancy can apply to some tenants of social landlords in Scotland in place of a full SST
Tenants Information Service (TIS)	TIS was set up by tenants to provide information, advice and training for Scottish tenants and generally support the efforts of the tenants to improve their housing circumstances.

Regulation & Inspection

EDINBURGH

Rosebery House
9 Haymarket Terrace
Edinburgh EH12 5YA
Tel: 0131 313 3700

GLASGOW

Highlander House
58 Waterloo Street
Glasgow G2 7DA
Tel: 0141 226 4611