

**Pathfinder Inspection Report  
Summary  
August 2004**

# Cadder Housing Association



## Cadder Housing Association: Pathfinder Inspection Report Summary

1. Communities Scotland is responsible for the regulation and inspection of all Registered Social Landlords (RSLs). We inspected Cadder in February 2004. This summary report sets out the main findings from our inspection.

### Cadder

2. Cadder was registered with Communities Scotland (Scottish Homes) in 1993. The Association owns 703 houses in Glasgow. Cadder also provides factoring and management services to approximately 350 owners. Cadder is governed by a voluntary Committee which is elected at its Annual General Meeting. Since 2001 the Association's Committee has been supported by four members appointed by Communities Scotland under Schedule 7 of the Housing (Scotland) Act 2001. These members were appointed to support Cadder to improve a number of performance failures in the governance and management of the Association.

### Inspection Grades

3. These are the inspection grades achieved by Cadder:

Overall Performance	C	Cadder is a fair performer with some strengths, but with significant areas where improvement is required.  The prospects for improvement overall are uncertain
Governance and Financial Management	D	Cadder is a poor performer in governance and finance with major areas where improvement is needed  The prospects for improvement in governance and financial management are uncertain
Housing Management	B	Cadder delivers a good housing management service with many strengths and some areas where improvement is required.

		The prospects for improvement in housing management are promising.
Property Management	C	Cadder delivers a fair property management service with some strengths, but with significant areas where improvement is required.  The prospects for improvement in property management are uncertain

4. Cadder's core services achieve a good standard in some areas and the Association tries to be responsive to its service users' views. Tenants are generally satisfied with the services Cadder delivers, and we saw evidence of improvements in performance in some important areas.
5. The overall grade takes account of Cadder's stronger performance in achieving some good service outcomes, but also reflects some major weaknesses in governance and overall management. These weaknesses are also a significant factor in our assessment of Cadder's likelihood of improvement

## Overall Performance

6. This section describes how good Cadder's services are overall and how well they are managed.
7. These areas are working well overall:
  - ✓ Tenants feel that the Association listens to their views and we found this is used to change practice in some areas.
  - ✓ Tenants find Cadder's staff to be helpful and responsive.
  - ✓ Cadder has introduced mid-year performance reporting for some service areas in its tenants' newsletter.
  - ✓ The Association is achieving some positive results in sustainability.
  - ✓ The Association considers all Cadder residents as part of its inclusive approach to participation.
8. These areas could be working better overall:
  - Cadder does not clearly express what it is aiming to achieve and does not consistently monitor its achievements.
  - The Association has been weak at managing performance and achieving improvements.

- The Association does not co-ordinate activities well at a corporate level and does not always achieve key corporate objectives.
- The Association does not always manage its review of policies well.
- Cadder does not always provide information that is relevant, understandable, accurate and reliable for service users.
- The Association has a good complaints policy but does not always implement this well in practice.
- The Association has made little progress towards meeting its targets for promoting equality.
- The Association does not manage its staff and information resources well.
- Cadder's strategic management of training needs and development is poor.
- The Association does not always demonstrate that it achieves value for money in its procurement activities.
- Cadder does not yet have good quality policies and procedures in place to cover all its business.

9. These are our key overall recommendations:

- ❖ Cadder must set clear corporate aims and objectives and assign clear responsibility for the achievement of these. The Committee should closely monitor progress towards its aims and objectives.
- ❖ Cadder should review its approach to performance planning and management in order to develop a comprehensive framework for delivering service improvements.
- ❖ The Association must ensure that it can demonstrate that it promotes equality and considers diversity issues in all its activities.
- ❖ Cadder should ensure that it can demonstrate clearly why and how it makes decisions on procuring services and that it is able to demonstrate that its main consideration in the procurement process is achieving value for money.
- ❖ Cadder should have a systematic review of its staffing structures and management processes to identify and address any underlying weaknesses in its current arrangements.
- ❖ Cadder should ensure that it has a comprehensive set of quality policies and procedures for all its activities. It must ensure that its policy development and review process is rigorous and sustainable, and that tenants are always consulted on the review of relevant policies.
- ❖ Cadder should consult with tenants about service reviews and rent increases in line with the Housing (Scotland) Act 2001.
- ❖ Cadder should fully implement its staff appraisal system to inform the development of a training strategy for staff. The training strategy should also ensure that delivered training meets the Association's business objectives and needs.

- ❖ The Association should extend its collection and analysis of feedback from service users across all of its service areas and use this to improve services.
- ❖ The Association should change its approach to complaints to ensure that it always acts in accordance with its policy.
- ❖ The Association should ensure that the information it provides to service users contains appropriate information and that it is relevant, accurate and up-to-date.
- ❖ The Association should ensure that its sustainability objectives are addressed across the whole business.
- ❖ Cadder should review its approach to information management and ensure that all Committee members and staff are aware of the importance of accurate record keeping.

## **Governance and Financial Management**

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

11. These areas that are working well in governance and financial management:

- ✓ The Association has good levels of membership.
- ✓ The Committee has made significant changes to Cadder's governance structures in an attempt to streamline and improve its management of the Association's business.
- ✓ Cadder's 30-year financial forecasts show that it will continue to be financially viable.
- ✓ The Association continues to show improvements in its financial performance.
- ✓ The Association has a sound financial management framework.

12. These are the areas that could work better in governance and financial management:

- There is a lack of clarity in the definition of roles and responsibilities between the Committee and its Director for managing Committee affairs.
- Conflicts of interest on the Committee are not well managed.
- Cadder's sub-committees do not consistently operate in a way that ensures it carries out its business effectively.
- Committee member training and development is not well managed.
- The Association does not always identify risks or manage them well.
- Cadder does not manage its internal audit effectively.
- The Association does not prepare medium term financial projections.

13. These are our key recommendations in governance and financial management:

- ❖ Cadder should work to increase the membership of its Committee to ensure that it is representative of its community and provides a broad base for decision-making.
- ❖ Cadder must ensure that it operates in accordance with its rules and that it ensures the highest possible ethical standards in its governance of the Association's activities.
- ❖ Cadder should take urgent and appropriate steps to resolve the significant conflict of interest for one of its Committee members who is in arrears of rent.
- ❖ Cadder should ensure that Committee members and staff operate its governance structures effectively and in accordance with its standing orders, delegated authorities and remits.
- ❖ The Association should ensure that it operates its internal audit effectively, and that risk is identified and managed in all its activities and that where weaknesses are identified recommendations for improvement are implemented.
- ❖ Cadder should conduct a meaningful review of the training needs of all Committee members. It should ensure that delivered training meets identified needs and the Association's business objectives.
- ❖ Cadder should ensure that new members are provided with all necessary information on their role and responsibilities as Committee members at an early stage.
- ❖ Cadder should review its membership against the local community composition and target further membership promotion accordingly.
- ❖ The Association should supplement its long-term cashflow projections by the introduction of regularly updated medium term financial forecasts.
- ❖ Presentation of the management accounts should be reviewed to ensure the Committee receives comprehensive information to assist in monitoring and decision making.

## **Housing Management**

14. This section summarises how well Cadder controls access to its houses and rents levels, and deals with empty houses and rent arrears. It also describes how Cadder manages its estates and deals with antisocial behaviour.

15. These are the areas that are working well in housing management:

- ✓ Cadder adds applications quickly to its housing list.

- ✓ Cadder achieves good outcomes in letting its houses and makes a positive contribution to housing homeless people.
- ✓ Cadder has made very good progress in signing-up tenants to the SST.
- ✓ Cadder works proactively with agencies to meet the support needs of its tenants.
- ✓ Cadder performs well in re-letting empty houses.
- ✓ Cadder's policies and procedures for the management of current tenant arrears are good.
- ✓ Cadder proactively tries to prevent evictions by making early contact with tenants in arrears, providing advice and sign-posting tenants to other agencies for support.
- ✓ Cadder has a balanced approach to using a range of legal remedies and other support mechanisms in managing anti-social behaviour.

16. These are the areas that could work better in housing management:

- The Association may be excluding people from its housing list in certain circumstances.
- The Association is currently reviewing its housing list but this is not yet being operated in accordance with the allocations policy.
- Cadder does not fully meet the requirements of legislation and good practice on suspensions from its housing list.
- Current tenant arrears have been reduced, but total and former tenant arrears are still high in comparison to national averages.
- The Association is not managing its estates in a consistent way in line with its policies.

17. These are our key recommendations for housing management:

- ❖ The Association must review its practices on access to its housing list to ensure that these fully comply with legislative requirements and published guidance.
- ❖ Cadder should ensure that all decisions to suspend applicants from offers of housing comply with its policy on suspensions, once this has been reviewed to comply with current legislation and good practice guidance.
- ❖ The Association should improve the quality of the information given to applicants who are being suspended so that they are aware why they are being suspended, how this can be changed and that they have a right of appeal.
- ❖ The Association should ensure that it records the outcomes of all homeless referrals to allow it to demonstrate that it is fully complying with its statutory duties on homelessness.
- ❖ Cadder should improve reporting to Committee to provide comprehensive information on the outcomes of its allocation of houses.

- ❖ Cadder should build on recent improvements in its management of housing services by developing consistently good management systems to support staff, including:
  - clear policies and procedures for all service areas;
  - effective quality control and information management systems; and
  - comprehensive reporting of performance to Committee and tenants.
- ❖ The Association should ensure that its housing list is reviewed regularly in line with the timescales in its allocations policy.
- ❖ The Association should maintain clear audit trails for abandonments to ensure that it can demonstrate that it is re-possessing properties in accordance with statutory requirements and its policy.
- ❖ Cadder should ensure that it has comprehensive policies and procedures for estate management and that practice throughout the organisation is in line with these.

## Property Management

18. This section summarises how well Cadder 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. It also looks at how Cadder adapts houses so that tenants can stay in their homes when their needs change.

19. These are the areas that are working well in property management:

- ✓ Tenants are generally happy with the quality of response repairs.
- ✓ Cadder has a good approach to managing its lifetime maintenance.
- ✓ The Association tries to be responsive and meet tenants’ aspirations for improvements to stock.
- ✓ The Association proactively seeks tenants views on its service.
- ✓ The Association promotes the Right to Repair service.
- ✓ Cadder is responsive to tenants who need adaptations to their homes.

20. These are the areas that could work better in property management:

- Cadder does not always meet its legislative duties on gas safety by ensuring that all its tenants’ gas appliances are checked annually.
- Cadder is not clear about its target timescales for the completion of responsive repairs and has difficulty in validating its performance in achieving its targets.
- The Association has not always pursued payments for rechargeable repairs.
- Cadder is not always transparent in its procurement of services and cannot demonstrate that it is achieving value for money.

- The Association does not have consistently good management systems to support staff in the delivery of property management services.
- The Association does not always effect improvements where weaknesses have been identified.

21. These are our key recommendations for property management:

- ❖ Cadder must review its management of gas safety checks to ensure that it fully complies with its legislative duties.
- ❖ Cadder must ensure that it has good management systems to support staff in the delivery of property management services.
- ❖ Cadder must ensure that it is accurately monitoring its performance in the time taken to complete repairs. In particular, it should review its reported information on time taken to complete repairs to accurately identify its performance and to take any necessary remedial action.
- ❖ Cadder should ensure that:
  - its practice in procurement is in line with its policy and procedures;
  - it demonstrates clearly why and how it makes decisions on the appointment of contractors; and
  - it effectively reviews contractor performance and carries out appropriate checks when required.
- ❖ Cadder should ensure that it consistently collects its performance management information for responsive repairs, particularly on its contractors' performance, and that it analyses the gathered information to allow it to take action on identified areas of poor performance.
- ❖ Cadder should put in place arrangements to consult tenants on the setting and management of its lifetime maintenance programmes, and should review how it communicates with tenants during planned maintenance work.
- ❖ Cadder must ensure that it is accurately monitoring and reporting its performance in the time taken to complete adaptations.

## Services to Owners

22. This section summarises how well Cadder is providing services to owners.

## Wider Action

23. This section summarises how well Cadder undertakes activities over and above housing, which help to improve the economic, social and environmental conditions of individuals and communities.

24. 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>
25. 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](mailto:campbellj@communitiesscotland.gov.uk).
26. We have asked Cadder to produce an improvement plan within eight weeks of publishing the inspection report to show how it intends to respond to all our recommendations. We will agree the plan with the organisation. We will re-inspect Cadder in five years' time.