

Communities Scotland
Inspection report

Minerva Housing Association

October 2005

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

The inspection team

- 1.4 The lead inspector was Dave le Sage (Associate Inspector) supported by Jill Anderson (Financial Analyst). We were on site on 21st January 2005. We would like to thank everyone involved in the inspection, particularly the governing body and staff for their time and co-operation.

Responding to this inspection

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

2. Context

About the Organisation

- 2.1 Minerva Housing Association (Minerva) operates its single complex of supported tenancies at Ardfin Court, Prestwick, South Ayrshire. It was built in 1992, in a quiet cul-de-sac, within a larger development of housing association (West of Scotland HA) and owner occupied houses. It consists of 5 buildings containing 17 self contained flats for single and shared occupancy. The 2 shared flats each have 2 bedrooms. The ground-floor flats are wheelchair accessible and some have been substantially adapted with overhead hoists, remote door controls and video entry phones. An office for the support team is located in one of the properties with an entirely separate entrance from the tenants' housing.
- 2.2 Minerva was registered with Scottish Homes (now Communities Scotland) in 1990. It is an Industrial & Provident society, with charitable status. It was established to provide a range of support services and housing for individuals and families with varying levels of learning disability. Until 2004, Ardfin Court was also registered as a residential care home with the local authority social work department and has been subject to annual inspections. The Association is now registered with the Care Commission and is expanding services to include Care at Home principally, but not exclusively, for its wider community throughout Ayrshire, and is contracting with six local authorities. The most recent care inspection was conducted by the Care Commission on 5th June 2003 and the report commented positively on the views of service users and the housing support offered.

Key Facts

Minerva HA	2002-03	2003-04	2004-05
No. of properties owned	17	17	17
No. of members	8	8	10
No. of employees (FTE)	25	23	22
Annual turnover (£'000)	576	708	681
Total possible income from rent (£'000)	42	72	67
% of rental income from housing benefit	100	100	100
Average ¹ weekly rent	84.12	95.12	93.69
Average rent increase	0	0	3.5
Total no. of lets	2	1	0
Responsive repairs carried out	N/A	99	N/A

- 2.3 We ask housing associations to identify a peer group of similar organisations for the purposes of benchmarking and comparing performance. Minerva considers the most suitable peer group to be those associations who provide highly supported housing. This is the peer group we use to compare Minerva's performance in this report.

¹ see glossary

3. How good are the services?

Housing Management

Access

Social landlords should provide open, fair and equal access to their housing lists² and should work with partners to simplify and maximise access to housing.

- 3.1 As Minerva provides supported housing specifically designed for a particular client group it uses its wide range of networks, of local authority and voluntary referral agencies, to identify people for its “Register of Interest”. This has some 3 dozen applicants. The register is reviewed annually and appropriate update letters are sent out to all on the list.
- 3.2 The Association is keen to offer housing to those who can maintain links with their family and existing social networks. However, due to the general shortage of housing for those with learning disability and the range of circumstances which lead individuals to apply, the Association is also open to housing those from a considerable distance away from Prestwick.
- 3.3 While the Association monitors the gender, age and levels of disability of applicants, there is no monitoring of ethnic origin and there are no tenants or applicants from black and minority ethnic (BME) communities. Although there is a low incidence of BME residence in South Ayrshire, the Association is not sufficiently pro-active in ensuring that all sections of the community who might want to access Minerva’s services are encouraged to apply. This is contrary to statements of intent in its equal opportunities policy.
- 3.4 Minerva is working well with its own local authority to maximise the accommodation available to homeless people with special needs. A homeless protocol with South Ayrshire Council has been signed, although the Association’s supported stock is exempted from any specified quota for homeless acceptances. In the last year, three referrals from the Council have been housed.
- 3.5 Minerva generally provides good access to its housing for those with particular needs, although it is not ensuring that all relevant sections of the community are aware of its services.

² see glossary

Meeting need and maximising choice

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

- 3.6 The extremely low number of houses becoming available for let each year, and the particular needs being addressed, makes selection a very person focused process rather than a mechanistic one. Therefore, the Association's allocations policy properly takes account of a range of needs, including housing needs.
- 3.7 The range of factors considered relate to the individual, the type of property available and the level of services Minerva can provide. The local social work department assists in the selection process, as it provides the community care assessment and supporting people grant. We reviewed a number of lets over recent years and found that all had been made to applicants in housing need.
- 3.8 When the possibility arises, choice is offered to applicants. When shared accommodation is being offered, this is particularly respected.
- 3.9 The Association makes good use of its contacts with various partners, both to provide information on availability and then to select the applicant with the highest priority, appropriate to the available let.

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.

- 3.10 The Association has not yet signed up any of its tenants to the Scottish Secure Tenancy Agreement³ (SST). This is because it wants to define and cost accurately the different elements of housing support and care provision, to be described in the new tenancy agreements. It is also seeking to reconcile the new requirements in relation to sleepover staff and the existing contractual arrangements in the current tenancy agreement. An assured tenancy, with references to superseded housing legislation, is currently in use and is inappropriate for many of the provisions of the current Housing (Scotland) Act 2001. This places the Association at risk in any tenancy disputes, as the agreement does not reflect the current legal rights and obligations of landlord and tenant.

³ see glossary

- 3.11 The Association also uses occupancy agreements for those tenants sharing accommodation, but it should not rule out the use of tenancy agreements before considering if these could be appropriate, as these offer greater security of tenure.
- 3.12 The risks involved in not having appropriate agreements in place have materialised in relation to unexpected issues over succession to tenancy. As some of the flats are substantially adapted, certain successions may lead to inappropriate use of the premises. The grounds for succession included in the SST would minimise these risks.
- 3.13 The Association provides good housing and other support to tenants to help them to sustain their tenancies. Issues that might otherwise be a risk to tenants losing their homes are handled well and resolved between partners.
- 3.14 While the reasons for delaying the issue of appropriate tenancy agreements are acknowledged, and although the Association plans to replace these soon, the delay has been unduly long and the Association's approach to contractual security of tenure has not been best practice. Explanation and information to tenants has, however, been well attended to.

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 antisocial behaviour.

- 3.15 Considerable attention is paid to the surroundings of the premises and the layout and landscaping of the central garden area. The complex has a centrepiece of mature landscaping, with seating arrangements to encourage residents to sit out of doors and interact with one another. Recent re-rendering and fresh external paintwork gives the entire development a pristine and well maintained appearance.
- 3.16 There have been incidences of loutish behaviour by passers-by, using an adjacent footpath. Responsive action by the Association to address these issues has been effective in reducing intrusions.
- 3.17 The residents are enrolled in a neighbourhood watch scheme and their own 'householders meetings' address other issues of antisocial behaviour. They also have the co-operation of the local community police officer.

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.

3.18 Minerva sets targets for dealing with responsive repairs which are comparable with other RSLs and more challenging for emergencies. As shown below its performance in meeting these targets is above average for routine repairs and below average for emergency and urgent repairs. The table below indicates the last three years' performance and its comparison with peers and the national medians.

	Minerva target response time	Performance				
		Minerva			National median 2003/04	RSL peer average 2003/04
		2001/02	2002/03	2003/04		
Emergency Repairs	2 hours	91%	83%	89%	97%	98.2%
Urgent Repairs	3 days	88%	92%	88%	93%	95.2%
Routine Repairs	10 days	94%	97%	96%	95%	94.7%

3.19 Tenants are generally satisfied (between 83% and 96% of respondents to the specific repairs survey in the last 9 months) with the quality of the repair service. The committee receives regular reports on the response times and more importantly, given the nature of the client group, on the quality of service delivery.

3.20 The Association operates an appointment based repairs system and almost 100% of appointments were kept this financial year. The contractors on the approved list are regular suppliers who are aware of the needs of the tenants and are very responsive to any complaints.

3.21 The Association is not providing tenants with their Right to Repair⁴ and Right to Compensation for Improvements. Policies were introduced recently but have yet to be fully implemented. The housing support staff, both those on site and the tenants' individual care providers, act as the main conduit of repair reporting. As they arrange access and are available to chase up outstanding repairs, the impact and uptake of Right to Repair is likely to be very low. However, as it is a tenants' right in law, better information on it should be offered to the tenants and monitoring systems and instructions to contractors altered accordingly.

⁴ see glossary

3.22 The Association has been slow to respond to changes in legislation about repair rights but otherwise provides a good responsive repairs service.

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.

3.23 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. Minerva has commissioned a consultant to prepare its plan and is confident that all its houses will meet the SHQS well within the statutory time scale.

3.24 Until now, Minerva has been using a life cycle costing⁵ produced in 1998, supplemented by periodic stock condition surveys, to inform the annual budget for cyclical and planned maintenance. A review of this is now underway to take account of the SHQS and to review the original life-span assumptions, given that the complex is now over 12 years old. It has already been decided to replace boilers slightly ahead of the original time span, due to recent failures. Internal re-decoration and furniture replacements, which have not been formally provided for to date, will now have a specified interval and expenditure figure.

3.25 Tenants are fully consulted on such programmes individually, when it affects them personally, and through the householder's forum.

3.26 The safety of residents has a high priority and considerable expenditure has been incurred in the last few years on adaptations to meet the particular needs of tenants. However, the Association has not paid sufficient attention to gas safety inspections being carried out within the 12 month statutory timescale and all of these were three months over the due date. This is poor practice which puts the residents and the Association at risk.

3.27 Electrical appliance testing was also realised to be out with the target cycle and in the past year resulted in an emergency instruction to the contractor. The Association has recently recognised these weaknesses and individual files have been created for

⁵ see glossary

each house to log all aspects of safety including fire alarm testing, gas inspections, electrical safety checks and general repairs.

- 3.28 From April 2004 social landlords have had a statutory duty to produce a written plan for the management of asbestos in the common areas of their properties. Due to the recent construction of its properties, Minerva has been slow to verify the position but a statement regarding asbestos will be requested from the consultants working on the SHQS delivery plan. The consultants currently predict that there is little likelihood of any asbestos related materials having been used in the construction of the properties.
- 3.29 Houses are inspected prior to re-letting⁶, invariably re-decorated and sometimes adapted to the particular needs of the incoming resident. No formal standards for re-letting have been established and Minerva intends to introduce these but with a continuing emphasis on meeting the individual tenant's particular needs.

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 The whole ethos of the Association, in its mission statements and rules, is to provide client-centred services. These aim to enable its tenants and service users to develop their potential and achieve maximum independent living.
- 3.31 A variety of mechanisms have evolved over the years, to give tenants access to the committee and the decision making process. Currently a Clients Forum is in operation, held every 2 months with a designated committee member in attendance. Formal feedback is provided by that person to management committee meetings.
- 3.32 Monthly householder meetings are also held. During the Inspector's group discussion with tenants, many were aware of the current issues of the day which had been raised at these meetings. The meetings are facilitated by a staff member and are used for a two way exchange of information and feedback on housing and support services. There is strong evidence that the voice of the clients is effectively heard by these means and acted upon.

⁶ see glossary

3.33 The complaints policy is thorough and refers to all the appropriate agencies whose intervention can be brought into play. As with many of the policies, it has been approved very recently. There is no record of any complaints having been received.

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 Minerva's average weekly rent for 2004/05, at £109.35, is more than 100% higher than the average for its peers. This is partly because all tenancies are furnished and a sinking fund has been built into the rental income for furniture replacements.
- 4.2 Whether this rent level is fair and appropriate, is not demonstrated. Minerva has recently restructured its charges to distinguish between those for care, housing support and housing services such as landscaping. While it now obtains income for care costs from local authority social services, and for support costs from supporting people grants, it has not reviewed whether the balance of a previously combined "rental package" is an appropriate sum to charge for housing and housing services. Minerva should complete the review of its rent levels to take account of actual costs and affordability.
- 4.3 Rent collection is all through direct housing benefit payment from the local authority. Technical arrears⁷ are typically high at 17.8% in 2004, against a sector average of 5.29%. However, there are no non technical arrears and the trend in 2004/05 is showing a significant improvement, to values which are generally below both peer and national averages.

	At March 2003	At March 2004			At Dec. 2004
	Minerva	Minerva	Peer Average	National Median ⁸	Minerva
Total arrears as % of total gross rental income	8.99	18.75	9.59	6.37	5.6
Total current arrears as % of total gross rental income	7.20	17.80	6.46	4.56	3.07
Current arrears (non technical) as % of total gross rental income	0.00	0.00	1.17	3.43	0.00
Current arrears (technical) as % of total gross rental income	7.20	17.80	5.29	1.13	3.07
Total former tenant arrears	1979	3734	-	-	338
As % of total gross rental income	4.66	0.95	3.13	1.81	0.38
Rent arrears written off	0	0	-	-	0

⁷ see glossary

⁸ see glossary

4.4 There is a fairly low turnover of properties and the Association's letting performance is around the peer average. Where the vacancy is in a shared flat, the impact on average time to re-let can be high, as in the average of 71 days in 2003/04, leading to an upward trend in the amount of rental income lost due to empty houses.

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 overall housing management and maintenance costs for Minerva are high, compared to its peers. This is due to the lack of economies of scale, the highly specialised nature of the services offered to the client group, together with a degree of arbitrary allocation to this cost centre, due to generic staffing roles. The table below gives the comparator figures:-

	2002/03	2003/04		
	Minerva	Minerva	Peer average	National average
Cost of housing management services per unit	3474	2056	1162	560
Planned maintenance and repair costs	1211	5444	793	447

4.6 As indicated in the table, planned and responsive repairs can vary substantially from year to year. A small number of properties linked to a life cycle costing programme causes annual expenditure to fluctuate. This is illustrated by the high spend in 2004 on the planned re-rendering contract.

4.7 Maintenance is mainly procured on a jobbing basis, using an annually approved list of contractors. It has been some time since those on the list have been subject to market testing and Minerva told us it plans to do this in the forthcoming year.

4.8 Minerva's financial regulations require several quotations and committee approval for purchases over £1,000. However, this has been not complied with in the recent re-cladding contract where the works cost in excess of £50,000. The work was awarded to a contractor without any cost comparison exercise. This was also commented on by Minerva's external auditors in their management letter.

4.9 Although it is proper that the Association puts great store by the quality of work and service, and so tends to use well tried and trusted contractors, it should also

evidence competitiveness of price, in order to demonstrate it is achieving best value in maintenance procurement.

- 4.10 Minerva has some strengths in resource management and efficiency, particularly in reducing rent arrears, but there are weaknesses in its rent setting and in demonstrating value for money in procurement. Not implementing its financial regulations in relation to a large maintenance contract is a significant weakness.

Performance management

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

- 4.11 In the last year, the Association has adopted a performance based approach and committee reporting on housing indicators is thorough and detailed. In the past, care issues have tended to be the main focus, to the detriment of keeping up to date with housing related policies and the measurement of performance.
- 4.12 A range of reports has been put in place from service delivery, through to client satisfaction, governance issues and housing management matters, such as the housing register of interest review. The recent formulation of several new policies by the Association has been mostly a catching up exercise on legislative changes. However, this has now been set into a cycle and programme of policy updating and review. This approach should ensure that policies and procedures do not become obsolete or ineffective in achieving their expected outcomes.
- 4.13 The Association has achieved Investors in People quality assurance and, in its imminent recertification exercise, is choosing to bid for an enhanced status, indicating a desire for improved performance.
- 4.14 Although there is no formal management plan, at various stages in the committee cycle priority action lists are drawn up, to cover a variety of issues to be reviewed, monitored and implemented. The list for the first 6 months of 2005 is particularly thorough.
- 4.15 The extremely small scale of the housing complex, combined with the intensive housing and care support side of the business, makes indicators of service delivery difficult to compare, even with peer groups. However, the emphasis on quality of

service is of great importance to the client group, with a different emphasis than would be the case for mainstream housing association tenants.

- 4.16 The Association would benefit from the introduction of a management plan, in order to bring together all aspects of performance against targets and to combine the achievement of these with the management of the various risks facing the business associated with any performance failure. It would also help to keep landlord issues to the fore and ensure these receive as much attention as those relating to care provision.
- 4.17 Overall, performance management for the service delivery areas, mainly in the last year, has been an area of improvement.

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 Minerva has a clear mission to provide housing and support for those with learning disabilities and it has a forward looking approach to its business. However, it has found it difficult in the past five years to formulate long-term plans with any degree of certainty. Minerva has been responding to short-term opportunities as and when these present themselves.
- 5.2 In 1998, the then committee amended the Association's rules to permit the provision of care and support for outreach clients with learning disabilities. Since then the Association's strategic development has been very much focused on outreach. It has been influenced by the care procurement policies of its partner local authorities and changes in funding and financial regimes, particularly Supporting People⁹.
- 5.3 The Association has been successful in developing the outreach side of its operations, leading to considerably increased turnover. However, there is a degree of risk associated with this approach, which needs to be explored and debated in a more formal strategic planning process.
- 5.4 The Association has given some consideration as to how it should best structure itself, to capitalise on its expertise in the dual function of housing and care provision. A review paper on the issue was commissioned from its financial agents and the main recommendation, in January 2004, was to create a divisional structure. This suggested that housing and care be managed separately but remain within the overall control of the Association. This issue has not been taken much further.
- 5.5 The committee considers a wide range of operational detail but given the small stock base and the almost hands on monitoring of the care provision, it does appear to cope with an unusually wide range of issues. However, there is a risk that, if the Association expands as hoped while still attempting to retain an involvement in so much detail, it will have insufficient time for its strategic business. Further

⁹ see glossary

consideration should be given to a suitable structure to cope with further expansion if this proceeds.

- 5.6 A strong membership and good levels of participation at Annual General Meetings are important ways for a landlord to demonstrate accountability. In practice, committee membership and Association membership is the same and committee composition is maintained by invitation only. This is not an open, accountable approach.
- 5.7 The Association has relationships with six local authorities and the committee members generally include an elected member of one of these along with members of church, community and caring organisations. The level of involvement, debate and questioning of operational and financial issues, by current members is good. Training is arranged for members twice yearly and there is a good induction pack of relevant policies and procedures, which new members sign for receipt of.
- 5.8 Despite membership turnover in the last few years, recruitment has kept committee numbers up to minimum levels and all meetings have been quorate. The attendance in the last year, at 89%, has exceeded that of the previous two years. However, operating at this minimum number of members is a continuing risk that could jeopardise the decision making powers of the committee should a member leave or be unable to attend for any length of time.
- 5.9 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. The various care and support agencies with whom the Association works tend to be considered as the key stakeholders in its operation. Despite our recommendations after the last performance audit in 1999, the Association has not considered a wider membership beyond the committee as practical. Service users and their relative-carers would be an obvious group to which to extend and encourage membership, and from which to draw committee members.. There is a continuing risk, and Minerva lacks accountability, with such a low membership.

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.

- 5.10 Schedule 7 of the Housing (Scotland) Act 2001 prevents committee members, staff and their close relatives from benefiting personally from their connections with an RSL. The award of a contract to a close relative of a committee office bearer has contravened Schedule 7. The recruitment process in 2004 was not open, transparent, or accountable and it also failed to recognise and manage the conflicts of interest involved. This is a serious failing involving the payment of a significant sum of money. Minerva has recognised the need to ensure it complies with its obligations under Schedule 7 and the contracted person no longer provides services to the Association, as a result of the inspection findings.
- 5.11 Minerva has adopted a code of conduct for committee members. However, this is out of date, being based on guidance issued before the Housing (Scotland) Act 2001. It is also incorrect, in that the code has wrongly transcribed crucial elements of the statutory requirements for dealing with payments and benefits. The code is identified as being due for updating early in 2005.
- 5.12 All committee members have been asked to formally declare their interests in an appropriate register. There is evidence in committee minutes that interests have been declared on occasion, but it is not recorded whether those involved either left the meeting or took no part in the discussion and decision made.

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.

- 5.13 The Association does not have a formal approach to risk management and does not address the strategic risks to the organisation in a systematic way. This is acknowledged in Minerva's inspection submission and it proposes to discuss risk management and a relevant policy by January 2005. This will include the introduction of internal audit, which has also been absent to date.

5.14 Minerva's overall performance in governance is poor. Although individual committee members have relevant knowledge and skills, are motivated to provide good services and have a shared vision for the Association, leadership and direction in Minerva has fluctuated. The Association has an inadequate membership base and does not take a sufficiently strategic approach to its future direction due to a focus on operational issues and a lack of formal planning. Minerva's performance in meeting certain ethical standards applying to Registered Social Landlords (RSLs)¹⁰ is a major weakness.

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.

5.15 Minerva has exposure to financial risk which can be explained by its funding structure but it is viable in the medium term. It is highly dependent on income from care contracts, which vary year to year, and on Supporting People grant. During 2004, however, it secured a number of new long term contracts with agencies for care services.

5.16 Minerva recently updated its long term financial projections, which indicate that it should also be sustainable in the longer term. The financial results for the 3 years to 31 March 2004 show increasing turnover and good surpluses. In 2004/05 surpluses increased due to a significant reduction in spend on major refurbishment. Recently, the Association has met some additional costs for new adaptations and care contract up front costs, although it is planning to offset some of these in future by applying for housing association grant.

Financial Performance	£000s 2000/01 (Actual)	£000s 2001/02 (Actual)	£000s 2002/03 (Actual)	£000s 2003/04 (Actual)	£000s 2004/05 (Actual)
Turnover	413.3	450.8	576.2	707.7	680.9
Operating surplus/(deficit)	(4.9)	43.4	88.0	29.0	46.4
Net surplus/(deficit)	(6.4)	39.8	85.7	25.9	46.1

¹⁰ see glossary

- 5.17 Minerva has a good financial management framework with many strengths and some areas where improvement is needed. When the next year's budget is considered, it includes detailed expenses, a balance sheet, monthly cash flow forecast and some key performance indicators with comparisons to others in Minerva's peer group. However, it includes only a brief summary of the financial assumptions made, no narrative report to explain these and the income and costs for the next year should be compared with the expected result for the current year rather than against the current year's budget.
- 5.18 The Association is not addressing the issue of unmet care charges which are due to unresolved disputes between local authorities and Minerva over charging rates. The potential income is included in the budget but is written off when unpaid. Former tenant debt write offs can be substantial, with 22 former tenants' debts being written off in 2004.
- 5.19 Management and committee would have a clearer understanding of progress against the organisation's aims for the coming year if budgets and quarterly financial reports contained more detail. The management accounts are much more informative than the budget but these would be further improved with more detail on cash flow and with a regular review of the forecast results for the year against the full budget.

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 within each of the key service areas.
- 6.2 In Governance and financial management, Minerva should:
- Focus committee attention on its strategic responsibilities using a more formal strategic plan, including risk management, to address the options for future growth and structure;
 - Comply with the statutory requirements of Schedule 7 of the Housing (Scotland) Act 2001 in relation to payments and benefits;
 - Declare, record and manage any conflicts of interest in accordance with current sector guidance and good practice for standards in public life;
 - Extend membership beyond membership of the committee, to more fully reflect the community served and provide a larger pool of governing body members;
 - Increase the number of committee members to more than the minimum level, and;
 - Operate an open, transparent and accountable recruitment process when employing staff and consultants.
- 6.3 In Housing management, Minerva should:
- Provide all tenants with appropriate tenancy or occupancy agreements that reflect current legal rights and obligations, to maximise security of tenure and to protect the Association in any tenancy disputes; and
 - Ensure all relevant sections of the community have the opportunity to find out about its services and to access its housing list.
- 6.4 In Property maintenance Minerva should:
- Ensure it meets its statutory obligations in relation to gas safety;
 - Provide tenants with their rights to repair and compensation for improvements, and;
 - Comply with its statutory duty in relation to an asbestos management plan.

6.5 Across all of its areas of activity, Minerva should:

- Apply its financial regulations in procurement and purchasing;
- Demonstrate value for money in procurement, including from its approved list of contractors;
- Extend its review of rent charges to include consideration of actual costs and affordability, and;
- Set out its service aims and standards in a more formal planning process to assist performance monitoring and improvement.

7. Next steps

7.1 This report highlights our findings following this housing inspection. We require Minerva to respond effectively to our recommendations using an improvement plan, to be agreed with us, as part of a regulatory support strategy, within 8 weeks of the publication of this report.

7.2 If you would like to see Minerva's improvement plan you should contact:

Minerva Housing Association
Unit 3, Ladykirk Business Park
Skye Road
Prestwick
KA9 2TA

Telephone: 01292 471 484

The full report is on our website at <http://www.communitiesscotland.gov.uk>

The Summary can be made available on tape, in Braille, large print and community languages. For information please contact Janette Campbell on 0131 479 5163 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.
Cyclical maintenance	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
Community care	To maximise the ability of people to remain in their own homes, local authority social services departments assess the need for care services and provide these to individual tenants.
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 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.
National median	The central value of the ordered performance of all Scottish RSLs.
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.

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.
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 Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.
Scottish Secure Tenancy	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
Supporting People	Grants administered by local authorities to support non housing services required by individuals in their homes.
Technical Arrears	Rent arrears which are will be paid by housing benefit, to which the tenant is entitled.

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