

**Pathfinder Inspection Report
Summary
September 2004**

Paragon Housing Association



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

Paragon Housing Association Ltd

2. Paragon Housing Association Ltd was established and registered with Communities Scotland (Scottish Homes) in 1997, and is a General, Industrial & Provident Society. It owns 1491 properties, and mainly provides general needs housing, along with a small number of supported houses within the Forth Valley area. Paragon was formed to take over ownership of houses from Communities Scotland's predecessor, Scottish Homes, and through a series of voluntary stock transfers owns and manages housing in three local authority areas.

Inspection Grades

3. These are the inspection grades achieved by Paragon Housing Association:

Overall Performance	B	Paragon is a good performer with many strengths and some areas where improvement is needed. The prospects for improvement overall are promising.
Governance and Financial Management	B	Paragon is a good performer in governance and financial management with many strengths and some areas where improvement is needed. The prospects for improvement in governance and financial management are promising.
Housing Management	B	Paragon is a good performer in housing management with many strengths and some areas where improvement is needed. The prospects for improvement in housing management are excellent.

Property Management	B	<p>Paragon is a good performer in property management with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement in property management are promising.</p>
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Overall Performance

4. This section describes how good Paragon's services are overall and how well they are managed.
5. These areas are working well overall:
 - ✓ Paragon's services are accessible to tenants and other service users.
 - ✓ Paragon has developed a good approach to Tenant Participation and is working with tenants to strengthen its approach further.
 - ✓ It provides a good level of information to tenants and service users on its services and performance.
 - ✓ It has a good self-awareness of its strengths and areas where improvement is needed, and has plans in place to address them.
 - ✓ Paragon has developed a detailed and comprehensive Internal Management Plan with the involvement of staff, Committee and tenants, that feeds into targeted Activity Plans for each service area.
 - ✓ Paragon has a good awareness of its resource needs, and shows a commitment to directly incorporating service and staff priorities in developing strategies and plans.
6. These areas could be working better overall:
 - The policy framework for directing its approach to equal opportunities is in need of review.
 - Whilst short and long-term plans are detailed, there is a lack of medium term planning.
 - Complaints monitoring does not include recording and assessment of informal complaints.
7. These are our key overall recommendations:
 - ❖ Paragon should develop a comprehensive framework to promote equal opportunities, so that it can demonstrate it is meeting its legal requirements.
 - ❖ A framework for medium-term organisational planning should be established.
 - ❖ Complaints monitoring should be developed to include complaints that are received informally by Paragon.

Governance and Financial Management

8. This section describes how well Paragon's governing body of volunteer members control the organisation, and examines the wider opportunities for tenants and other members to become involved in managing Paragon. It also looks at Paragon's financial health and how it manages its finances.
9. These areas are working well in governance and financial management:
 - ✓ The Committee has a wide range of relevant skills and a good awareness of where further skills or training is required.
 - ✓ Paragon provides good support to new and existing Committee Members.
 - ✓ All Committee places are filled, and membership levels are good and increasing.
 - ✓ There is a good approach to assessing and managing strategic risks to the Association.
 - ✓ Paragon takes a good approach to internal audit, and responds positively to address areas of weakness.
 - ✓ 30-year cash flow projections are in place that are reviewed and updated annually and currently indicate long-term viability.
 - ✓ The financial management framework is good.
10. These are the areas that could work better in governance and financial management:
 - The assessment and documentation of risk for individual projects is not always complete.
 - There is some inconsistency in the recording of Committee decisions relating to Schedule 7 of the 2001 Act, and arrangements for managing Committee Members' interests is not applied to staff.
 - Detailed medium-term financial projections are not currently prepared, although this was acknowledged at the time of inspection.
11. These are our key recommendations in governance and financial management:
 - ❖ Paragon should ensure detailed risk assessments are carried out for individual projects, and are reported to Committee to ensure there is a sound basis for decisions.
 - ❖ It should establish and maintain a register of staff members' interests, and manage any conflicts of interest that arise.
 - ❖ It should record its decisions and actions relating to Schedule 7 in a clear and consistent way.

Housing Management

12. This section summarises how well Paragon controls access to its houses and rents levels, and deals with empty houses and rent arrears. It also describes how Paragon manages its estates and deals with antisocial behaviour.
13. These are the areas that are working well in housing management:
 - ✓ Paragon's approach to tenant and resident involvement in Housing Management is proactive and inclusive.
 - ✓ Paragon's allocations policy gives relevant priority to applicants in greatest housing need.
 - ✓ Paragon has made excellent progress in signing up tenants to its Scottish Secure Tenancy and completing a tenant profile survey.
 - ✓ Paragon recognised a decline in rent arrears performance and took action by implementing a comprehensive and effective strategy.
 - ✓ Paragon's estates are well maintained and managed.
 - ✓ Paragon has established effective working partnerships with local Councils, agencies and groups.
 - ✓ Paragon recognises weaknesses in its performance and takes action to address them.
14. These are the areas that could work better in housing management:
 - A waiting list review has not been undertaken since December 2002.
 - Suspended and bypassed applicants are not regularly reviewed.
 - Performance against void property turnover timescales is poor. An improvement project has been implemented but is yet to have an impact on performance results.
15. These are our key recommendations for housing management:
 - ❖ Paragon should carry out a regular review of and contact applicants suspended or bypassed on the waiting list.
 - ❖ Paragon should carry out a regular review of its waiting list.
 - ❖ Paragon should improve guidance and include the set timescales for the allocations functions in the void process.

Property Management

16. This section summarises how well Paragon 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 Paragon adapts houses so that tenants can stay in their homes when their needs change.

17. These are the areas that are working well in property management:
- ✓ There are good arrangements in place for tenants to report repairs.
 - ✓ Paragon completes a high proportion of its responsive repairs on time and the trend in performance is generally one of improvement.
 - ✓ Paragon's surveys show a good level of tenant satisfaction with the repairs service.
 - ✓ Paragon has comprehensive information on the condition of its housing stock, and has just completed an updated survey of all its stock.
 - ✓ Tenants are directly involved in setting Paragon's planned maintenance priorities.
 - ✓ Feedback from service users is used to influence service delivery in all aspects of the property maintenance service.
 - ✓ Paragon is responsive in meeting requests for adaptations to meet tenants' changing needs.
18. These are the areas that could work better in property management:
- Paragon is not effective in ensuring that tenants' gas heating systems are checked annually in line with legal requirements.
 - The monitoring and analysis of pre- and post-inspected repairs does not include assessment of the quality of repairs.
 - There is an absence of medium-term maintenance plans.
19. These are our key recommendations for property management:
- ❖ Paragon must ensure its procedures are designed to achieve the servicing of all properties within the 12-month period required by the gas safety legislation.
 - ❖ Paragon should develop medium-term maintenance plans as an integral part of its wider business planning framework.
 - ❖ Paragon should develop clear guidelines for selecting repairs for pre-inspection, and improve monitoring and analysis of results of pre- and post-inspections.

Property Development

20. Paragon started its first development project shortly before our inspection, and it is still developing its approach at this stage. We have not, therefore, awarded a grade for property development. However, the current project is progressing well and the Association's approach has been appropriate to date.

21. 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>.
22. 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 janette.campbell@communitiesscotland.gsi.gov.uk.
23. We have asked Paragon 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 Paragon in five years' time.