

Inspection report

Port Glasgow Housing Association

May 2005



**PORT GLASGOW HOUSING ASSOCIATION
Inspection Report**

May 2005

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Summary

The inspection of Port Glasgow Housing Association took place in December 2004. We awarded Port Glasgow the following grades:

Housing management	B	Good	Many strengths and some areas where improvement is needed
Property maintenance	C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses

Inspection Findings

Port Glasgow Housing Association owns 272 houses in Port Glasgow, Inverclyde. The Association became a landlord in 2002 after it took ownership of houses previously owned by Scottish Homes. This is Port Glasgow's first inspection since the organisation was formed.

Port Glasgow is run by a committee of people with a range of skills and experience. The committee includes tenants, other members of the local community and representatives of Inverclyde Council, who are clearly committed to the Association. In the relatively short time since becoming a landlord the Association has established a good housing management service and a fair property maintenance service. It will need to take early action to make sure that it is able to meet its costs in the medium and long term.

Port Glasgow produces a good range of information for tenants on its services, though tenants have had limited opportunities to be involved in influencing how its services are delivered.

Key strengths in Port Glasgow's services:

- it gives open and fair access to its housing list;
- it lets its houses to people in housing need;
- it relets its empty houses quickly;
- it performs well in collecting rent; and
- there is good access to its repairs service.

Key areas for improvement in Port Glasgow's services:

- significant weakness in its management of gas safety in its houses;
- its absence of up to date information on the long term maintenance needs of its houses, and the delay in the development of its programme of cyclical maintenance;
- its planning frameworks for housing management and property maintenance;
- gaps in quality controls around how it allocates houses; and

- its lack of consultation with tenants over changes to proposals for future improvements to their homes.

Next steps

Port Glasgow should produce an improvement plan to show how it intends to respond to our findings. The actions to deal with property maintenance, governance and finance will be agreed with us.

How to get more information and contact details

If you would like to see Port Glasgow's improvement plan you should contact:

Port Glasgow Housing Association Ltd
30/32 Dubbs Road
Port Glasgow
PA14 5UA

TELEPHONE: 01475 707603
EMAIL: office@pgha.org.uk

The full report is on our website at www.communitiesscotland.gov.uk.
This Summary can also be made available on tape, in Braille, large print and community languages. For information please contact Janette Campbell on 0131 479 5163 or email janette.campbell@communitiesscotland.gsi.gov.uk.

1. Introduction

About this inspection

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

How we assessed performance

1.2 Our inspectors asked two key questions:

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

1.3 In order to answer these questions inspectors:

- spoke to tenants, staff and members of the governing body/council;
- asked other partner organisations for their views;
- 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.

1.4 We have awarded grades for housing management and property maintenance. This is what our grades mean:

A	Excellent	Major strengths
B	Good	Many strengths and some areas where improvement is needed
C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses
D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.

The inspection team

1.5 The Port Glasgow inspection was managed by Iain Muirhead (Inspection Manager). The lead inspector was Tom Burns (Inspector), supported by Roisin Harris (Inspection Officer) and Luise Siekman (Business Analyst).

We were on site between 29 November and 8 December 2004. We would like to thank everyone involved in the inspection, particularly the governing body, staff and tenants for their time and co-operation.

Responding to this inspection

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

2. Context

About the organisation

- 2.1 Port Glasgow Housing Association was registered by Communities Scotland in March 2002, when after several years' preparatory work, it acquired 301 houses in the central and east areas of Port Glasgow that were formerly owned by Scottish Homes. Port Glasgow is in Inverclyde. Inverclyde's population declined by almost 7% between 1991-2001, compared with a national increase of more than 1% over the same period.
- 2.2 The Association is an Industrial and Provident Society and a registered charity. Its main purpose is to provide and manage housing for the benefit of the community. Its office in east Port Glasgow is located centrally to where its housing is. The Association currently owns 272 houses, down, due to Right to Buy sales, from the 301 it originally owned. It also owns 169 lockup garages and it provides a factoring service for 34 flat owners and a landscape maintenance service for around 900 other house owners. Its houses were built between the mid 1950s and the mid 1970s and the majority (236) have either 2 or 3 bedrooms.
- 2.3 The Annual Performance and Statistical Return asks RSLs to select a peer group which best describes their organisation. Port Glasgow selected the group described as RSLs that are mainly debt funded, set up for a Large Scale Voluntary Transfer (LSVT) of housing formerly owned by a public sector landlord. This is the group we use to compare Port Glasgow's performance.
- 2.4 Port Glasgow is governed by a voluntary committee elected annually at its Annual General Meeting. Ten of fifteen places on the committee were filled at the time of inspection. Of the ten committee members, five are tenants, three are councillors nominated by Inverclyde Council and two are community members.
- 2.5 Port Glasgow has an in-house staff team equivalent to four full-time employees. Additional resources are provided by a consultant acting as a part-time maintenance project manager and a part-time consultant finance manager. The Association was awarded Investors in People status in late 2003. Staff sickness for much of 2004 has prevented the Association from working at full capacity.

2.6 The table below presents a summary of key information for Port Glasgow showing trends over the last two financial years.

Key facts

	2002-2003	2003-2004
Houses owned	285	273
Employees (Full time equivalent)	4	4
Annual turnover	£836,000	£793,036
Total possible rental income	£787,000	£758,183
Rental income from housing benefit	64.6%	61.5%
Average weekly rent	£49.90	£51.25
Average rent increase	2.6%	3.1%
Houses re-let	21	17
Responsive repairs carried out	1111	913
Maintenance spend per house	£863	£2131
Right To Buy sales	16	12

3. Housing management

3.1 The grade awarded for housing management is:

B	Good	Many strengths and some areas where improvement is needed.
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We explain at the end of this section how the assessments and judgements we have made result in this grade.

How good is the service?

Access

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

- 3.2 Between March 2002 and March 2003 Port Glasgow did not have its own housing list, and allocated all its vacant housing to applicants nominated by Inverclyde Council. Since April 2003 the Association has operated its own housing list. The list is open and people aged 16 or over can apply at any time. The Association publicises its list in its office, the local information centre, in Council offices and libraries.
- 3.3 In the first year of operating its own housing list the Association let 25% of its empty houses to people nominated by Inverclyde Council. It is also working with other local landlords to develop a common housing register. Over the last six months the number of applicants on its housing list has increased from 131 to 183.
- 3.4 The Association has a target of 5 working days to assess applications for housing and place them on its waiting list. It does not measure its performance against this target, but we found that it generally processes applications more quickly than its target. This is a responsive approach to dealing with housing applicants.
- 3.5 The Association advised us that it has not suspended any applications to date. We did find one case where the Association did not make an offer to an applicant nominated by the Council because of a housing debt owed, which amounted to less than one month's rent. The Association had not advised the applicant that it was not actively considering their application. This level of debt should not lead to an applicant being excluded from an offer of housing.

- 3.6 Port Glasgow has many strengths in its approach to ensuring fair, open and equal access to its housing list, and needs to make only a minor improvement around how it takes account of housing debt.

Meeting need and maximising choice

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

- 3.7 Port Glasgow's allocations policy prioritises a range of housing needs which reflect the statutory reasonable preference categories. The allocations we reviewed were all to people with a housing need. The Association acknowledges that it has not itself examined the types of housing needs it has met through its allocations, and it has no firm plans to begin doing so. Without this analysis, it does not know how well its allocations policy is achieving its intended outcomes.
- 3.8 The Association has a protocol in place with Inverclyde Council to help both parties meet their duties to homeless people. The Association is working well and has housed three applicants through Section 5 of the Housing (Scotland) Act 2001. It has only been unable to house households referred under Section 5 where it has had no suitable housing available. No referrals have gone to arbitration.
- 3.9 The housing application form gives give applicants useful information on how the Association will assess their application. The Association's standard letter tells applicants how many points they have been awarded, broken down by category, and informs applicants of their right to appeal. It highlights to applicants with no points that their prospects of being offered a house are not high. However, its standard letter does not give other applicants any information to help them assess their prospects for a suitable house in their preferred area, or highlight to any applicants other housing options available to them.
- 3.10 Only one member of staff is involved in checking and pointing applications, and the Association has no routine quality assurance of this process. The Association did provide other staff with training so they could assess applications, though it has not yet put this approach into practice. The Director checks the selection of applicants being offered a house, but does not review the earlier stages. We found one case where an applicant had been awarded the wrong number of points. The allocations decisions were clear and transparent for the cases we reviewed. The Association's small size, in terms of the number of staff, does present a challenge in quality assuring the allocations process. However, it is important to have a workable method for monitoring consistency in decision-making at all key stages in the allocations process.

- 3.11 We found a small number of cases where the Association's approach to dealing with applicants suffering abuse and harassment has not been person-centred or consistent. In one case the Association adopted a more sensitive approach than that set out in its policy, by awarding points to an applicant fleeing domestic violence, without the need for supporting evidence. However, another applicant suffering racial harassment was not awarded any points to reflect these circumstances, and the Association's letter did not highlight clearly that the applicant could provide supporting evidence to verify the claim. This is poor practice.
- 3.12 The Association allocates its houses on a quota basis between applicants from its housing list, transfer applicants and nominations from the Council. Staff have discretion in how they decide which of the quota groups to allocate individual houses to, and there is no clear guidance on how to use this. As noted earlier in this section though, we found that the Association is meeting need through its allocations.
- 3.13 Port Glasgow's allocations policy allows it to suspend applicants on its list if they have refused three offers. In practice the Association manages this process in a way aimed at maximising choice and minimising suspensions. It does this by encouraging applicants to be specific about where they want to be housed, whilst not restricting the number of areas they can choose. It also offers to meet with applicants to refine their choices after they refuse two offers. As noted earlier in this section, no applicants were suspended for this reason at the time of our inspection.
- 3.14 The Association also allows applicants to ask for a house with one bedroom more than their needs. This is a positive way to provide a level of choice. However, as the Association has not analysed how it is meeting need through its allocations, it cannot know what impact this policy has on its ability to meet the needs of larger households.
- 3.15 There are some strengths as well as areas for improvement in Port Glasgow's approach to letting its houses. It is achieving good outcomes in meeting housing need and is providing a good level of choice. It could provide more information to applicants, and we found weaknesses in some aspects of quality control and assessment.

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.

- 3.16 All of Port Glasgow's tenants have Scottish Secure Tenancy (SST) agreements. The Association has acknowledged that it has no guidance for staff on the use of short SSTs, but it has no firm plans to develop this.

- 3.17 Inverclyde Council and a support agency provide support to residents in two houses owned by Port Glasgow; there are two management agreements in place for these arrangements. The Association inherited these set-ups when it took ownership of its houses. It has occupancy agreements with residents in one of the houses, but has no written agreement with the resident of the other and does not have a clear understanding of its responsibility to provide the resident with an agreement. This is a weakness, and the absence of a written agreement represents a risk to the Association. It has not reviewed the living circumstances of the residents who do hold occupancy agreements to examine whether the agreements maximise their security of tenure.
- 3.18 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. Port Glasgow's tenant handbook, newsletters and a range of leaflets give new tenants useful information and advice about their tenancy rights and responsibilities and the Association's services.
- 3.19 Port Glasgow has a relatively settled tenant profile: in 2003/04 only 6.2% of Port Glasgow's houses became empty. It also has a low level of abandonments: in 2003/04 only one tenant abandoned their house; this is around a third of Port Glasgow's peer group average.
- 3.20 All the legal action that Port Glasgow has taken to recover possession of its houses has been in response to rent arrears. In 2003/04 the Association issued notices of proceedings for recovery of possession to four of its tenants and initiated court action against six. No tenants abandoned their homes after decree was granted but before the Association recovered vacant possession. The Association obtained one order for recovery or possession in 2003/04 and obtained vacant possession in this case. In the first six months of 2004/05 it had issued two notices of proceedings but had not initiated any court action.
- 3.21 The Association's approach to dealing with arrears of rent and other breaches of tenancy conditions is aimed at minimising homelessness. Staff provide tenants with information and assistance on housing benefit issues and direct tenants who are having difficulty paying their rent to local support and money advice agencies.
- 3.22 We found, however, that the Association's decision-making in the case where it recovered vacant possession was not consistent with the principle of sustaining tenancies, and that there were gaps in the Association's control framework:
- the tenant's arrears were reducing in the period between the Association's decision to seek a decree and the date it was granted;

- during this period the tenant had kept to the repayment agreement;
- a significant part of the outstanding sum related to older debt purchased by the Association as part of the stock transfer;
- the Association's solicitor took the case to court and was granted a decree without informing the Association of the court date; and
- the committee approved only the decision to seek a decree, and was not formally made aware of the circumstances after this point.

3.23 Port Glasgow has a good approach overall to maximising the security of tenure for its residents. It has not used legal action often to recover possession of its houses, though a recent case did highlight a weakness which it needs to address to improve its approach in future cases.

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.

3.24 Port Glasgow's houses were built between the mid-1950s and the mid-70s. As a result of Right to Buy, the estates where the Association's houses are located also have a high level of privately-owned housing. The neighbourhoods we saw had little graffiti or litter problems and were well-maintained. Staff carry out regular estate visits to monitor their condition. The Association's 2003 tenant survey found that 88% of tenants thought that their neighbourhood was a pleasant place to live.

3.25 The Association told us that reported antisocial behaviour is not a significant issue in its estates. The most common complaint relates to children playing in open areas. The Association generally responds quickly to complaints, though we found a small number of cases where it could have been more proactive in dealing with the issue. It does not always retain a clear record of the actions it has taken or the outcomes. The committee receives monthly and annual reports on neighbourhood issues, though these do not include detail on the nature and seriousness of the issues, how the Association is responding or trends over time.

3.26 The Association has well-maintained estates which do not suffer from high levels of anti social behaviour. However, it could improve its monitoring and reporting framework in this area.

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.

3.27 The Association has produced a customer care statement that sets out the standards it aims to achieve when delivering its services. Port Glasgow's

2003 survey found that 98% of tenants found staff polite and knowledgeable. A similar percentage found it easy to contact the office by phone, and 96% found that staff explained things in a way they understood.

3.28 The Association carried out the 2003 survey around a year after becoming a landlord to establish baseline information about tenants' views. It has been Port Glasgow's main source of feedback from tenants on its services. This postal survey had a response rate of 24%, and so provides only a limited indication of tenants' views.

3.29 Beyond this survey, the Association has not routinely collected feedback from users of its housing management service or involved them in influencing the service. Its newsletters have highlighted its intention to review policies and ask for tenants' views. This has involved a basic approach of simply listing policies due for review and requesting tenants' input, rather than engaging more directly over the issues involved. Similarly, it advised tenants of its most recent proposed rent increase through its newsletter and invited comments, but received no feedback. It intends to carry out a further tenant survey in 2005, but has no other firm plans to develop its approach to involving tenants in developing its housing management services.

3.30 Port Glasgow is committed to ensuring equal access to its housing services. Its office is largely accessible for people with physical disabilities. At the time of our inspection it was considering the findings of a recent audit of its office which had recommended some minor improvements to further enhance accessibility. It has arrangements for providing information in alternative formats and advertises this in some of its publicity material, though not in its newsletters. Its staff and committee have received training on the Disability Discrimination Act and broader equalities training.

3.31 Port Glasgow has a fair approach to responding to tenants in its housing management service. Tenants are positive about how staff engage with them, and the Association has some strengths in ensuring equal access to services. It does not have a thorough understanding of tenants' views, and tenants do not have an active role in influencing the service.

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.

3.32 Port Glasgow's tenants can pay their rent by rent payment cards through "pay point" outlets, which around 80% of tenants use, or through bank standing orders. It does not offer direct debit payments as an option. The

Association has not asked tenants for their views on the convenience of these arrangements.

3.33 Port Glasgow's total arrears as a percentage of its total rental income rose slightly between March 2003 and March 2004, but is still lower than its peer average and the national RSL median. At March 2004 its total arrears figure was:

- the 9th lowest amongst its 29 peers; and
- in the second quartile of all Scottish RSLs for total arrears.

3.34 Port Glasgow's current non-technical arrears¹ level has shown a steady downward trend. At March 2004 it was 1.2%, a level which was the lowest amongst its 29 peers and in the top quartile nationally. This has decreased further, to 0.9%, by the end of June 2004. The levels of tenants in serious arrears and former tenant arrears are also considerably lower than peer and national figures. The Association's technical arrears rose during 2003/04 and is higher than both its peers and the national median.

3.35 The table below summarises Port Glasgow's reported performance in collecting rent arrears.

	At March 2003	At March 2004		
	Port Glasgow	Port Glasgow	Peer Group Average	National Median
Total arrears as % of total gross rental income	4.8%	5.1%	6.6%	6.2%
Total current arrears as % of total gross rental income	4.3%	4.4%	4.7%	4.4%
Current arrears (non technical) as % of total gross rental income	2.0%	1.2%	3.2%	3.0%
Current arrears (technical) as % of total gross rental income	2.3%	3.1%	1.5%	1.4%
% of current tenants in serious arrears	3.5%	1.5%	5.1%	-
Total former tenant arrears	£3,379	£5,363	-	-
As % of total gross rental income	0.43%	0.7%	1.9%	1.1%
Rent arrears written off	-	-	-	-

¹ Non-technical arrears exclude outstanding housing benefit not yet received by the landlord.

3.36 We found that, with the exception of the eviction case we discussed earlier in this section, the Association has a positive and proactive approach to pursuing rent arrears:

- it has detailed procedures which give staff clear guidance in dealing with arrears;
- it uses notices of proceedings appropriately and only when it intends to take legal action against its tenants;
- in the cases we reviewed staff made early and regular contact with tenants in arrears and followed the Association's procedures;
- it has a good approach to agreeing realistic repayment arrangements and monitors these effectively; and
- staff give useful arrears advice and point tenants towards specialist agencies.

3.37 The table below summarises Port Glasgow's reported performance in letting houses that have become empty.

	2002-03	2003-04		
	Port Glasgow	Port Glasgow	Peer Average	National Median
Rental income lost due to empty houses	£4,061	£1,903	-	-
As % of total rental income	0.5%	0.3%	1.9%	0.9%
Total no. of re-lets	21	17	-	-
% re-let in <2 weeks	33.3%	58.8%	21.6%	39.1%
% re-let in 2-4 weeks	19%	41.2%	27.2%	24.0%
% re-let in >4 weeks	47.6%	0.0%	51.2%	36.6%
Average time to re-let (days)	30	12	59	25

3.38 In 2003/04 Port Glasgow lost 0.3% of its income because of houses lying empty. This represents an improvement on its already low rent loss in the previous year, and is the third lowest level of rental income lost of the 29 RSLs in its peer group. It is in the top quartile nationally and is significantly lower than the national median rent loss figure.

3.39 Port Glasgow's average relet time of 12 days in 2003/04 is also a considerable improvement compared with its first year of operation. Its 12 day relet time is the third quickest of its peer group, significantly faster than the peer average and in the top quartile nationally.

3.40 Port Glasgow's housing includes a high proportion of 'cottage' flats and properties with back and front doors. The Association told us that none of its housing is low demand. We also found a number of positive elements in its

approach to reletting its empty houses, which contribute to its quick turnaround times:

- staff inspect the house as soon as the Association receives the termination notice;
- outgoing tenants are given the option of carrying out any necessary repairs/redecoration works themselves;
- there are challenging targets for ordering and undertaking repairs after the outgoing tenant leaves the house; and
- where possible, applicants view an empty house with a member of staff who can answer their questions.

3.41 Port Glasgow could not provide an accurate figure for the cost of delivering its housing management services in 2003/04 because of the method it used to allocate its costs. The combined cost for both the housing management and property maintenance services in 2003/04 was £868 for each of its houses. This was an increase of 14.7% for the same costs over the previous year. The 2002/03 figure was 20% higher than the average cost for Port Glasgow's peer group.

3.42 Port Glasgow's performance in maximising its income through housing management activities is an area of strength for the Association. The young age of the Association and the relatively stable tenant profile are favourable contextual factors in terms of arrears levels and letting empty houses. Nevertheless, it has achieved a good and improving performance. Set against this, it does have high costs for delivering its services.

Performance management

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

3.43 Port Glasgow's internal management plan (IMP) sets out four key aims for the Association, one of which relates to allocating its houses to people in need. Beyond this, the Association's aims and its current strategic objectives do specifically relate to the housing management service. The IMP includes a functional plan for housing management, with a series of actions, targets and responsibilities. Some targets relate to performance indicators on relets, arrears and estate management; the small number of others relate to achieving routine service delivery tasks. The plan lacks detail and is not an effective operational tool for guiding the service.

3.44 The Association does monitor and report regularly on its performance against its targets. It provides informative reports to the committee on rent arrears, access and allocations and estate management. It also produces an annual report which summarises trends in these areas. The IMP includes performance information on RSLs Port Glasgow has identified as its peers.

3.45 The Association has developed a range of policies and procedures covering most key elements of its housing management service. We have highlighted a small number of areas where clearer control or improved monitoring of service delivery is needed. The Association has a small staff group, and the long-term absence of a key member of the team has been an important contextual factor in how it has managed the service. The Association has worked hard to ensure continuity in service delivery during this period.

Grade and overall assessment of housing management

3.46 Our overall assessment is that Port Glasgow's housing management service is good. We found many strengths along with some areas where improvement is needed.

3.47 In coming to our overall assessment we have taken account of the balance of strengths and areas for improvement. The strengths across the service outweigh the areas for improvement. A number of the areas of good performance impact directly on the quality of service the Association's tenants and other service users receive. Examples include:

- the open and fair access to the housing list;
- good outcomes in giving applicants choice and meeting housing need through allocations;
- maximising security of tenure;
- the effective approach to reletting empty houses quickly; and
- the good quality of the Association's neighbourhoods.

3.48 The Association is also good at maximising its income through its performance in rent arrears and the low level of income lost as a result of empty houses.

3.49 We also found areas where the Association needs to improve. Tenants do not have an active role in influencing the service, and it does not have a thorough understanding of tenants' views of the service. Its other weaknesses, whilst important, do not currently have a significantly adverse impact on service users:

- the service does not yet have a good planning framework;
- some gaps in quality control and assessments in allocations; and
- weaknesses in how it handled one eviction case.

4. Property maintenance

4.1 The grade awarded for repairs & maintenance is:

C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
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We explain at the end of this section how the assessments and judgements we have made result in this grade.

How good is the service?

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.

- 4.2 Tenants can contact the Association to report a repair by telephone, in writing, by e-mail or in person at Port Glasgow's office. Port Glasgow's out-of-hours repairs service allows tenants to contact contractors direct.
- 4.3 The Association publicises the repairs service through regular newsletters and the tenant handbook. This material gives a good range of information on repairs responsibilities and key elements of the service, though it does not explain clearly how the Association categorises repairs.
- 4.4 While the Association does not operate a formal repairs appointment system it passes tenants' access preferences to its contractor and expects the contractor to finalise arrangements. The Association told us that this informal arrangement works well, though it has not asked tenants for their views on the arrangement in its surveys.
- 4.5 Port Glasgow provides good access to its repairs service, and could enhance this further with minor improvements around explaining how it categorises repairs and by getting feedback on its informal appointment system.

Speed and quality of response repairs service

Social landlords should set challenging targets for completing repairs, strive to achieve them and ensure repairs are completed to a high quality.

- 4.6 The targets Port Glasgow sets itself for completing emergency and routine repairs are more challenging than the national RSL median targets. The Association's target for urgent repairs is in line with the national RSL median

target. It has further shortened its targets for urgent and routine repairs for 2005/06.

- 4.7 The Association's reported performance against its own targets has declined in all three repairs categories over the last two years. Its 2003/04 performance against target is in the bottom quartile of all Scottish RSLs for emergency and urgent repairs and in the third quartile for routine repairs. Its performance ranks 29th of 29 RSLs in its peer group for emergency repairs, 25th for urgent and 18th for routine jobs. Although its performance is poorer than peer and national figures, this needs to be viewed in the context of its more challenging targets for emergency and routine repairs. The table below summarises Port Glasgow's targets and trends in performance over the last two years.

	Port Glasgow's target response time	Performance			
		Port Glasgow		National median 2003/04	RSL peer average 2003/04
		2002/03	2003/04		
Emergency Repairs	2 hours	100%	93.2%	99.2%	99.2%
Urgent Repairs	3 days	94%	93.3%	96.0%	96.0%
Routine Repairs	7 days	97%	94%	95.7%	93.6%

- 4.8 We found weaknesses in the way Port Glasgow records information about repair completion times which mean that these figures do not accurately reflect the service tenants receive. The Association does not always record the specific time when a repair is completed. Also, it extends the target completion date in certain circumstances, such where it needs to pre-inspect the repair or the contractor needs more time to get materials. The Association does not monitor the frequency of changes to target dates.
- 4.9 The 2003 tenant survey found that just over three quarters of tenants said that repairs were completed within the time stated. This is significantly lower than the Association's own reported performance level.
- 4.10 Pre and post inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. Port Glasgow's consultant clerk of works pre-inspects repairs where the work required is not clear or where repairs are likely to be extensive. However, the Association has no target for pre-inspections and does not monitor how many it carries out. As a result, it cannot assess whether it is taking a proportionate approach to pre-inspecting jobs. In 2003/04 the Association post-inspected around 8% of completed repairs against its target of 10%. It chooses repairs randomly for post-inspection, though not in line with the criteria in its policy. Post inspections identified only a very small number of problems with repair

work in 2003/04 and indicated that the quality of work had improved significantly from the previous year.

- 4.11 Port Glasgow operates a Right to Repair scheme which complies with the statutory requirements, and the Association gives tenants a good level of information about the scheme. During 2003/04 57 repairs met the Right to Repair qualifying criteria. It met the statutory timescale for the vast majority of these, and paid compensation for the small number where it did not.
- 4.12 The Association has an ongoing repairs satisfaction postal survey. Its findings indicate a satisfaction level which generally exceeded 95% for key elements of contractors' work. However, the survey response rate for 2003-04 was low, at 6%, and so is not a reliable indicator of tenants' views.
- 4.13 There are some strengths as well as areas for improvement in Port Glasgow's responsive repairs service. It complies with its Right to Repair duties, and its monitoring indicates that contractors carry out repairs to a good standard. Its performance in completing repairs has declined in the last year, and it does not perform as well against its own challenging targets as its peers perform against theirs. There are weaknesses in how it monitors its performance in completing repairs and pre-inspecting jobs.

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.

- 4.14 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 by April 2005, showing how they will achieve this. As Port Glasgow had not completed its plan at the time of our inspection it is too early to assess how it will be implemented.
- 4.15 At the time of our inspection the Association did not have up to date information on the condition of its houses or their long term maintenance needs. A house condition survey was done in 2000, before the transfer of housing to Port Glasgow from Scottish Homes, but its findings are now out of date. The Association is in the process of commissioning a new survey to get up to date information about the physical condition of its housing. Its proposed survey will be used for developing new life cycle costings, and will help it prepare for the SHQS.
- 4.16 Until this work is done, the Association is unable to effectively plan for the future maintenance needs of its housing or to ensure that it has sufficient funds to pay for the work needed. The Association is aware that it needs to plan future investment in its houses more effectively. It recently appointed a

new finance agent whose role includes reviewing its financial planning framework. We discuss this further in section five.

- 4.17 As part of the process of seeking agreement for the transfer of their houses from Scottish Homes, Port Glasgow made proposals to tenants about the improvements it would carry out in its first five years. Its proposals included new kitchens, bathrooms, fencing and environmental works. However, following advice from its consultant on prioritising improvements, the Association has refocused its maintenance programme for this period, to concentrate on replacing doors and windows in much of its housing. It began this programme of work in January 2004 and the work is progressing in line with the Association's plans. Although the consultant spoke with individual tenants in the course of surveying properties, the Association did not consult tenants on this change to its original proposed improvements. Nor did it advise tenants that the original works would not be done within the five year timescale. The lack of consultation with tenants about the changes to the maintenance programme is poor, particularly as the original plans represented a key proposal on which tenants based their decision to approve the transfer to the Association.
- 4.18 The Association's cyclical maintenance has to date been limited to gas servicing and open space maintenance, although its original proposals anticipated a broader programme beginning in 2004/05. It has not developed a broader programme of work and has no clear plans to begin doing so before the completion of the proposed stock condition survey. Cyclical maintenance is important in ensuring the physical condition of the housing does not deteriorate, and the lack of progress here represents a weakness in the Association's approach to property maintenance.
- 4.19 All Port Glasgow's houses have either hard wired or battery operated smoke detectors; common entries for around half the Association's flats have controlled-entry systems. All houses have either electric or gas fuelled central heating systems. The Association does not have information on the presence of lead pipes in its houses, and intends to address this as part of its preparation for meeting the SHQS.
- 4.20 Port Glasgow is required to carry out safety checks every 12 months on all gas appliances and flues it provides for its tenants' use. The Association is not meeting its statutory duty for a large number of its houses. At October 2004 all properties with gas appliances had a current safety certificate. However, there was no continuity between certificates for 74, or 34%, of houses with gas. The gap was more than one month in 61, or 28%, of houses. The Association's poor compliance with its statutory duty is a significant weakness in its property maintenance service. The table below summarises Port Glasgow's performance in carrying out gas safety checks.

	September 2004	
	Number of houses	% of houses
Houses with gas appliances	216	
Houses with current gas safety certificates	216	100%
Houses where safety check was carried out within 12 months of previous check	142	66%
Houses where safety check was up to 1 month late	9	4%
Houses where safety check was between 1 and 3 months late	61	28%
Houses where safety check was more than 3 months late	4	2%

4.21 The Association has had difficulties with its gas maintenance contractors, and told us that these have contributed to its poor performance on gas safety:

- it did not renew the contract of its original contractor because it was dissatisfied with aspects of performance;
- shortly before our inspection it received a technical report which highlighted historic problems with service quality and faults in some gas appliances; and
- the replacement contractor withdrew from the contract just before our inspection because it could not to keep up with the volume of remedial work.

4.22 The Association has responded quickly to the most recent difficulties, by appointing a new contractor and introducing a quality check of 10% of jobs by another contractor. It has also improved how it monitors the progress of its gas safety checks and sent a member of staff on gas safety training. However, it has no written procedures to guide staff in this area, and its summary of its own performance in its inspection submission did not show an awareness of the weaknesses we have identified or their significance. Overall, gas safety is a significant weakness for Port Glasgow.

4.23 From May 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Port Glasgow has a register of properties which may have asbestos, though this is based on limited information. It has no clear system for advising contractors about the presence of asbestos. The Association intends to use its forthcoming stock condition survey to improve its awareness of asbestos in its houses. It has a procedure for the safe removal of asbestos, though it has not revised this to take account of its new statutory duty.

4.24 Port Glasgow does not have a formal standard on the condition it expects its houses to be in at the start of a new tenancy. There is no guidance for staff or published information for prospective tenants on the standards they can

expect. The Association does not ask new tenants for their views on the condition of their new homes.

4.25 The Association's current performance in managing its stock's long-term maintenance needs is poor. At the time of our inspection it did not have up to date information on the condition of its houses or a long term framework for planning future improvements, though this is being developed. Although it is making good progress with the early stage of its improvement work, it changed its original programme without consulting tenants. It has not developed its cyclical maintenance programme. The Association also has a significant weakness around complying with its statutory duty on gas safety, and it has not revised its approach to dealing with asbestos to take account of its new duty.

Responsiveness to tenants in repairs and maintenance

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.

4.26 Port Glasgow does not yet have a well-established framework to obtain and use tenant feedback to evaluate and improve its property maintenance service. It has made an effort to get tenants' views on its service, through its 2003 tenant survey, regular repairs surveys and by seeking feedback following recent maintenance contracts. However, the 2003 survey focused on a narrow range of repairs issues, and the level of response to its surveys has been low (24% for the 2003 survey and 6% for the ongoing repair survey in 2003/04). The Association has not used feedback to directly inform service improvements.

4.27 There are effective arrangements for informing and involving tenants in planned maintenance projects that affect their homes. The Association does this mainly through newsletters, correspondence and open meetings for tenants. The level of tenant satisfaction is more than 90% for most aspects of its recent window and door contracts, and the level of response has been considerably better than in other postal surveys.

4.28 Port Glasgow has not involved tenants directly in setting or reviewing standards or policies across its property maintenance service. Similarly to its approach for housing management issues, its newsletters have simply listed policies due for review and requesting tenants' input, rather than engaging more directly. As highlighted earlier in this section, it did not consult with tenants before revising its maintenance programming following the transfer of housing from Scottish Homes. It has dealt well with the small number of complaints from tenants about the property maintenance service, and altered its approach to the Right to Repair after a complaint highlighted a problem.

4.29 Port Glasgow's performance in engaging with and responding to tenants over its property maintenance service is fair. It has shown a willingness to seek tenants' views, though the methods it has used have generally not achieved high levels of feedback. It gives good information to tenants affected by improvement work. It has not been proactive in involving tenants in developing its property maintenance service.

Is the service managed for improvement?

Resource management and efficiency

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

4.30 Port Glasgow uses a combination of procurement methods to deliver its property maintenance services. It appointed two contractors for the first phase of its planned maintenance contracts through competitive tendering, which started in 2003. It was satisfied with their performance and negotiated new contracts for the next phase of work, to take advantage of the contractors' experience of the work and knowledge of the Association's houses. It has taken a similar approach to appointing and extending the contract of its project manager. In these instances the Association has used a pragmatic combination of competitive tendering and negotiation to secure services. However, the cost of maintenance is significantly higher than anticipated and is contributing to the deficits we discuss in section five.

4.31 The Association has a partnering agreement in place with a contractor for delivering most of its responsive repairs. Under the agreement the Association pays a fixed annual price per property for responsive and empty house repairs. The Association told us that the practical benefits include budget certainty, savings on administration and the absence of confrontation. The partnering agreement was set up by consultants acting for the Association before it took ownership of its houses, and ran from April 2002 for two years. The Association extended the contract for a further three years, subject to annual review, with a slightly reduced annual price per property in year one. It did not consider other options for providing this work or examine how its repairs costs compare with similar landlords, and its approach to extending this agreement did not take full account of value for money considerations.

4.32 The Association has an effective framework for monitoring the performance of its contractors. It works closely in partnership with its main repairs contractor. More broadly, it provides the committee with regular performance reports, and decisions on renewing contracts generally take account of previous performance.

4.33 Port Glasgow's management costs for delivering its property maintenance service were £189 in 2002/03; this is in line with the Association's peer group costs. As discussed in section three, the Association could not provide accurate costs for 2003/04, though the combined costs of its housing management and property maintenance services in that year were 14.7% higher than in 2002/03.

4.34 Port Glasgow has carried out only a very small number of rechargeable repairs since taking ownership of its housing. It recognises that it has not invoiced, pursued or recorded payment for these jobs consistently, and was unable to confirm how much of its costs it has recovered. At the time of our inspection it was introducing new arrangements to improve its performance.

Performance management

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

4.35 Port Glasgow's internal management plan (IMP) includes one strategic objective that relates to property maintenance: to have completed or contracted maintenance works within budget by the financial year end. The IMP also includes a functional plan for property maintenance, with a series of actions, targets and responsibilities. However, this plan simply describes some of the maintenance service's key activities. The actions, targets and associated timescales are not specific or detailed enough to form the basis of an effective operational plan. Overall, the planning framework for property maintenance is poor, even taking account of the Association's young age, and it does not set a clear direction for the service.

4.36 We found that the Association has only a limited awareness of its strengths and areas for improvement. It does recognise that it needs to update its information on house condition and how it plans future work, but showed less awareness around weaknesses in gas safety, cyclical maintenance and monitoring elements of responsive repairs.

4.37 The Association's approach to performance monitoring and reporting has some strengths. There are targets in place for key elements of responsive repairs. Monthly reports to the committee give an informative overview of performance against these, show trends for the year to date and give a summary of tenant feedback. An annual committee report provides the committee with a further useful picture of performance. We also found areas for improvement:

- although it has challenging timescales for completing responsive repairs, its targets for the proportion of jobs it aims to complete within these timescales are not particularly stretching; and

- there are gaps in the Association’s monitoring of its performance in responsive repairs and pre-inspections.

4.38 Port Glasgow has a range of policies and procedures in place across its property maintenance service. We found that these are generally effective in supporting service delivery.

Grade and overall assessment of property maintenance

4.39 Our overall assessment is that Port Glasgow’s property maintenance service is fair. We found some strengths in the service, along with some weaknesses, a small number of which are significant.

4.40 In coming to our overall assessment we have taken account of the balance of strengths and areas for improvement. The areas for improvement outweigh the strengths across the service.

4.41 Port Glasgow has some strengths which have a impact on the quality service users receive. In particular, It provides good access to its repairs service, and its monitoring indicates that repairs are now done to a good standard.

4.42 The Association has a significant weakness which relates to its performance in meeting statutory gas safety requirements. Its decision to alter its intended improvement work without consulting tenants was poor, particularly because its original programme was a key factor in tenants’ decision to transfer their houses from Scottish Homes.

4.43 There are a number of other areas of its property maintenance service in which Port Glasgow needs to improve. It is still a young organisation and has not built up a strong track record of improvement. To support the future development of the service and enhance the quality of service to tenants it needs to address weaknesses such as:

- the significant gaps in its approach to managing its houses’ long-term maintenance needs;
- the absence of a proactive approach to involving tenants in shaping the service; and
- the lack of a clear planning framework for the service and limited awareness of some of current weaknesses.

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 Port Glasgow's internal management plan (IMP) sets out the Association's future aims and strategy. The committee reviews the IMP annually, and has good opportunities for involvement in developing the plan. Staff provide quarterly updates on progress against key objectives.
- 5.2 The IMP itself is very basic, and the Association's planning framework is still underdeveloped. We have highlighted in earlier sections the weaknesses in the IMP's operational plans for housing management and property maintenance. We also found that:
- the strategic objectives do not reflect the range of the Association's key functions;
 - there is no effective linkage between the strategic objectives and the operational or financial plans; and
 - the IMP takes only a short-term, one year approach to planning.

Clear functions and proper control

Social landlords should be clear about the functions of the governing body and take informed, transparent decisions within a framework of controls.

- 5.3 The committee works well with, and is supportive of, Port Glasgow's senior staff. It has a good understanding of its role and members are committed to the Association.
- 5.4 The Association's approach to performance monitoring and reporting has some strengths. As we have discussed in earlier sections, staff prepare regular informative reports on key service areas, incorporating analysis of performance against targets. We have already highlighted elements that could be further developed. We found that the committee exercises control over the Association's day to day business. However, the weakness we identified around the organisation's planning limit the committee's ability to effectively guide and control all the Association's activities and its strategic direction.

Developing capacity

Social landlords should ensure that their governing body has access to all the skills and experience needed to manage the organisation effectively and make decisions that are in the best interests of the organisation.

- 5.5 Port Glasgow's Committee members have a range of skills and experience which help them in their role. The Association discusses members' training

needs annually and feeds into a programme organised jointly by the local RSLs. Committee members we spoke to were positive about the opportunities for training and informal briefings from staff. The Association also has supportive induction arrangements for new committee members.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 5.6 A strong membership and good levels of participation at AGMs are important ways for a landlord to demonstrate accountability. Port Glasgow has an open approach to membership and its rules allow a wide range of people to become members. Its membership level had been static over the last two years, and at the time of its last Annual General Meeting (AGM) it had 130 members. Of these, 112 were tenants, entitled to take part in electing the committee or stand for committee membership.
- 5.7 The Association's AGMs in 2003 and 2004 were inquorate. In both years the meeting was reconvened and went ahead at a later date without achieving a quorum, as permitted by the Association's rules. Only 7 members, 5.4% of the membership, attended the 2004 AGM; most attendees were members of the committee. The Association acknowledges that this low level of attendance represents a weakness in accountability, particularly as it has not yet achieved a high level of participation in other ways. The Association intends to look at ways to encourage better attendance at its next AGM.
- 5.8 At the time of our inspection Port Glasgow had 10 committee members out of a possible 15 places. Five of the current members are tenants, two are other local residents, and three are councillors. Overall attendance levels at committee meetings have been around the peer group average. However, two meetings in 2004 were inquorate and had to be cancelled.
- 5.9 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. We have highlighted in both the housing management and property maintenance sections that tenants do not have an active role in influencing the way Port Glasgow delivers its services. Whilst it has carried out many of the proposals set out in its tenant participation strategy, it has not succeeded in generating meaningful tenant involvement. It plans to review its tenant participation strategy in March 2005, and this provides an opportunity to explore further how it can encourage and support tenants to contribute to the Association.
- 5.10 Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance. The 2003 survey found that 96% of tenants thought that that the Association was good at

keeping them informed about its work. We found a number of positive examples of good information from the Association:

- informative annual reports, which include clear information on the Association's aims, what it has been doing, its performance in important areas and its financial position;
- regular newsletters, one of which publicised the findings of the 2003 survey;
- an instructive tenants' handbook that gives information on tenants' rights and responsibilities and the Association's services;
- access to minutes of recent Committee meetings, which are on display in its office reception;
- a wide range of information leaflets; and
- a plan to introduce a website by March 2005.

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.

5.11 We found that Port Glasgow acts in accordance with statutory requirements relating to the granting of benefits covered by Schedule 7 of the Housing (Scotland) Act 2001. The Association has a code of governance which it expects committee members to commit to when joining. New committee members receive training on conflicts of interest as part of their induction, and there is a standing agenda item of conflicts of interests at the start of each meeting. This is a positive framework. We did, however, find that the Association was less clear about how to manage the situation where a tenant committee member falls into rent arrears in a way which ensures that the arrears do not represent a conflict of interest.

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.

5.12 Port Glasgow's risk management strategy focuses on how it will address strategic risks that could affect the organisation, and does not cover the Association's more operational areas of risk in a systematic way. The Association is aware that there are gaps in its approach to assessing risk, but it has not yet developed a firm plan to address these. The key gaps are:

- its strategy does not systematically assess the likelihood of risk occurring or its potential impact; and
- its strategy makes a commitment to assess all policies from a risk perspective, but this has not happened consistently.

- 5.13 The Association has recently begun a programme of internal audit. However, the identification of areas for scrutiny by the internal audit process is not currently linked to its work on risk management.
- 5.14 Port Glasgow has some strengths in governance, particularly around the range and quality of information it produces about its services and the commitment of its committee. It also has a number of weaknesses, some of which are significant. As a relatively new organisation it takes some time to establish comprehensive arrangements across the range of responsibilities, and Port Glasgow needs to make further progress in a number of key areas. The Association has some way to go in establishing an effective planning framework. It has a low level of tenant and member involvement in its activities and its AGM. Its approach to risk management needs to be developed further.

Financial viability and management

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

- 5.15 Port Glasgow prepared a business plan spanning 30 years when it was set up in 2002. In the short time since then it has deviated from the original plan and its actual costs now exceed what was anticipated. The business plan has been updated to incorporate the new level of costs and indicates that the Association will not be sustainable in the longer term. This requires early action and a plan to ensure that tenants' interests are protected in the future.
- 5.16 Port Glasgow does not have any separate medium term financial projections in place and is currently planning to prepare them. As noted in section four, the Association does not have up to date information on the condition of its houses or the cost of their future maintenance needs. It is commissioning a survey to provide this information. It is also in the early stages of planning for achieving the Scottish Housing Quality Standard, but it does not yet know how achieving the Standard will affect its costs.
- 5.17 Port Glasgow's results for its two years of operation and the approved budget for the current year show a varying trend, as the table below shows. Turnover fell over the first two years; this has been influenced by a decrease in the amount of rental income the Association can collect as more tenants buy their homes.
- 5.18 The Association suffered a deficit in financial year 2003/04 and expects the same to happen in the current financial year. This is a common feature of new RSLs when investing in their houses in the early years following transfer. However, Port Glasgow's financial performance has been poorer than it had expected in its early years.

	£'000 2002/03 Actual	£'000 2003/04 Actual	£'000 2004/05 Approved Budget
Turnover	835.7	793.0	806.2
Operating Surplus/(Deficit)	374.8	(74.8)	(50.3)
Net Surplus/(Deficit)	368.8	(81.7)	(96.3)

- 5.19 Since the Association was established its finance function has been disjointed. It received financial services from a number of different external organisations, and the quality of financial information used by the committee and senior management for decision making has been inconsistent.
- 5.20 The Association appointed a new finance agent in mid 2004 and since then has begun to introduce significant and positive changes in its financial management. It has firm plans to improve its annual budget setting process as well as the format and content of its budget report. The new budget format will be consistent with the format of the quarterly financial reports. This will make the relationship between the two more apparent and allow senior management and committee to base decisions on clear and understandable financial information.
- 5.21 The committee monitors the Association's performance against the budget using quarterly financial reports. The new finance agent has greatly improved the content and format of these. The reports compare Port Glasgow's actual income and expenditure with the budget and provide explanations for any large differences. Information on key performance indicators is also included to help the committee understand how the Association is performing financially. The Association plans to further improve its financial reports by forecasting its financial position to the end of the year and by looking at whether its method of allocating costs to activities could be improved.
- 5.22 Port Glasgow has areas of weakness in relation to its ability to meet future costs. As a result, we have concerns about its medium term viability and long term sustainability. The Association is aware of this weakness, and will have to review its costs to get its plans back on track or consider other ways to protect the long term future of its housing.
- 5.23 The changes currently being implemented by the new finance agent should significantly improve Port Glasgow's financial management.

6. Recommendations 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:
- 6.2 Across all of its activities, Port Glasgow should:
- improve its approach to strategic and operational planning;
 - ensure that tenants have meaningful opportunities to be involved in the development of its services;
 - develop robust approaches to obtaining feedback from service users across its services.
- 6.3 In housing management, Port Glasgow should:
- ensure it has good quality control and assessment processes for housing applications;
 - review its control framework for taking legal action to recover possession of its houses;
 - ensure all residents have appropriate tenancy or occupancy agreements that maximise their rights; and
 - develop an effective monitoring and reporting framework for its management of its estates.
- 6.4 In property maintenance, Port Glasgow should:
- ensure that it complies with its legislative duties relating to gas safety;
 - develop a clearer understanding of its housing's long term maintenance needs;
 - agree and carry out appropriate programmes of planned and cyclical maintenance which reflect the houses' maintenance needs;
 - meet its statutory duty on asbestos management;
 - ensure that it takes account of value for money considerations when procuring its services; and
 - collect performance information for repairs more accurately and monitor performance in pre-inspecting repairs.
- 6.5 In Governance and financial management , Port Glasgow should:
- prepare medium term financial plans and review its 30 year projections urgently, to establish whether it can regain the sustainable position it projected in its original business plan and if not, to agree a strategy that will secure the long term future of its housing stock;
 - consider how it can improve attendance at its AGM;
 - ensure its committee membership level and meeting attendance level are sufficient to enable it to function effectively; and
 - strengthen its risk management systems to ensure that all activities are appropriately covered.

7. Next steps

- 7.1 This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments overall in their housing management, property maintenance or governance and financial management to submit an improvement plan to us within eight weeks of the publication of this report.
- 7.2 Port Glasgow's improvement plan should show how the organisation intends to respond to our findings in property maintenance, governance and financial management. The plan will be agreed with us. We will inspect once every five years and follow up improvement plans at regular intervals.
- 7.2 If you would like to see the improvement plan you should contact:

Port Glasgow Housing Association Ltd
30/32 Dubbs Road
Port Glasgow
PA14 5UA

TELEPHONE 01475 707603
EMAIL office@pgha.org.uk

Appendix 1

Sources of evidence

Groups and third parties consulted

- Communities Scotland Area Team
- Communities Scotland Tenant Participation Team
- Scottish Public Services Ombudsman
- Turning Point Scotland Services Ltd

Interviews / meetings

- Members of the Association's Committee
- Director
- Finance manager
- Frontline staff
- Discussions with tenants
- **Reality checks**
 - Review of arrears cases
 - Review of legal actions against tenants
 - Review of anti-social behaviour cases
 - Review of gas safety documents
 - Review of complaints
 - Review of reported repairs
 - Review of housing list applications and allocations
 - Review of empty house management records
 - Review of information for applicants and tenants
 - Shadowing arrears visits
 - Shadowing empty house inspection
 - Estate visits
 - Observation of the provision of information and advice
 - Observation of committee meeting

Key documents reviewed

- Inspection submission
- Self Assessment against Performance Standards document

- Annual accounts for year ending 31 March 2004
- Budget 2004/05
- Management accounts (Quarter ending 30 June 2004)
- Risk management strategy
- Register of benefits to committee members (schedule 7 Register)
- Asbestos policy and register
- Internal Management Plan 2004/05
- Tenant participation strategy
- Complaints policy
- Allocations policy
- Repairs policies
- Arrears policy
- Newsletters
- Tenants handbook
- Procurement of contractors and consultants
- Annual Report 2003-04
- Annual performance and statistical returns to Communities Scotland
- Performance monitoring reports for rent arrears, allocations, estate management, repairs response, quality, contractors performance, tenant satisfaction, equal opportunities.

Glossary

Annual Statistical and Performance Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Cyclical maintenance	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
Inspection submission	Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
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.
Quartile	The range represented by one quarter of the ordered performance of all Scottish RSLs. So for example, the upper quartile is the top 25% of RSLs.
Serious arrears	Where a tenant owes more than 13 weeks rent payments and this is more than £250
Statutory reasonable preference categories	People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
Rechargeable repairs	Work that is the responsibility of the tenant but has been done by the landlord.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to Buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.

Scottish secure tenancy (SST)

The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.

Shadowing

An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.

Regulation & Inspection

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