

Communities Scotland
Inspection report

Rural Stirling Housing Association

March 2006

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1. Introduction

About this inspection

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

How we assessed performance

1.2 Our inspectors asked two key questions:

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

1.3 In order to answer these questions inspectors:

- spoke to tenants, staff and members of the governing body;
- 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 the 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.

* See glossary

The inspection team

1.5 The inspection was managed by John Jenkins, (Inspection Manager), and carried out by David Love (Inspector), Jean Harper (Inspector) and Pauline McFadden (Financial Analyst). We were on site between 24 October and 4 November 2005. We would like to thank everyone involved in the inspection 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. We require that the summary of this report is issued to all tenants.

* See glossary

2. Context

About the organisation

- 2.1 Rural Stirling Housing Association is an Industrial and Provident Society^{*} and was registered with Scottish Homes (now Communities Scotland) in 1990. For much of its history it has obtained services through agency arrangements with other organisations and since 1997 its services have been provided by Eildon Tweed Valley Housing Association. Under the agency agreement, all staff are employed by Eildon with those providing services to tenants based in Rural Stirling's office in Doune. The Association has recently completed a major organisational review and has decided to move towards becoming a direct employer of staff through a phased process which is scheduled to be complete by October 2006. It is also considering plans to apply for charitable status in 2006.
- 2.2 Rural Stirling is governed by a voluntary management committee elected annually at its Annual General Meeting (AGM). The Association presently has 303 members. The management committee has 14 members of whom 3 are tenants. The committee comprises a good balance of long standing, experienced members with newer recruits.
- 2.3 The Annual Performance and Statistical Return^{*} (APSR) asks Registered Social Landlords^{*} (RSLs) to select a peer group^{*} which best describes their organisation. Rural Stirling selected the group described as "RSLs that operate in rural areas that have more than 150 houses". This is the group we use to compare Rural Stirling's performance.
- 2.4 Rural Stirling provides housing across a large rural area in west and north Stirlingshire, extending from the villages of Killin and Tyndrum in the north, to Drymen and Balfron in the south. Unemployment rates^{*} for the rural Stirling area, at 2%, are 2% lower than the Scottish average^{*}, and 15% of residents in the area

^{*} see glossary

are retired which is 1% above the Scottish average. Of those working in this area, a high proportion (16%) are employed in the hotel and catering sector. The seasonal nature of these and many other rural jobs, results in local unemployment rates fluctuating over the course of the calendar year.

- 2.5 The Association owns 385 rented houses and 38 shared ownership properties spread across a wide geographical area of approximately 800 square miles. The stock features a mix of houses, flats and bungalows, the majority of which have been newly built since 1992 by the Association. It has an active housing development programme and in 2004/05 invested a total of £3.25 million creating new houses.

Key facts

- 2.6 The table below presents a summary of key information for Rural Stirling showing trends over the last three financial years

	2002-2003	2003-2004	2004-2005
Houses owned	280	310	351
Employees	0	0	0
Annual turnover (£'000)	£931	£845	£981
Total possible rental income (£'000)	£816	£844	£989
Rental income from housing benefit	41.0%	30.6%	26.5%
Average weekly rent	£47.13	£47.79	£49.47
Average rent increase	3.1%	3.1%	3.6%
Houses re-let	28	29	28
Responsive repairs carried out	495	483	619
Maintenance spend per house	£203.03	£238.64	£283.04
Right To Buy sales	0	0	0

Source: APSR and RSL Annual Accounts

* see glossary

3. Housing management

3.1 The grade awarded for housing management is:

B	Good	Many strengths and some areas where improvement is required.
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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 simplify and maximise access to housing.*

- 3.2 Rural Stirling operates an open housing list and people aged 16 and over can apply at any time. The Association advertises access to its list in local council offices, libraries, post offices and through Stirling's web-based Housing Options Guide. The Association is also working with other local landlords to develop a Common Housing Register (CHR)* for the wider Stirling area.
- 3.3 At the time of our inspection the Association had 685 people on its housing list. It reviews individual applications on their anniversary date and reviews the applications at the top of its list more regularly to help reduce delays in allocating its houses. The Association processes applications quickly, although it only recently set a target of five days for assessing applications and writing to applicants to advise them of their priority. In September 2005 it took an average of six days to process applications; in October 2005 the average time reduced to three days. All of the applications we reviewed had been assessed correctly and verified by a second member of staff.
- 3.4 Rural Stirling has a nominations arrangement with Stirling Council for 50% of its first lets of new houses and re-lets. In 2004/05 the Association offered 51% (34) of its lets to the council, with 31% (22) let to council nominees. The partners

* see glossary

- regularly review this arrangement to ensure that the Association is maximising successful lets through this nomination arrangement. In August 2005 the Association finalised a Homeless Protocol for Section 5 referrals* with Stirling Council. There had been no Section 5 referrals from the Council by the time of our inspection.
- 3.5 Rural Stirling provides people who apply to it with a good range of information about its allocation policy, processes and its houses, including shared ownership*. The Association is aware that its published information does not advise of the availability of information in other formats and community languages and plans to do this in a new application form and information leaflet.
- 3.6 Rural Stirling cancels applications in appropriate circumstances. The Association keeps a record of applications it has cancelled and these can be reinstated on request.
- 3.7 Rural Stirling minimises the number of people it suspends from receiving offers. Six people (less than 1% of applicants on its list) were suspended at the time of our inspection and all were suspended in appropriate circumstances. We found that the Association notifies people in writing of the reasons for suspension*, gives advice on how to have suspensions lifted and regularly reviews suspended applications. However, it does not routinely advise applicants of their right of appeal or direct them to sources of advice and assistance. The Association only drew up a suspensions policy and procedures in 2005; though, these provide clear guidance for staff.
- 3.8 Rural Stirling collects information on the ethnicity of people who apply for its housing and on the applicants it houses. It reports this information to committee, but does not analyse it. Also, it does not break down the information on people housed in order to monitor the impact and outcomes of its local lettings initiatives.

* see glossary

- 3.9 Rural Stirling provides good access to its housing list and has plans in place to deal with weaknesses in how it handles suspensions and in the availability of information in alternative formats.

Meeting need and maximising choice

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

- 3.10 Rural Stirling prioritises allocations based on a range of housing needs that reflect the statutory reasonable preference categories*. All of the allocations we reviewed were to people in one or more of these needs. The Association allocated 70 houses in 2004/05, of which 42 were new lets and 28 were re-lets. In that year, 66% of lets were made to people from its housing list, 31% to council nominations and 3% to internal transfers. We found that the Association is responsive to the council's requests to house homeless people, although the number of these is low.
- 3.11 Rural Stirling approved a new Allocations Policy in September 2005 and had almost finalised new procedures by the time of our inspection; the Association has provided training for staff in their use. We found clear audit trails for allocation decisions made by the Association.
- 3.12 Rural Stirling has operated local lettings initiatives on its three most recent developments at Killin, Deanston and Kippen for around 40% of its lets on new houses. These initiatives gave extra priority to people on its housing list with a local connection to these areas. The Association's local lettings initiatives are in line with legislation and guidance on allocations and have been an effective way to address local housing needs. The needs of people housed through the initiatives reflected the statutory reasonable preference categories. However, the Association's own monitoring shows that the operation of the initiative significantly disadvantaged one person who did not have a local connection.
- 3.13 The Association reports on the outcomes of its local lettings initiatives to committee and has improved the level of detail and analysis of outcomes in these

* see glossary

- reports over time. However the Association does not separately monitor the ethnicity of people who apply through its local lettings initiatives, so cannot be certain of their impact on people from black and minority ethnic groups. Initially the Association did not advise applicants that it was operating these initiatives but now provides applicants with information about how these operate.
- 3.14 The Association provides a good range of choice to people on its list. It does not restrict the numbers of letting areas people can choose or the number of offers they can be made. The Association advises applicants of their level of priority in writing and includes a breakdown of their points and details of their priority for all their areas of choice. It also advises them of their right of appeal. The Association has a low rate of refusals and, therefore, has not routinely collected information on refusals, but it has started to do this under its new procedures for the management of empty houses.
- 3.15 The Association has taken steps to improve its provision of advice and information for people in urgent housing need by providing training for staff, on topics such as homelessness and security of tenure for private tenants. It signposts people to sources of advice such as Dundee Housing Aid Centre and is working towards accreditation for its provision of housing advice and information.
- 3.16 Rural Stirling is good at meeting need in letting its houses. The Association offers its housing applicants a good level of choice and is making some contribution to the alleviation of homelessness. It is making positive efforts to address local housing need through its lettings initiatives although it does not monitor the outcomes through these initiatives for equalities groups.

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.

- 3.17 The Association have signed up 97.4% of its tenants to a Scottish Secure Tenancy agreements (SSTs)*. The other 2.6% (10 residents) live in shared, supported housing and have Occupancy Agreements based on the SFHA Model. The Association is currently considering if it can offer SSTs to these residents in order to in maximise their tenancy rights.
- 3.18 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. Rural Stirling provides useful information to new tenants at sign up interviews and during settling-in visits, that are now routine. We found these opportunities are used well to reinforce rights and responsibilities and to identify any early difficulties in managing tenancies. Rural Stirling gives tenants an informative handbook and is in the process of updating and expanding this to include details of local support agencies.
- 3.19 Rural Stirling aims to identify potentially vulnerable applicants and tenants at an early stage. The Association is aware of some weaknesses in how it does this and has improved its procedures to ensure a more consistent approach that includes completing pre-let home visit pro-formas for prospective tenants, and a tenancy profile for new tenants. The homeless protocol with Stirling Council will allow for information to be shared about a household's support needs or history of difficulties in managing a tenancy. We found the Association has informal links with local support agencies with whom staff worked well to assist vulnerable tenants.
- 3.20 Rural Stirling is working hard to ensure its tenants have access to welfare and money advice. The Association has referral arrangements with Stirling Council Money Advice and Stirling Citizens Advice Bureau. The Association funded an Income Maximisation pilot, through a partnership with Stirling Council, during March and April 2005 through which tenants were offered a "benefits

* see glossary

healthcheck” at a home visit; a third of those visited saw their benefits increase as a result. During the pilot all tenants in serious rent arrears were offered a “benefits healthcheck”, and two thirds took this opportunity up. Rural Stirling has not seen a decrease in rent arrears as a result of the pilot but saw it had positive impact for tenants on low incomes. The Association is currently investigating the possibility of jointly funding an income maximisation officer post with a neighbouring RSL.

- 3.21 In 2004/05, 28 of Rural Stirling’s homes became vacant; this is 8% of its total stock. The Association regards its stock as high demand, except for Tyndrum where turnover is higher because of its more remote location and lack of local employment opportunities. While the level of Rural Stirling’s houses abandoned by tenants is very low, it identified gaps in its approach to abandonments and has improved its procedures.
- 3.22 Rural Stirling issued Notices of Proceedings for recovery of possession to 37 (10.5%) of its tenants in 2004/05; 34 in response to rent arrears and 3 in response to antisocial behaviour. It initiated court action against seven of its tenants, six for rent arrears and one for antisocial behaviour, in 2004/05. The Association was awarded an interim-ASBO (Anti-Social Behaviour Order) in the latter case. The majority of arrears cases were sisted after tenants made repayment agreements, one case was adjourned and in the remaining case the tenant abandoned the property. In the first five months of 2005/06, Rural Stirling issued 16 Notices of Proceedings; a number of which were renewals of existing notices and initiated three court actions; in two of these the Association is seeking recovery of possession and in the other recovery of the debt. Rural Stirling has not evicted anyone in the past three years and only uses eviction in the last resort.
- 3.23 Rural Stirling has a clear framework for authorising the escalation of legal action against its tenants and is good at advising the Council of its legal actions. There were weaknesses in the Association’s approach to arrears and its use of legal action including a lack of early intervention and reliance on written communication; it is aware of these and introduced improvements during 2005.

We found evidence of earlier intervention and a clear approach to escalating action from reviews of more recent arrears cases. The Association is trying to ensure that more vulnerable tenants have access to appropriate advice and assistance and is helping tenants through its income maximisation pilot and by offering more assistance with Housing Benefit.

- 3.24 Rural Stirling is maximising security of tenure for its tenants and is working hard to sustain tenancies and prevent homelessness. The Association is aware of the weaknesses in its approach to managing abandoned properties and rent arrears and has taken appropriate steps to address these.

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.

- 3.25 Rural Stirling's Residents' Satisfaction Survey of 2004 found that 93% of respondents were happy with their neighbourhoods. The neighbourhoods we visited during our inspection are of good quality and well-maintained with no graffiti, vandalism or litter. The Association has received few complaints about its estates.
- 3.26 The Association provides a landscape maintenance service that covers communal areas, shared gardens and also cutting the grass in residents' own front gardens. Rural Stirling is aware of relatively high levels of dissatisfaction with this service: in a survey of those receiving this service in 2003, 59% of respondents said they were unhappy with the quality of the work carried out. As a result of this, the Association improved its supervision and monitoring of the landscape maintenance contract. In a comprehensive survey by the Association of all its residents in 2004, 32% of respondents expressed dissatisfaction with the service. The Association has taken further steps to improve the service and its estates that include:
- carrying out regular inspections of maintained areas;
 - identifying local representatives for each area to provide feedback on how well the service is delivered;

- consulting residents on the specification for the most recent landscape maintenance contract; and
 - making a commitment to survey tenant satisfaction at the end of the present growing season.
- 3.27 The Association's estate inspections are effective and it reports and monitors any problems well. Rural Stirling has dealt with very few instances of serious antisocial behaviour. In 2004/05 the Association received 29 complaints of neighbour nuisance or antisocial behaviour and had received 30 complaints up to the time of our inspection in 2005/06. The Association has recently introduced targets for responding to antisocial behaviour and neighbour nuisance complaints. Rural Stirling has obtained one interim Anti-Social Behaviour Order (ASBO) and is currently monitoring this case.
- 3.28 The Association records information on all antisocial behaviour and neighbour nuisance complaints, categorises these according to severity, and reports on the most serious instances to committee. We found the Association dealt effectively with the most serious case of antisocial behaviour it has been faced with. Its approach showed many strengths including:
- a quick and effective response to the complaint;
 - close liaison with the local police and support workers throughout;
 - complainants were kept informed of progress throughout the process; and
 - full consideration of different options for resolving the problem.
- 3.29 The Association is aware that its management of minor neighbour disputes is less effective and has now put in place measures to address this weakness.
- 3.30 Rural Stirling's neighbourhoods are of good quality and well-maintained and it actively manages its estates. The Association is aware of the weaknesses in its approach to complaints of neighbour nuisance and it is taking steps to address these.

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.

- 3.31 Rural Stirling's most recent satisfaction survey found that 92% of respondents were satisfied with the Association as their landlord, that 89% were satisfied with their home, and 74% thought their rent represented good value for money.
- 3.32 Rural Stirling is good at involving its tenants in service improvement. The Association has consulted tenants on its service charge policy and landscape maintenance service, on new complaints, and rent payment systems and, most recently, on changes to its policies and procedures on allocations and antisocial behaviour. It has also sought the views of people on its housing list on the information and advice it provides them with on their housing application. We saw the Association had made a number of improvements to housing management services in response to the views expressed by tenants.
- 3.33 Rural Stirling carries out annual rent consultation. The Association provides good information to tenants on what their rent covers and offers tenants opportunities to express their views individually and at meetings. However, tenants were not presented with options for differing levels of rent increase. We saw the committee gave careful consideration to tenants' views, particularly on the issue of affordability* before agreeing the annual rent increase.
- 3.34 The Association carried out its most recent tenants' satisfaction survey in December 2004. It has provided initial feedback and started work on some improvements in response to the survey. However it recognises that it has taken some time to produce an action plan and feed this back to tenants.
- 3.35 In response to the tenant survey the Association plans to explore opportunities for developing children's play facilities near its new developments where this would be appropriate. Previously it had contributed to Strathfillan Community Development Trust's costs of constructing a Kick-About Area near to its houses in Tyndrum. It is also now considering supplying gritting bins for its residents in areas where the Council is not providing them.

* see glossary

- 3.36 Rural Stirling carried out a tenant participation audit in 2003 and also sought tenants views on participation in the 2004 satisfaction survey. The Association provides a range of opportunities for tenant participation that are based on tenants' priorities. These are:
- a consultation database of 90 tenants, who comment on service and policy reviews;
 - annual local meetings in all communities;
 - periodic meetings of its Tenants' Forum, attended by tenants from across the Association's area of operation;
 - additional local meetings when required; and
 - a recent event to discuss the Association's approach to antisocial behaviour and its repairs service.
- 3.37 Rural Stirling has a good approach to handling customer complaints. The Association introduced a feedback system in 2004 to encourage comments and suggestions as well as complaints and appeals. We found that Rural Stirling responds effectively to complaints about its housing management services and uses feedback from its complaints to improve services. The committee receives a six-monthly report on the number and nature of complaints made and the action taken to resolve them.
- 3.38 The Association is aware that it does not always respond in time to complaints and is addressing this through ensuring casework is more closely supervised. The Association does not have customer care standards for housing management services. However, the Association has already developed standards for the landscape maintenance service and for dealing with neighbour nuisance and antisocial behaviour complaints and this is positive.
- 3.39 Rural Stirling's office is not easily accessible for people with physical disabilities. However, the number of callers at the office is not significant; the majority of people prefer to get in touch by phone and staff are able to arrange home visits when necessary. The Association is aware of its statutory duties under the Disability Discrimination Act and is presently considering options for addressing this.

3.40 Rural Stirling is good at providing information to its service users and tenants through its newsletters, Tenant Handbook and at meetings, and we saw that it is very responsive to the feedback it receives. However, it does not always give tenants feedback on how their input is shaping changes in policies and services, and where it does, it is sometimes slow to do this.

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.

3.41 Rural Stirling offers tenants a good variety of ways to pay rent including direct debit, standing orders, bank giro and through the AllPay system. Its 2004 survey found that 91% of respondents were very or fairly satisfied with rent payment methods. The table below summarises Rural Stirling's reported performance in collecting rent.

	At March 2004	At March 2005			At August 2005
	RSHA	RSHA	Peer group	National median*	RSHA
Total arrears as % of total gross rental income	5%	5.7%	5.2%	5.5%	6.7%
Total current* arrears as % of total gross rental income	3.9%	5%	3.8%	4.3%	5.5%
Current arrears (non technical) as % of total gross rental income	3.3%	4%	2.8%	2.9%	3.9%
Current arrears (technical) as % of total gross rental income	0.6%	1%	1%	-	1.6%
% of current tenants in serious arrears**	3.1%	5.9%	5.6%	4.6%	5.2%
Total former tenant arrears	£9,110.00	£7,338.89	-	-	£12,673.72
As % of total gross rental income	1.1%	0.7%	1.4%	0.9%	1.2%
Rent arrears written off	£2,246.98	£3,636.87	-	-	£3,636.87

**Owing more than 13 weeks rent and >£250

* see glossary

3.42 Rural Stirling's total arrears as a percentage of its total rental income have increased over the last two years. At March 2005, arrears are slightly higher than the figure for its peer group and the national median; Rural Stirling had the 4th highest total arrears percentage of the 17 RSLs in its peer group. The Association's figures for current non-technical arrears* increased from March 2004 to March 2005 and decreased slightly by August 2005. The proportion of the Association's tenants in serious arrears increased from 3.1% to 5.9% from March 2004 to March 2005, but fell to 5.2% by August 2005. Current tenant non-technical arrears appeared to have stabilised at 3.9% by October 2005, though the Association had also increased its stock between March and October 2005 and this is the main factor behind the fall in arrears.

3.43 Rural Stirling has been aware of an increase in its arrears over the last two years and is giving high priority to reversing this trend. In 2005 the Association reviewed its management of arrears and has rolled out a range of measures to improve performance during the year, including:

- dedicating more staff resources to arrears control to allow for more purposeful and earlier intervention;
- providing tenants with an annual rent statement to improve awareness of their account;
- introducing evening visits to tenants in arrears;
- carrying out a more formal financial assessment of a tenant's ability to pay, before agreeing a repayment arrangement;
- consistently pursuing small rent arrears balances;
- setting a target to reduce current tenant non-technical rent arrears to 3.2% by the end of 2005/06;
- tighter monitoring of arrears and greater supervision of serious arrears cases; and
- improving communication with the Council's Housing Benefit section.

3.44 Former tenant arrears rose considerably between March and August 2005, from £7,338 to £12,673 as a result of a number of tenancies ending with high arrears. The Association has tightened its system for pursuing these and has recovered a

small amount of former arrears. Rural Stirling uses Sheriff Officers for debt recovery with clear instruction to take into account a former tenant's ability to repay the money owed.

3.45 At the time of our inspection the Association had yet to see the full benefits of the measures it has introduced to improve its control and recovery of arrears.

3.46 The table below summarises Rural Stirling's reported performance in letting houses that have become empty.

	2003-04	2004-05		2005-06*	
	RSHA	RSHA	Peer Group	National Median	RSHA
Rental income lost due to empty houses	£1,855	£4,814	-	-	£3,080
As % of total rental income	0.2%	0.5%	1.3%	0.9%	0.3%
Total no. of re-lets	29	28	-	-	17
% re-let in <2 weeks	79.3%	42.8%	35.2%	32.1%	35.3%
% re-let in 2-4 weeks	10.3%	28.6%	25.2%	22.7%	17.6%
% re-let in >4 weeks	10.3%	28.6%	39.7%	35.6%	47.0%
Average time to re-let (days)	3	20	92	26	24

* For the period April to September 2005
Source: APSR 2002/05

3.47 In 2004/05 Rural Stirling lost 0.5% of its rental income from houses lying empty. This good level of performance places it 4th out of 17 RSLs in its peer group, and it is ranked 47th nationally. The average time to re-let its houses increased markedly in 2004/05 from 3 to 20 days, however this is still significantly better than its peer group figure of 92 days. The average re-let time has increased again in the year to date to 24 days, but void loss has decreased to 0.3% of rental income. A small number of properties taking longer to re-let due to major repairs is a significant factor in the Association's reported performance.

3.48 The Association is aware that because of its small stock numbers and relatively low turnover in tenancies, performance in re-letting individual properties can have a disproportionate effect on its overall performance. Rural Stirling has recognised that its performance is declining and has set a target timescale of 15 days for re-letting empty houses over 2005/06. The Association has developed

new void management procedures to enable it closely monitor performance. In particular:

- it has set target timescales for the separate repairs and allocations stages of the re-letting process;
- it has started to formally monitor and analyse performance across these stages; and
- it now monitors and analyses applicant's reasons for refusals of offers of tenancy.

However, it should also differentiate between empty houses that require minor or major repairs when measuring its performance against target.

- 3.49 Rural Stirling has a standard procedure for carrying out pre-tenancy termination visits. However, evidence showed this has not always been followed and rechargeable repairs have not always been identified. There were also shortcomings in its record keeping. The Association has recognised and addressed these weaknesses.
- 3.50 The Association's housing management costs were £566 per unit in 2003/04, and this compares well to the national figure of £608 and to the peer group figure of £599 as the Association currently pays 17.5% VAT on all accounts paid to its agent, and anticipates a reduction in its housing management costs as a result of its plans to directly employ staff from 2006.
- 3.51 Rural Stirling is making positive improvements in its management of rent arrears and is aware that it needs to improve its performance in managing empty houses.

Performance management

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

- 3.52 Rural Stirling is improving how it manages its housing management service after identifying weaknesses in key areas of performance. The Association sets out the corporate aims and objectives for its services in its Internal Management Plan

- (IMP)*. These are linked with the objectives for managing and delivering its housing management service, but these are not comprehensive and do not always relate to the work of individual staff members. The Association also has targets for addressing declining performance in the key areas of empty houses and rent arrears and for responding to tenants. It is rolling out new policies and procedures, along with training that will support staff in delivering improved housing management services.
- 3.53 The committee currently receives monthly reports on performance in arrears and empty houses and quarterly reports on other areas of housing management. The Association has recently improved these reports and they are now informative, detailed and include an analysis of trends and comparisons with peers.
- 3.54 Rural Stirling is aware of its current performance in housing management, is able to identify its own weaknesses and has re-defined its priorities to deal with declining performance in arrears and empty houses. The Association has been slow to review its policies and procedures on allocations, anti-social behaviour and rent arrears recovery but reviewed these in 2005. These provide clear guidance and direction for staff though we were unable to fully test their impact.
- 3.55 Rural Stirling is committed to improving its housing management services. We saw that the Association is proactive in identifying weaknesses in its services and in planning improvements. We also saw the Association responds to tenants' feedback and changes and improves services accordingly.

Grade and overall assessment of housing management

- 3.56 Our overall assessment is that Rural Stirling's housing management service is good. We found many strengths in the service along with some areas where improvement is needed. We set out below the key factors we have taken into account in coming to our overall assessment.

* see glossary

3.57 Rural Stirling's strengths are: it provides open access to its housing list; maximises choice for applicants; meets housing need and maximises security of tenure. The Association is working hard to develop its capacity to support vulnerable tenants and sustain tenancies. It is responsive to service users and makes good use of feedback to improve its services. It has a good awareness of its strengths and weaknesses, and is taking positive steps to address weaknesses in the housing management service and improve its systems for monitoring, managing and reporting on performance.

3.58 Along with these strengths we found a number of weaknesses in Rural Stirling's housing management service including:

- its performance in managing rent arrears and empty houses has declined;
- it does not always clearly record or communicate information on the actions and outcomes of complaints about anti-social behaviour and neighbour nuisance; and
- its approach to monitoring and reporting equalities issues, particularly in relation to the allocation of housing, is under-developed.

4. Property maintenance

4.1 The grade awarded for property maintenance 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.

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 Rural Stirling tenants can report repairs by telephone, in person, by e-mail, or to the out-of-hours service provided through Stirling Council. The Association recently commissioned an independent survey of tenant satisfaction that showed 98% of respondents think access to the repairs service is satisfactory. As a result of some dissatisfaction expressed by tenants through these surveys the Association reviewed its out of hours service and plans to improve how it handles calls to its office outwith opening hours to minimise delays for callers who wish to report emergency repairs.

4.3 Rural Stirling publicises details of the repairs service and how to report a repair in its office, its newsletters, tenant handbook, and in leaflets. The information provided focuses on highlighting repair responsibilities between the Association and its tenants. Rural Stirling is revising its handbook to give tenants more detailed information, with examples of how different types of repair are categorised, following feedback from its tenants. We found that the information for tenants on the target timescales for repairs is in days rather than the Association's actual targets which are in working days. There is no reference in the Association's literature to the availability of information in other languages and formats.

- 4.4 The Association does not operate a formal appointments system for response repairs*, but does give contractors the tenant's preferred time and the contractors then contact tenants directly to make suitable access arrangements. In response to tenant feedback Rural Stirling has begun consulting with its contractors on a formal appointments system.
- 4.5 Rural Stirling works hard to ensure its repairs service is accessible and recognises areas where improvement is required. Its performance in this area is generally good and results from tenant feedback confirm this.

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 target Rural Stirling sets itself for completing emergency response repairs* is more challenging than the national median of six hours, whilst urgent repairs are required to be complete within three working days, in line with the national median. The routine repairs target is 20 working days, double the national median of 10 working days. The Association is discussing setting more challenging targets with its contractors of 4 hours for emergencies, and 15 working days for routine repairs.
- 4.7 Rural Stirling's repairs performance in 2004/05 in completing emergencies matched the national median, whilst its performance in completing urgent repairs was slightly below the national figure. Its performance in completing routine repairs was slightly better than the national median, although its target here is less challenging. Overall, Rural Stirling completed 95.6% of its repairs on time, placing it just above the national median. In comparison with its peer group of larger rural RSLs, the Association's performance in 2004/05 for all repairs placed it 5th out of the 17 landlords in the group. The table below outlines its performance for completing response repairs.

* see glossary

	Rural Stirling's target response time	Performance				
		Rural Stirling			National median 2004/05	RSL peer group 2004/05
		2002/03	2003/04	2004/05		
Emergency Repairs	5 hours	99%	100%	98.9%	98.9%	97.5%
Urgent Repairs	3 working days	92%	95%	94.1%	95.0%	92.2%
Routine Repairs	20 working days	97%	93%	95.2%	95.1%	91.9%

4.8 Our review of recently completed repairs highlighted that the Association performs well in completing emergency repairs on time, but we also found its Information and Communication Technology* (ICT)* system added an extra day to the target completion date for emergency repairs. While Rural Stirling's staff can correct the system dates manually, we found that this is not always happening and information on target response times for emergency repairs, provided to tenants and contractors, is often inaccurate. The Association acknowledged the problem and made further changes to its recording system to resolve it during our inspection.

4.9 Pre and post inspections* are important tools for ensuring repairs are targeted accurately and carried out to a high standard. Rural Stirling has an internal target of 25% for pre inspection of response repairs, although its policy sets this at 75%. Repairs are selected for inspection based on clear criteria. In 2004/05 it pre inspected 19.3% of repairs against a target of 25%.

4.10 The Association has a target to post inspect 10% of completed repairs and in 2004/05 it inspected 9.7%. Rural Stirling is aware that it needs to improve the way it uses post inspections* to enable it to confirm that repairs are being carried out effectively. Tenant feedback through its complaints procedure and a recent internal audit of the response repairs service, highlighted that Rural Stirling was not recording and using inspections effectively. In response it has developed standard proformas to improve its recording of inspection information and

* see glossary

reviewed its inspection procedures to ensure the results of pre and post inspections are used more effectively.

- 4.11 Rural Stirling operates a Right to Repair scheme* which it advertises annually through its newsletter, leaflets which it sends to all its tenants and in the tenants handbook. The Association performs well in carrying out these repairs on time. Its figures show that in 2004/05 all qualifying repairs were completed on time, with only one repair resulting in compensation being paid to the tenant in the last three years. Tenant who report qualifying repairs receive a good level of information on their rights under the scheme, and the Association publicises the scheme annually through its newsletters
- 4.12 The Association's most recent full tenant survey carried out in late 2004, showed that 85% of respondents were satisfied or very satisfied with the repairs service overall, with 6% stating dissatisfaction. Sixteen per cent were dissatisfied with the time taken to carry out repairs and Rural Stirling is responding to this by revising its targets for completion of repairs. The Association also routinely asks each tenant reporting a repair for feedback on the service and results for 2004/05 show 98% of respondents were satisfied or very satisfied with the repairs service they received.
- 4.13 Overall, Rural Stirling provides a good response repairs service and tenants are generally happy with the overall repairs service. The Association is taking steps to improve the service, including the time taken to complete routine repairs and its use of pre and post inspections information.

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 were required to prepare and submit to Communities Scotland, by April 2005, a plan

* see glossary

showing how they will achieve this. As a relatively small RSL with new housing stock, Rural Stirling submitted a self-assessed delivery plan in April 2005.

- 4.15 The vast majority of Rural Stirling's houses are new build properties, with the oldest of those built 13 years ago. As a result its houses are in good condition and meet the safety requirements of the SHQS. All of its houses have either battery operated or hard wired smoke detectors and all its houses with gas appliances have carbon monoxide detectors fitted. It has few common entrances to its properties, and has identified those where a secure door entry system is required.
- 4.16 The Association has some general information on the condition of its stock and an awareness of the gaps in stock information. In preparing its SHQS delivery plan, Rural Stirling commissioned a small sample-based survey of its houses, which largely confirmed its expectations of the work that would be required on its properties to meet the standard. However, the survey also found that a significant number of its houses would fail energy efficiency criteria under the SHQS. In order to verify this, and address the weaknesses Rural Stirling had identified in its stock condition information, the Association will shortly be inviting tenders for a comprehensive stock condition survey of all its houses.
- 4.17 All of Rural Stirling's new homes have been designed to good standards. Recent developments:
- are built in line with Secured by Design standards to create safe homes that minimise the risk of crime and antisocial behaviour;
 - have hard wired smoke detectors fitted;
 - have good levels of energy efficiency; and
 - are designed to Housing for Varying Needs standard to accommodate the range of housing needs that people have through their lifetime.
- 4.18 The Association collects feedback from all tenants of its new developments, covering tenants satisfaction with a range of aspects including the design, layout and quality of fittings and finishes. It makes good use of this tenant feedback to inform and refine its future design and construction decisions.

4.19 Social landlords are required to carry out safety checks every 12 months on all gas appliances and flues which they provide for tenants' use. We found that Rural Stirling has not fully met its statutory duty for a small number of its houses, but it has good awareness of weaknesses in its approach and has reviewed its procedures to address them. The following table summarises Rural Stirling's performance in this area.

	September 2005	
	Number of houses	%
Houses with gas appliances	90	-
Houses with current gas safety certificates	90	100%
Houses where safety check was carried out within 12 months of previous check	86	95.6%
Houses where safety check was up to 1 month late	3	3.3%
Houses where safety check was between 1 and 3 months late	1	1.1%
Houses where safety check was more than 3 months late	0	0%

4.20 We looked at the gas safety records for some of the Association's houses, and found that all of the 4 cases where a safety certificate was not obtained within 12 months of the previous check had resulted from tenants failing to give the Association's contractor access to the properties. Three of those four cases were resolved within a further seven days of the current certificate expiring. We also saw that Rural Stirling had altered its approach to planning safety checks where access problems had previously occurred and it has recently established a 10 month cycle of gas safety inspections. Its Committee has also recently approved the use of legal action to obtain access to houses where the contractor has been unable to gain entry.

4.21 From May 2004, social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Rural Stirling had already identified that there is no asbestos in its current properties and has put an asbestos management plan in place.

- 4.22 Rural Stirling has a clear written re-let standard which aims to ensure that the houses it lets are safe and in a good condition. Until recently it did not systematically record details of repairs required to each of its empty properties. The Association made changes to its void property procedures to strengthen its approach here.
- 4.23 Overall Rural Stirling's performance in this area is good. Its houses are in good condition and there is an effective approach to planning its cyclical maintenance* programme. The Association has a good approach to ensuring its empty houses are re-let to a consistent standard. It has good awareness of its weaknesses in meeting gas safety requirements and has taken clear steps to address them.

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.

- 4.24 The Association's tenant satisfaction survey in December 2004 gave it good information on tenants' views of the repairs service. Rural Stirling also uses a questionnaire to collect feedback from tenants following the completion of each repair. This shows that the vast majority of tenants are satisfied with the overall repairs service they receive. The Association analyses the information and regularly reports it to the Committee. However, the feedback collected is limited to one question about the tenant's overall impression of the repairs service. Tenants highlighted this at Rural Stirling's tenant consultation event in August and the Association plans to widen the scope of the feedback collected as part of its forthcoming response repairs policy review.
- 4.25 Rural Stirling has a good approach to responding to customer feedback. We saw examples of tenant involvement in identifying areas for improvement in the property maintenance service and the Association is addressing weaknesses identified through tenant feedback.
- 4.26 Rural Stirling has a good approach to publicising its complaints procedure and to assisting tenants to make complaints. We looked at a range of complaints about the property maintenance service and these demonstrated that the Association

* see glossary

generally has a good approach to dealing with complaints and a positive approach to using complaint outcomes to improve services. However, as we highlighted at section 3.38, timescales for dealing with complaints are not always met.

- 4.27 Rural Stirling is developing its planned maintenance* programme in light of its stock condition information. It has not as yet engaged with tenants about the priorities and timescales of future major works to their homes, although it has consulted with tenants over cyclical programmes such as its external redecoration programme. It has plans for tenant consultation on its proposed life cycle maintenance programme to commence once it has final stock condition survey results in early 2006.
- 4.28 Rural Stirling's performance in engaging with and responding to tenants on its property maintenance service overall is good. It has shown a commitment to seeking tenants views on aspects of the property maintenance service and we have seen examples of where it has acted on feedback. Its broader approach to tenant participation in the development and delivery of the service as a whole is developing as its maintenance activity increases.

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.

- 4.29 Rural Stirling's maintenance budgets take account of past performance and anticipated future needs, and it recognises that its assessment of future needs may change once its full stock condition survey is complete. The Association sets and monitors budgets for local areas and provides Committee with detailed reports on costs.
- 4.30 The Association's response repair maintenance costs per house have decreased over the last two years, due in the main, to being spread over an increasing stock number. Its costs remain below peer group figures and national medians.

* see glossary

Current indications for 2005/06 show that costs are likely to reduce slightly to around £118 per house.

- 4.31 All of Rural Stirling's response repairs are commissioned on an individual contract rate basis and allocated to approved contractors operating either in specific localities, or across the Rural Stirling area, depending on the particular repair and area concerned. The relatively low cost of repairs for a small rural RSL, against high levels of tenant satisfaction achieved, indicates that the Association is achieving an effective balance between quality and price. Rural Stirling recognises that it needs to develop a more formal system for monitoring costs, to enable it to clearly demonstrate that it achieves value for money for its response repairs service. We found that the Association does not have up to date public liability insurance details for all its repairs contractors, and whilst it responded quickly to this weakness when we highlighted it during the inspection it needs to strengthen its approach here.
- 4.32 Rural Stirling formally tenders its cyclical and major maintenance works on a project-by-project basis, using traditional procurement* methods. It plans to review its procurement approach as part of the forthcoming repairs policy review, to ensure a greater focus on clearly balancing quality and price in its procurement decisions.
- 4.33 Rural Stirling invoices tenants for all rechargeable repairs*. In 2004/05 it recovered 61% of the £826.62 tenants owed the Association, a considerable improvement compared with 9.5% the previous year. However, the Association recognises that its performance in recovering rechargeable repairs still needs to improve and is putting measures in place to address this.
- 4.34 Rural Stirling's approach to controlling budgets for response repairs is effective and arrangements for procuring cyclical maintenance work well. It needs to further develop its approach to procuring response repair services so that the Association can clearly demonstrate that it is achieving value for money. The Association also recognises the need to develop its approach to procuring

* see glossary
* see glossary

planned maintenance work, to ensure it achieves value for money, as this type of work becomes a more significant part of its overall maintenance expenditure.

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 Rural Stirling has a good approach to managing the property maintenance service, although some areas of its performance management framework are underdeveloped. The Association has corporate objectives set out in its IMP that outline the Association's aims for the property maintenance service. These are linked with objectives for the management and delivery of core services, including property maintenance. The IMP sets the current targets for response repairs completion within its key performance indicators^{*}, but does not specify what measures will be taken to achieve them, or set performance targets or indicators for the property maintenance service for areas other than response repairs.
- 4.36 The Association reports quarterly on the performance of its property maintenance service. These reports provide a good range of information on response and cyclical maintenance activity, including analysis of performance against the Association's targets. Rural Stirling also makes good use of tenant feedback in providing a continuous assessment of how the repairs service is performing.
- 4.37 The Association has a good awareness of its current performance and we saw that it had identified its weaker performance in operational areas through its own performance management processes. It has been slow to review and update its repairs and maintenance policy - which was approved in 1999 and was not reviewed before October 2005 – although it did review its repairs procedures earlier this year and these provide clear guidance and direction on key activities. The Association provides a good level of information on performance to the committee and makes good use of tenant feedback as a key element of its own performance assessments.

* See glossary

Grade and overall assessment of property maintenance

- 4.38 Our overall assessment is that Rural Stirling's property maintenance service is good. We found many strengths in the service along with some areas where improvement is needed. We set out below the key factors we have taken into account in coming to our overall assessment.
- 4.39 Rural Stirling's houses are built to a high standard and its properties are well maintained. The Association is carrying out regular and well managed programmes of cyclical maintenance and is committed to improving the quality of its maintenance services. Access to the repairs service is good, repairs are carried out quickly and tenants are generally happy with the service they receive. The Association has a good awareness of its strengths and weaknesses and is taking positive steps to identify and address weaknesses in the repairs service.
- 4.40 Alongside these strengths, we found some areas for improvement including:
- the Association has not fully met its statutory duties in relation to the management of gas safety for a small number of properties;
 - methods of procuring response repairs which mean it cannot always demonstrate the value for money it is achieving; and
 - the recording and use of results of pre and post inspections.

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 Rural Stirling's activities are directed and controlled by the Association's Management Committee. Its members have a strong awareness of the range of issues and challenges facing the Association and demonstrate a clear vision of its purpose and the future direction for Rural Stirling.
- 5.2 The Association's IMP covers the three year period from 2005/06 to 2007/08 and sets out Rural Stirling's overall aims and organisational objectives. The IMP has both a short and medium term focus, detailing the Association's immediate and future goals, shows a good understanding of its operating context and links with the Association's financial plans. However, not all of the Association's staff were involved in its preparation and it does not consistently detail how overall objectives translate into specific activities and targets for services or individual staff members.
- 5.3 The Association is aware of improvements it needs to make to its approach to planning following an internal audit of its strategic control arrangements. It revised its IMP in September 2005 as planned to take account of the Association's strategic risk assessment and its residents survey outcomes, and also to address the weaknesses identified by the audit.
- 5.4 Rural Stirling has a clear sense of purpose and direction. It has recognised the limitations of its current planning processes and is taking steps to improve them. At present, the IMP does not provide staff with a consistent level of detail across the key service areas on how individual staff objectives flow from its overall aims, and how achievement of key tasks will be measured. However Rural Stirling plans to develop individual staff work plans and training programmes, to ensure its strategic aims are effectively translated into key objectives for staff.

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.

- 5.5 Rural Stirling's Management Committee has a clear understanding of its role and works constructively with staff. The full Committee meets eleven times a year and receives minutes and reports from an Audit sub committee, Office Bearers' group and from working groups set up to consider specific issues and make recommendations to the Committee. The functions and powers of the Committee and its supporting groups are detailed clearly in the Association's Standing Orders, which were reviewed in June 2005.
- 5.6 The Committee is the Association's sole decision-making group, and we saw that its meetings can be long and the range of issues for discussion and decision are not prioritised. The Association recognises that the current structure places heavy demands on members and has considered creating additional sub committees to deal with areas of the Association's business. However, there are real challenges faced by members who live across a wide geographical area in attending further additional meetings.
- 5.7 The Committee receives an extensive range of reports covering the Association's business, including quarterly and monthly reports on housing management and property maintenance. The reports provide good levels of detail, with comparisons against targets and analysis of trends, and service user satisfaction information. They do not routinely include comparisons with benchmarks or other landlords, although Rural Stirling has developed a benchmarking framework with other RSLs through the Forth Valley Housing Network, and plans to introduce this during 2006. The reports include useful narrative to explain key issues and factors influencing performance, but do not always follow a consistent format. For example reports on the Association's successive local lettings initiatives, and the presentation and assessment of risk within reports generally, are not presented in a consistent format which would assist the analysis of trends.
- 5.8 The Association's reports on proposed legal action for rent arrears confirm that appropriate actions have been taken to manage the arrears, but include tenants personal details such as age and gender, and this is inappropriate.

- 5.9 Rural Stirling's recent internal audit of its internal governance structures has ensured that it is aware that improvements are required in its committee reporting systems and the Association is responding to the issues raised. During 2005 it began an organisational review, covering its staff structure and roles, and it plans to complete this in early 2006.

Developing capacity

Social landlords should ensure their governing bodies have the skills and experience they need to perform well, develop their capacity and evaluate their performance.

- 5.10 Rural Stirling has a strong, well established Management Committee that includes three tenants and individuals with a wide range of experience. The Association has a good awareness of the Committee's strengths and weaknesses and has attracted new Committee members whose skills meet the needs of the organisation.
- 5.11 Rural Stirling regularly reviews the composition and skills profile of its Committee and individual members. It has recognised that its approach to committee training and development can be strengthened and is establishing a formalised induction process for new Members that includes specific training sessions for individuals new to committee work. Committee members told us they were very satisfied with the opportunities for training and support the Association provides.
- 5.12 Rural Stirling's approach to recruiting new Committee members is not formally articulated, although it follows a clear path through encouraging individuals to get involved in the Tenants Forum and working groups, with a view to becoming potential future Committee members. When a vacancy on Committee arises, the existing Committee members and senior staff seek to co-opt individuals to fill any perceived skills gaps. Rural Stirling has also used articles in the local press to encourage people to join the Association, but it does not publicise the skills and experiences which potential Committee members would need. The Association has benefited from having a well-skilled, largely stable, Committee membership for a number of years, but it needs to develop a more focussed approach to attracting new members to ensure the Committee continues to be effective.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 5.13 A strong membership and good levels of participation are important ways for a landlord to demonstrate accountability. Rural Stirling allows a broad range of people to become members of the Association, and it promotes membership effectively; membership levels have increased steadily in the last 3 years to 303. Fifty two percent, or 159, of Rural Stirling's members are its tenants. Of its 14 Committee members, 3 members, or 21% are tenants. Its last three AGMs were attended by on average 12% of its members; this is in line with the national average. The geographical spread of the communities Rural Stirling serves presents it with some challenges. The Association provides facilities such as transport and crèches to enable people to attend its AGMs, and uses different methods to encourage more people to attend, including combining the AGM with new development openings. Rural Stirling takes a positive approach to engaging with tenants and the wider public, and its tenant handbook and newsletters promote the benefits of membership.
- 5.14 We set out in section 3.36 the methods the Association uses to engage with and involve its stakeholders. It has also changed its Standing Orders to expand the membership of its short life working groups to include non-Members. This is a positive step, however the Association has not yet advised tenants how they may join and participate in the work of these groups.
- 5.15 Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance. Rural Stirling produces informative annual reports, a regular newsletter, a comprehensive tenant handbook and a range of leaflets and information sheets about its services. It does not have a website and acknowledges that tenant feedback highlights this as a significant weakness for a rural landlord. The Association is keen to address this, and the creation of a website is included as an objective within the IMP for completion by September 2006.

- 5.16 Rural Stirling includes relevant information in its annual report, but it does not use its newsletters to report on performance. Its annual report provides comparisons of its own performance in key areas against that of other landlords to show how well it is performing.
- 5.17 Overall Rural Stirling takes a good approach to accountability. It has developed a range of methods for service users to get involved in its activities and the expansion of its working groups to include non-members is a good way to encourage the input of individuals who might not wish to become formal Committee members. The Association is aware of areas where it can strengthen its approach further.

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.

- 5.18 Rural Stirling is aware of the importance of Committee members and staff maintaining high ethical standards. We found that it acts in accordance with statutory requirements relating to the granting of benefits in Schedule 7 of the Housing (Scotland) Act 2001. A recent internal audit report highlighted some shortcomings in the Association's approach to managing declarations of interest from Committee members and it put a number of measures in place in response, including a requirement for members to declare an interest on any agenda item at the start of each meeting, and expanding the Association's annual declaration of interests form for members and staff. It has not yet responded to a further recommendation on the creation of a declaration of interest policy for members and staff. We also found weaknesses in the Association's approach to managing potential or real conflicts of interest on the part of Committee members with rent arrears. Rural Stirling took immediate steps to ensure that its approach is now in line with good practice guidance.

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.

- 5.19 Rural Stirling had identified weaknesses in its approach to managing risk prior to this inspection and the committee approved a risk management policy in September 2005. The document identifies the key risks to the organisation and ranks them according to their potential impact and likelihood that they will materialise.
- 5.20 Rural Stirling is developing a positive approach to identifying and managing risk formally. Its risk assessment and strategy were appended to the IMP following its review in September 2005, and key risks that require to be addressed are included as objectives in the Plan. However it has not yet clearly linked specific risks in its IMP with its risk management policy, and it also needs to develop clear links between the policy and the way risk is assessed and presented within reports to the Committee.
- 5.21 Effective internal audit of all of the organisation's areas of activity is an integral part of risk management. In August 2005 Rural Stirling approved a three year programme of internal audit which covers all areas of activity. The Audit sub committee receives internal audit reports and oversees the implementation and monitoring of recommended improvements. The Association has not yet updated its Audit plan to reflect the prioritisation of issues identified in its risk management policy.
- 5.22 We found that Rural Stirling's approach to governance has some strengths. The Committee has a strong range of experience and skills, provides a clear strategic direction and works well with staff. It demonstrates a commitment to engaging with tenants and stakeholders and is developing its good approach to involving tenants in its decision making. The Association and Committee are aware of issues around the effectiveness of the current governance structures, and of other areas where it needs to improve. We found some weaknesses around its procedures for managing conflicts of interest which the Association has agreed to review.

Financial viability and management

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

- 5.23 Rural Stirling's long term financial projections covering a 50-year period show the Association will continue to be financially viable in the future. These projections were agreed by the Committee in September 2005, and are based on a range of reasonable assumptions, including predicted costs of major repairs required to enable the Association to meet the requirements of the Scottish Housing Quality Standard (SHQS). The Association is aware that its cost assumptions may change once the forthcoming stock condition survey results are known, and it plans to update its projections to form the basis for a more detailed financial plan for the first 5 years of the revised 50 year projections.
- 5.24 The Association has a good overall budget setting process in place, with some areas that require improvement. Its papers to the Committee for the most recent budget setting exercise include a good level of detail and clearly explain the supporting rationale for the proposed budget figures. However, the documents presented to the Committee deal only with income and expenditure items: there is no balance sheet, cashflow statement or key performance indicator information. The Association recognised these omissions and has taken steps to address this for future budgets.
- 5.25 Rural Stirling's Committee receives regular quarterly financial reports comparing actual income and expenditure against budget. The reports provide some good information showing actual income and expenditure and estimated outturns, with narrative explaining variances from the budget. As with the budget statement there is no cashflow included nor financial performance against key indicators to clearly see the effects of any variations from the agreed budget.

Financial performance	2002/03 (Actual) £000s	2003/04 (Actual) £000s	2004/05 (Actual) £000s	2005/06 (Budget) £000s
Turnover	931	845	981	1103
Operating Surplus/ (Deficit)	326	342	419	441
Net Surplus/(Deficit)	157	166	231	185

5.26 Rural Stirling's financial management framework is good with many strengths and some areas where improvement is required. The Association is financially viable in the short and medium term with a strengthening balance sheet and increasing surpluses. It is aware that it will need to review its long term financial projections when it receives the results of its forthcoming full stock condition survey.

6. Areas for Improvement Action

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.

Across all of its activities, Rural Stirling should:

- further develop its approach to equalities and make key information on its activities and services available in alternative formats;
- translate organisational objectives in its IMP into measurable service and individual SMART objectives and targets;
- develop the use of benchmarks in its regular performance reports to Committee; and
- develop the range of performance information it makes available to service users.

In housing management Rural Stirling should:

- improve its monitoring and analysis of equalities issues relating to its allocations decisions, including those made under its local lettings initiatives;
- improve its performance in managing rent arrears and its empty houses; and
- improve the ways it records and communicates information on the actions and outcomes of tenants' complaints about anti-social behaviour and neighbour nuisance.

In property maintenance Rural Stirling should:

- improve its performance in order to fully meet gas safety regulations;
- improve its approach to recording and analysing the results of pre and post inspections of repairs;
- extend the information it provides tenants on the Right to Repair to include clear information on the availability of second contractors; and
- revise the information on repairs targets it provides to tenants to ensure it accurately reflects practice.

In governance and financial management Rural Stirling should:

- strengthen its strategic planning process by involving staff more systematically in the development of objectives, and plans for their delivery;

- strengthen its approach to risk management by cross referencing the assessment of risk within the IMP with its risk management policy, and by ensuring that its internal audit priorities reflect those in its risk management policy;
- develop a standardised format for reporting performance and presenting proposals to the Committee, to ensure that key aspects are given appropriate and consistent coverage; and
- formalise its approach to attracting and recruiting new Committee and sub group members and to publicising the skills and attributes that are required;

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. The plan should show how the organisation intends to respond to our findings. We do not require Rural Stirling to submit an improvement plan. We will inspect once every five years and follow up improvement plans after two years.
- 7.2 If you would like to find out how Rural Stirling is responding to the findings in this report you should contact:

Rural Stirling Housing Association

Stirling Road

Doone

Perthshire

FK16 6AA

Telephone: 01786 841101

E-mail: tony@rsha.demon.co.uk

Sources of Evidence

Groups and third parties consulted

- Stirling Council
- Scottish Public Services Ombudsman*
- Communities Scotland Investment Team
- Communities Scotland Tenant Participation Development Team

Interviews / meetings

- Members of the Association's Committee
- Agency Services Co-ordinator
- Senior Housing Officer
- Maintenance Officer
- Housing Officer
- Housing Assistant
- Administrative Officer
- Applicant for housing
- Discussions with a range of tenants
- Members of the Tenants' Forum

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 abandoned house records
- Review of information for applicants and tenants
- Shadowing* arrears visits
- Shadowing repairs visits
- Shadowing empty house inspections
- Shadowing tenancy sign-up
- Shadowing a new tenant settling-in visit
- Estate visits
- Observation of the provision of information and advice
- Observation of committee and sub-committee meetings
- Review of Schedule 7 and gifts and hospitality registers

* see glossary

Key documents reviewed

- Inspection submission*
- Allocations policy
- Section 5 Protocol and Nominations Agreement
- Tenant participation strategy and Action Plan
- Resident Satisfaction and Income survey
- Additional service user consultation documents
- Procedures for consulting tenants on the proposed rent increase
- Procedures for consultation with tenants and other users on policy reviews
- Equal opportunities policy
- Estate management policy
- Arrears management policy
- Committee and sub-committee minutes
- Staff training plans
- A range of written communication with tenants and service users
- Annual Report
- Internal Management Plan
- Internal Audit Report
- Internal Audit Plan
- Maintenance Policy
- Contractor Reviews
- Empty house standards
- Newsletters

* see glossary

Glossary

Affordability	An Assessment of what a tenant can pay towards an arrear after living costs and other debts have been taken account off.
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.
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.
ICT	A landlord's information communication technology system.
Industrial and Provident Society	An organisation conducting its business, either as a co-operative or for the benefit of the community, and which is registered under the Industrial and Provident Societies Act 1965.
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.
Internal Management Plan (IMP)	Strategic plan which sets out what the organisation aims and objectives are as well as outlining how it will achieve them.
National median	The central value of the ordered performance of all Scottish RSLs.
Non Technical Arrears	Rental charges owed to a landlord after any outstanding Housing Benefit claims or payments have been taken account of.
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.
Post Inspection	Inspection by a member of the landlords staff to check the on the quality or deal with a complaint concerning a response repair.
Procurement	The way an organisation obtains services or materials from other organisations or agents.
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.
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.
Response repairs	Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance.
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	Statutory scheme which sets out timescales for some repairs and actions which can be taken if timescales exceeded.
Schedule of Rates	List of costs for repair items, usually organised by trade.
Scottish Public Services Ombudsman	The independent body appointed to investigate individual complaints against public service bodies including Registered Social Landlords (RSL).
Scottish Housing Quality Standard (SHQS)	Was brought into to ensure minimum quality standards across all of Scotland's homes and is to be achieved by 2015.

Scottish Secure Tenancy (SST)	The Housing (Scotland) Act 2001 establishes the as the tenancy for all tenants of social landlords in Scotland.
Schedule 7 of the The Housing (Scotland) Act 2001	Defines how those involved with RSLs (governing body members and staff) do not benefit in an inappropriate fashion.
Section 5 referral	Under Section 5 of the Housing (Scotland) Act 2001 a local authority can request a registered social landlord which has accommodation in its area to provide accommodation to homeless people. This request is known as a Section 5 referral.
Serious arrears	Where a tenant owes more than 13 weeks rent payments and this is more than £250.
Service level agreement (SLA)	An agreement between departments within an organisation or between partner organisations that defines the type and level of service they will provide.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
Shared ownership	Where a person buys a share in the ownership of a property (typically 25 or 50%) and pays a reduced rent on the remainder to the housing association owning the other share.
SMART	The setting of targets which are specific, measurable, achievable, relevant and timed.
Stakeholder(s)	Any person organisation who obtains a service from the landlord or is effected by the landlords actions.
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.
Suspension or Suspension Policy	Policy by which a landlord may temporarily suspend an applicant from receiving offers from its housing list as defined in the 1987 Housing (Scotland) Act and amended in the 2001 Housing (Scotland) Act.
Technical Arrears	Rental charges owed to a landlord as a result of an outstanding Housing Benefit claim or payment.
Turnover (empty houses)	The number of houses that are vacated in a year expressed as a percentage of the landlords housing stock.

Regulation & Inspection

EDINBURGH

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

GLASGOW

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