

Communities Scotland
Inspection report

Soroptimist Housing (Dundee)

October 2005

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1. Introduction

About this inspection

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

How we assessed performance

1.2 Our inspector asked two key questions:

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

1.3 In order to answer these questions the inspector:

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

The inspection team

1.4 The inspection team was led by Carol Paton an Associate Inspector, supported by Lynne Bell (Financial Analyst). We were on site on 30 May 2005. We would like to thank everyone involved in the inspection, particularly the Management Committee, staff and agency staff for their time and co-operation.

Responding to this inspection

1.5 We expect all inspected bodies to make 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.

2. Context

About the Organisation

- 2.1 Soroptimist Housing (Dundee) Ltd (Soroptimist Dundee) is based in the west end of Dundee's inner city. Its principal aim is to provide well managed and maintained housing for single elderly women in the Dundee area. It provides 16 one bedroom flats and one two bedroom house in "Muirlands" - a sheltered housing courtyard development built in 1992. The 16 tenants are older single women who receive a service from an on-site Scheme Manager. Part of the Association's business is the provision of housing support but this is outside the remit of our inspection and we have not made any assessment of the support service.
- 2.2 Soroptimist Dundee was registered in 1976, with the then Housing Corporation in Scotland, and is an Industrial & Provident Society and a registered charity. Soroptimist International is a worldwide organisation for women in management and the professions. The Association was established with the support of public sector grant and a legacy which stipulated the provision of housing for retired business professional women in Dundee with priority to applicants who were, or had been part of Soroptimist International.
- 2.3 The Association employs 2 members of staff; a Scheme Manager, who provides a daytime emergency call service and meals, and a Sheltered Housing Auxiliary. The housing support service is registered with the Care Commission. Angus Housing Association has provided agency services for the last 6 years in housing management, property maintenance and financial services. Servite Housing Association took over as management agents in July 2005.
- 2.4 The table below gives background information about the Association and shows trends over the last three financial years.

Key Facts

	2002-2003	2003-2004	2004-2005
Houses owned	17	17	17
Employees	1	2	2
Annual turnover (£000s)	56	57	61
Total possible rental income (£000s)	58	58	60
Total Arrears (£'s)	112	116	0
Average ¹ weekly rent	30.63	31.82	33.03
Houses re-let ²	0	1	2
Average days to re-let	0	93	106
Responsive repairs carried out	-	40	40*

*repairs to May 2005

¹ see glossary

² see glossary

3. How good are the services?

Housing Management

Access

Social landlords should provide open, fair and equal access to their housing lists³ and should work with partners to simplify and maximise access to housing.

- 3.1 The terms on which the Association is founded have restricted its ability to provide open access to its housing. In accordance with the objects of the Association, housing is provided for retired professional business women in Dundee, preference being given to applicants who are or previously have been members of Soroptimist International. As its charitable objects include providing housing to women only, the Association is exempt from the relevant sex discrimination legislation. However, the Housing (Scotland) Act 2001 requires the Association to admit any applicant to its list who is over the age of 16 years irrespective of gender. Thereafter, in accordance with its rules, it can use gender as a qualifying criterion for prioritising letting the property. Currently all applicants and tenants are white women.
- 3.2 Given its origins and objects, the Association has not fully considered how it can promote equal opportunities in relation to access to its services. It is not complying fully with the spirit of its own equal opportunities policy to make its services known to disadvantaged groups and although the composition of the Committee reflects the community of tenants, other stakeholders could be represented which would reflect a broader community of interest. Until the Association resolves the fundamental issue regarding providing fair and equal access to its housing it will be unable to demonstrate a commitment to equality and diversity. Although the particular nature of the accommodation means that demand for this type of housing might be expected to be low from older people within black and minority ethnic (BME) communities, Soroptimist Dundee could do more to explore BME demand for its housing.

³ see glossary

Meeting need and maximising choice

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

- 3.3 Soroptimist Dundee's allocations policy is not based on meeting housing need in the terms of the Housing (Scotland) Act 2001 (the 2001 Act). The housing has been developed for occupation by older people and eligibility for a tenancy is related to age. Thereafter, the allocation of housing should be on the basis of need. However, according to the policy access to the housing is given principally on the basis of age and thereafter priority on the basis of membership of Soroptimist International and date of application. If an applicant has medical needs, supported by the Department of Community Medicine, they receive a higher priority although it is not clear from the policy exactly how this prioritisation would be applied. In practice, the Association is housing people who have elements of housing need, such as for secure housing with an element of support, but this is not well described in the policy. The combined effect of the policy and the exclusive nature of the housing, and a low turnover of property, means that the Association is struggling to identify demand for its properties and prioritisation between more than one eligible applicant is rarely necessary.
- 3.4 Historically and in accordance with its objects the Association has let its housing to professional women rather than in response to housing need. The Association has recently removed this criterion from its allocation policy but current tenants are women with personal income. This situation is likely to continue as the Council has interpreted Supporting People grant rules in a way which is preventing Soroptimist Dundee becoming an approved provider. Tenants are not eligible for assistance with their support costs and as the support costs are higher than the rent, this further restricts the ability to expand access to its housing and meet housing need to people who cannot fund their own support costs. The Association is pursuing a formal complaint with Dundee City Council.
- 3.5 From our examination of case files, the practice of identifying prospective tenants is in line with the allocations policy, although record keeping could be improved to ensure absolute transparency and a clear audit trail of the allocation process. Recent practice has been to advertise vacancies in the local press and to contact everyone on the waiting list. Refusals have tended to be in response to the lack

of Supporting People funding. Dundee Council has not required a nominations agreement and there have been no Section 5 homeless referrals.

- 3.6 Soroptimist Dundee maximises choice for applicants. Many applicants remain on the waiting list in anticipation of being interested at a point in the future and when the particular property that they would like becomes available.

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.

- 3.7 The Association is successful in sustaining tenancies and turnover is very low with only 3 vacancies arising in the last 3 years. All tenants have a Scottish Secure Tenancy (SST)⁴. There has been no legal action taken against any tenant for being in breach of their SST.

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.

- 3.8 The sheltered housing development is arranged around a private landscaped courtyard. The standard of the properties and the internal and external communal areas is excellent. There is a real sense that Muirlands is a safe and secure place to live. The only estate management problem is unauthorised people using the private parking. The Association has considered a variety of options to improve this situation in consultation with the tenants.

Property Maintenance

Access to the repairs service

Social landlords should have arrangements in place that make it easy for tenants to report repairs and to have them carried out.

- 3.9 Tenants can report repairs easily and at any time either through the Scheme Manager or by contacting the Management Agent direct. Emergency repairs can be reported out of hours through the emergency call out service. The Scheme

⁴ see glossary

Manager can arrange access, on behalf of the tenants, which minimises non-access calls.

- 3.10 The information on the repairs service provided to tenants is poor. The Tenants Handbook does not explain the respective responsibilities of the landlord and the tenant and doesn't define the 4 different categories of repair. Right to Repair⁵ is not covered which inhibits the tenant's opportunity to make alternative arrangements. In practice there has only been one instance of a Right to Repair in a 3 month period but the Association should ensure tenants are aware of their rights in this regard.

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.

- 3.11 There have only been 40 repairs carried out in 2004/05. Performance of the repairs service is monitored in terms of the time it takes to respond compared to target timescales. There is no evidence of the level of tenant satisfaction with the repairs service and when the Inspector met with tenants, they expressed some frustration with delays to communal repairs such as lighting.
- 3.12 The targets set for the time to respond to emergency and urgent repairs are more challenging than other RSLs⁶, at 3 hours and one working day respectively, but the target for routine repairs is 18 days compared with the national median⁷ of 10 days. Performance, as measured by the Association, has generally improved over the last 3 years but declined in the handful of emergency cases. Comparisons with other RSLs are difficult with such a small number of repairs and the likelihood that a few delays will skew results. The picture of performance is incomplete in that the Association doesn't record the time from when the tenant reports a repair to the Scheme Manager. Nor does the Association validate the completion time, all of which shows some weaknesses in demonstrating actual repairs performance. However, the management agents do use a sample of pre

⁵ see glossary

⁶ see glossary

⁷ see glossary

and post inspections to ensure repairs are targeted accurately and carried out properly.

- 3.13 The Association relies on exception reporting to identify if a repair has not been carried out in time. The tenant does not get a note of the target response time on their order copy which inhibits their ability to query any delays.

Physical quality of houses

Social landlords should have good information about the condition of their houses and should deliver effective maintenance programmes that take account of housing quality and home safety needs.

- 3.14 Soroptimist Dundee has plans in place for the future maintenance of its property over 40 years. The first major renewal is planned for 2008. 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 a plan showing how they will achieve this, by April 2005. Soroptimist Dundee has prepared its plan for compliance with SHQS. The building is relatively modern and the items identified in addition to the life cycle costing⁸, will be accommodated within the statutory timescale.
- 3.15 Soroptimist Dundee demonstrates excellent performance in terms of home safety. Due to the age of the properties there is no asbestos or lead pipe work. There is a fully automatic fire alarm system and a controlled entry system. There are no gas appliances.

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.

- 3.16 There is regular monthly contact between the tenants, Scheme Manager and members of the Committee in a genuine effort to consult tenants and take account of their views. In particular, tenants have been involved from an early stage in the Committee's reflections on the strategic options for the future of the Association. There is no hard evidence to demonstrate tenants' satisfaction with the service provided but during the inspection we met with the majority of tenants who were highly satisfied with the standard of the houses and the services

generally. There was some frustration with delays in communal repairs and some confusion about the scope of the Scheme Manager's duties. Generally tenants feel their level of involvement in decisions about the service is appropriate but would welcome more information about their service in the Tenants Handbook and newsletter. The rent consultation exercise provided detailed information about the rents and service charges and got a high response rate from tenants. It is good that changes were made to the information provided in response to tenants' comments the previous year.

3.17 The complaints policy is not presented in a manner which welcomes complaints to put things right, nor is the procedure clear. There has only been one formal complaint but the tenants met during the inspection demonstrate a confidence in articulating their views and the regular opportunities available to communicate with staff and Committee have prevented the need to formalise issues.

3.18 When we talked to the tenants during the inspection it was apparent that the services of the Scheme Manager are highly rated but expectations and demands regarding her responsiveness vary. The current role and the financial sustainability of this post is the subject of discussion with tenants but it would be beneficial to have the scope of the on-site service, and the managing agents, more clearly articulated in the Tenants Handbook. The Tenants Handbook is basic and has not been updated to take account of new rights and responsibilities in the 2001 Act. There is limited information about tenancy matters and service delivery and important issues such as tenant participation, right to repair and adaptations are not covered.

⁸ see glossary

4. Is the service managed for improvement?

Resource management and efficiency

Social landlords should maximise their income, in a way that is fair to service users, and manage costs effectively.

- 4.1 The performance in rent collection is excellent. However, there are significant weaknesses in the Association's performance in maximising income and managing costs effectively. Although the rent is comparable with other RSLs, the cost of the on-site service shared between 16 tenants is very high. Out of a concern about affordability the Committee has not fully reflected actual costs in the rent and service charge with the result that income has not kept pace with the costs. The Association has started to consider its options to reduce the service, increase income or make economies of scale to remedy this situation.
- 4.2 The average time to relet a property is poor compared to other RSLs, at an average of over 90 days for the last 3 void properties over the last 3 years. Rent loss has been 3 times higher than the median for peer RSLs at 2.6% in 2004/05. This reflects the difficulty in identifying potential demand for the properties due to the restrictions in the allocations policy and in the availability of Supporting People money. The Association has taken steps to move away from its previous practice and now asks for nominations from the Council and advertises. However, without a fundamental change to the allocations policy and resolving the issue about Supporting People funding, Soroptimist Dundee will continue to experience this problem.

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

- 4.3 Maintenance costs are higher than peer RSLs which reflects the additional spend on cyclical maintenance⁹ in 2003/04 and the lack of economies of scale in reactive repairs. The procurement of contractors, including the tendering procedure which was examined during the inspection, follows good practice and is adequate for the volume and complexity of the work involved.

⁹ see glossary

Performance management

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

- 4.4 There are several weaknesses in Soroptimist Dundee's performance management framework. There is no strategic or operational plan setting out the aims, objectives and targets for services. The Association demonstrates that it is working to improve services through the review of strategic options for the future of Soroptimist Dundee. The Committee has concerns about the long-term sustainability of the organisation and commissioned an independent option appraisal of strategic options. The absence of a plan in this instance does not represent a lack of strategic direction but does potentially inhibit the Committee's ability to assess the performance of its agents.
- 4.5 The agent reports performance on a monthly basis. There are some weaknesses in the performance management information in particular the lack of information on reactive repairs. Whilst it is acknowledged that there is a small volume of work, there is no framework against which agents can report actual performance.

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 The governing body comprises capable individuals with a range of relevant experience and skills, 2 of whom are tenants. Attendance at Committee meetings is very good and at the meeting held with Committee during the inspection, members demonstrated a confident and strategic awareness of the issues facing the Association and the matters of concern to tenants.
- 5.2 The agreement with the managing agent does not include governance. The Committee exercises control over Soroptimist Dundee's business and is involved in business detail which could be delegated to management agents. Given the small size of the organisation and the low volume of business, this involvement hasn't interrupted business continuity but does involve the Committee in more operational work than is normally expected of a governing body.
- 5.3 There is a lack of documentary evidence for some aspects of the Association's work which has to be balanced against the close relationship between the Committee and the tenants. However, the accountability of the managing agent to the Committee for the service provided is diluted or confused if the Committee does not look to the agent to evidence tenant views of the service.
- 5.4 The independent option appraisal commissioned by the Committee was a focused and useful assessment of the risks and options open to the Association and has helped the Committee identify a suitable new management agent specialising in sheltered housing.
- 5.5 The Committee has performed well in directly managing the process of selecting a new agent with a view to a possible transfer of engagements. The process was well thought out and involved considering various alternative agents.

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.

5.6 Schedule 7 of the Housing (Scotland) Act 2001 prevents committee members, staff and their close relatives from benefiting personally from their connections with an RSL. Soroptimist Dundee complies with Schedule 7. The Association has adopted the SFHA's Code of Governance and in the course of our inspection we found no evidence to suggest the Committee acts in other than an ethical manner in its governance of the Association.

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.

5.7 The risk management process is not formalised or documented. However, in practice the Committee can demonstrate it is aware of the key risks facing the Association and is taking action to resolve these. Key risks are: annual deficits, future uncertainty of Supporting People funding and the long term ability to meet the financial requirements of life cycle costing. The Committee acknowledges that the status quo is not an option to protect the service to tenants, prospective tenants and to maintain the property in the longer term. The decision to review the provision of on-site scheme management staff and to explore a transfer of engagements is an appropriate and mature response to the risks facing the organisation.

Financial viability and management

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

5.8 The organisation has had a fair financial position over the last 4 years to 31 March 2004 although it had a net deficit of £10,300 in 2004 due to improvement works. Deficits are forecast for 2004/05 and 2005/06 respectively. However, the organisation has no debt and has strong cash balances.

Financial Performance	2000/01 £000's Actual	2001/02 £000's Actual	2002/03 £000's Actual	2003/04 £000's Actual	2004/05 £000's Budget	2005/06 £000's Budget
Turnover (£000s)	52.8	64.3	56.3	57.0	64.6	67.2
Operating Surplus (%)	(25.1)	(10.0)	(9.1)	(20.6)	(35.0)	(16.1)
Net Surplus (%)	0.2	5.2	1.4	(10.3)	(23.6)	(3.5)

- 5.9 Soroptimist Dundee cannot benefit from economies of scale and although financially viable in the medium term, it cannot demonstrate long-term sustainability. The 40-year cashflows are informed by the life cycle costing information and show medium term viability. However, deficits are projected in each of the later years as a result of which the strong cash balances are eroded gradually over time. Negative cash balances are forecast from 2026/27 onwards. Long-term sustainability is therefore not demonstrated by the existing cashflows.
- 5.10 The financial management framework has many areas of weakness. An annual budget is presented to Committee annually for approval. The information within the budget is very basic and limited to an income and expenditure account. Although a narrative is provided with the income and expenditure details, no reference is made to the previous year's budget or forecast outturn to set the budget in context and allow a comparison with the previous year. The budget and the 40-year projections are inconsistent and the budget package is limited and doesn't reflect recommended practice. There is no balance sheet, cashflow, or key performance indicators¹⁰. There is no comparison with the expected result for the current year.
- 5.11 Separate financial reports are prepared and presented to the Committee quarterly to monitor financial performance against budget. The information is again basic and limited to income and expenditure and does not show actual variance or a revised outturn to show the effect of variances on the budgeted deficit.

¹⁰ see glossary

6. Areas for improvement action

- 6.1 These are the key areas that need to be targeted for improvement action. They are broadly in order of priority:
- 6.2 Across all its areas of activity Soroptimist Dundee should:
- Improve the performance management framework.
 - Seek and provide evidence for tenants' views of the service.
- 6.3 In housing management Soroptimist Dundee should:
- Review its allocations policy to ensure that access to its housing complies with the Housing (Scotland) Act 2001.
 - Ensure that the process of selecting and prioritising is transparent to applicants and is based on housing need.
- 6.4 In property maintenance Soroptimist Housing Dundee should:
- Improve the reliability of the evidence for the standard of the repairs service.
- 6.5 In governance and financial management Soroptimist Housing Dundee should:
- Conclude exploration of its strategic options to ensure financial viability and compliance with the Housing (Scotland) Act 2001 and performance standards.
 - Review its equal opportunities policy to be a more meaningful approach to promoting equality and diversity within its current restrictions.
 - Ensure that financial management complies with published good practice.
 - Review the agency agreement to strengthen accountability of scheme staff and support to the Committee in all business areas.
 - Ensure that the nature and scope of the service and staff remits are understood by tenants.
 - Develop support planning in compliance with care guidelines.

7. Next steps

- 7.1 This report highlights our findings following this housing inspection. We expect Soroptimist Housing (Dundee) to respond effectively to our recommendations using an improvement plan to be submitted to us within eight weeks of the publication of this report. The plan should show how the organisation intends to respond to our findings. The plan will be agreed with us.
- 7.2 If you would like to see Soroptimist Housing (Dundee)'s improvement plan you should contact the Chairperson at:

Soroptimist Housing (Dundee) Limited
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12 Seafield Lane
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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 e-mail: janette.campbell@communitiesscotland.gsi.gov.uk.

Glossary

Average	The arithmetic mean – the sum of all the values divided by the number of values.
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.
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.
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.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.
Scottish Secure Tenancy (SST)	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.

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