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North Wales Housing Association

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Status of this report

This report has been prepared for the internal use of the named body. Our reports are prepared:

- In relation to audit, under the relevant enabling legislation and the responsibilities detailed in the Code of Audit and Inspection Practice, and in the context of the 'Statement of Responsibilities', issued by the Auditor General for Wales.
- In relation to inspection, following inspection work carried out under the Local Government Act 1999, as amended by the Public Audit (Wales) Act 2004, and in accordance with guidance issued by the National Assembly for Wales.

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Summary

The Welsh Assembly Government (the Assembly Government) has appointed the Wales Audit Office to carry out inspections of housing associations in Wales

1. Inspections of housing associations in Wales are carried out under Section 96c of the Government of Wales Act 1998. They assess how associations are meeting the expectations of the Assembly Government, as set out in its *Regulatory Code for Housing Associations in Wales*, March 2006 (the Regulatory Code). The relevant expectations are summarised at Appendix 1.
2. The inspection of North Wales Housing Association was undertaken in March 2006. The inspectors sought to answer two key questions in relation to the Association:
 - Does the Association deliver good quality services?
 - Does the Association secure continuous improvement in services?
3. The first question is applied to individual service areas, and the second is applied to the Association as a whole in relation to inspected services. The judgements used in answering the two questions are described in Appendix 2.
4. The inspectors concluded that North Wales Housing Association was providing satisfactory services in all areas, and that its approach to securing continuous improvement was raising standards in service delivery.

The Association was providing satisfactory services in all areas

5. The Association was providing satisfactory services in relation to its relationship with residents, equal opportunities, providing housing to meet local needs, rents, letting, housing management, maintenance and arranging housing for people with support needs.

The Association was raising standards in service delivery

6. The Association had a clear commitment to the achievement of improved performance, but it needed to improve its arrangements for performance management and to ensure that robust arrangements are applied across all of its continuous improvement activities. The Association could demonstrate evidence of service improvement in a range of service areas, although the quality of the Association's plans for further improvement was variable. The Association needed to ensure that it has the capacity and arrangements to deliver prioritised improvements.

The Association demonstrated good practice in some areas

Access to information

7. The Association has taken action to ensure wide access to its information. Arrangements are in place to facilitate the translation of documents into a variety of accessible formats, staff have been provided with guidance on document design and LanguageLine is available in all offices and direct access hostels.

Evaluation of probationary tenancies

8. The Association piloted the use of assured short hold tenancies as starter tenancies prior to their introduction in January 2006. The impact of the use of starter tenancies in these pilot areas was evaluated and the Association's decision to introduce starter tenancies for all new tenancies was based on that evaluation and the views of residents expressed in a variety of survey processes.

Approach to Best Value

9. The Association has developed a robust and effective approach to Best Value. The Association's Performance and Quality Co-ordinator is responsible for implementation, a clear methodology was being applied flexibly to all reviews and guidance was available for those leading reviews on how to tackle the 4Cs – Challenge, Consult, Compare, Compete – elements of each review. Each review resulted in a comprehensive report, summary and recommendations for action. Significant improvements in service have resulted from this approach.

This report makes a number of recommendations for improvement

10. The detailed report includes recommendations for improvement in each of the areas examined. These are brought together in Appendix 3.

The Association is required to take action in response to this report

11. The detailed report and the Association's commentary on it will be available on the Wales Audit Office website (www.wao.gov.uk), which also includes reference to good practice found during this and other inspections.
12. The Association is required to circulate our separate summary of this report to tenants and key stakeholders within eight weeks of publication. The Association should also produce a commentary and an Action Plan setting out how it will respond to the inspection findings within eight weeks of publication.

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13. The Lead Inspector will review the Action Plan, confirming whether it is acceptable or identifying any necessary changes, and will make recommendations to the Assembly Government regarding the frequency of progress reviews. The Assembly Regulation Co-ordinator assigned to the Association will undertake the progress reviews and, in consultation with the Lead Inspector, will 'sign off' completion of the Action Plan.

North Wales Housing Association is well established and serves communities in Conwy, Gwynedd and Ynys Môn

14. North Wales Housing Association Limited (the Association), is a Registered Social Landlord and an Industrial and Provident Society with charitable status. The Association was established in 1974 as Llandudno and North Wales Housing Trust becoming North Wales Housing Association Limited/Cymdeithas Tai Gogledd Cymru Cyf in 1987. At 31 December 2005, the Association managed 2,127 properties, serving communities in Conwy, Gwynedd and Ynys Môn.
15. The Association's head office is in Llandudno Junction. Housing services are providing from that office and from a second office in Bangor.
16. The Association is managed by a Board of 12 including three tenant board members. The Board meets ten times per year. An Audit Committee meets three times per year.
17. A Corporate Management Team, comprising the Chief Executive and the three Directors (for Operational Services, Corporate Services and Supported Housing), meets fortnightly to consider key strategic, policy and operational issues, and reviews performance on a monthly basis. The Association employed 137 staff at 31 December 2005. The Association had Investors in People status.

The Association was providing satisfactory services in all areas

The Association had 'satisfactory' arrangements in place for its relationship with residents

Whilst the Association was culturally committed to encouraging resident involvement, it lacked the systematic framework and approach needed to ensure that its involvement activity was fully effective

18. The Association carried out a wide range of activity to encourage resident involvement and had a clear cultural commitment to involving residents in its work. New initiatives aimed at increasing the level of resident involvement included the 200 Club and Clwb Seren, and the inspection team identified a range of examples where residents' views had influenced the Association's direction. These included the decision to retain and expand the Bangor office to enhance services in Ynys Môn and Gwynedd. This in principle commitment to resident involvement, and the Association's track record in listening to and acting upon the views of its residents, would give a strong foundation for the development of an effective approach to resident involvement if supported by a systematic framework for resident involvement activity.

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19. However, at the time of the inspection the Association did not have a systematic framework for its resident involvement activity.
- The Association's Resident Involvement Participation Policy was out of date and did not reflect current practices within the Association. Its Tenants' Compact, although recently reprinted to delete an out of date action plan, had not been reviewed since 2001. Neither document was linked to any kind of action plan with the result that involvement activity was not focused or regularly monitored or evaluated. The Association referred to a 'menu' of participation options but it was unclear what the 'menu' comprised and it was not publicised to residents to allow them to choose from the range of options available.
 - With the exception of the three tenants on the Board and invitations to 200 club members to participate in Best Value Reviews, the Association's involvement activity did not promote and support the effective involvement of residents in strategic and policy development.
 - Whilst involvement opportunities were available across all of the Association's housing stock, there was little evidence that involvement opportunities were tailored to meet the specific needs of supported housing tenants. The examples provided to the inspection team of attempts to tailor involvement activity within the supported housing stock were inconsistent and ineffective, and no guidelines on resident involvement standards were provided to the Association's managing agents.
 - The Association's Community Development activity operated within the context of its Community Cohesion Strategy. This too would have benefited from a clear action plan to focus, and allow evaluation of, activity.
 - Resident involvement activity was the responsibility of the Policy, Projects and Information Co-ordinator who also had responsibility for the Association's community development activities, giving potentially strong links between resident involvement and wider community development activity. Clwb Seren is supported by the Customer Liaison Officer. The work of both these posts would benefit from improved co-ordination between them, as well as clear action plans to allow appropriate planning, focus and monitoring and evaluation of activity.
20. The Association had developed two significant new resident involvement initiatives – the 200 Club and Clwb Seren. The 200 Club is a pool of residents who wish to be involved in the work of the Association. The Association had recruited more than 250 members to the Club and had ascertained their involvement preferences to ensure a targeted approach. Clwb Seren is an incentive scheme with benefits for those residents who meet membership criteria, based around a positive relationship with the Association. Benefits comprised a members' discount card and member access to community funds and competitions advertised through the Association's newsletter, *Clwb Seren*. The Association had no clear plans for the future development of either of these initiatives although it was planning a review of the first year of operation of Clwb Seren.

The Association needed a more strategic and planned approach to finding out and feeding back residents' views

21. The Association offered residents a wide range of opportunities to make their views known to the Association through, for example, Best Value Reviews, ongoing repairs satisfaction surveys, roadshows and the 200 Club, as well as specific consultations, for example on the development of the Association's Anti-Social Behaviour Policy. The Association was able to demonstrate a range of areas where the views of residents had been acted upon. A survey of all residents was carried out in summer 2005. Fifty-eight per cent of the Association's residents responded to the survey, which indicated that the majority of the Association's residents were satisfied with their home and the services provided by their landlord. Key findings included:
- 82 per cent were satisfied with the overall service provided by the Association;
 - 85 per cent believed that their rent represents good value;
 - 86 per cent were satisfied with their home and 84 per cent felt it was in good condition;
 - 79 per cent liked the neighbourhood where they lived, but some had concerns about various problems such as litter, vandalism and dogs;
 - 71 per cent found it easy to contact the right person, 84 per cent found the staff helpful the last time they had made contact with the Association and 67 per cent were satisfied with the final outcome;
 - the repairs and maintenance service was appreciated by 78 per cent of residents; and
 - 88 per cent felt well informed, 73 per cent felt their views were taken into account and 58 per cent were satisfied with the opportunities to be involved in the management of their homes.
22. The Association had developed an action plan to ensure that action was taken in response to the views expressed. However, the Association had no established framework within which to co-ordinate the gathering of and responses to residents' views. As a result, the planning of consultation processes and feeding back outcomes to residents was not always effective, and residents indicated that, whilst they are often asked for their views, they did not always see anything happening as a result.

The Association had recently improved its range of information and advice for residents but needed to ensure that it was providing essential service information to residents

23. The Association had recently improved the range of information and advice made available to residents. The Association was about to publish a revised Tenants' Handbook and a range of information leaflets, in addition to its quarterly newsletter, Annual Report and annual performance publication (*What's the Score?*). All publications were available bilingually and in a range of appropriate formats. A useful range of information – as well as access to services (rent payment and repairs reporting) – was also available on the Association's website. However, resident involvement in the production of Association literature was very limited. A change in approach to the Association's newsletter, linked to the development of Clwb Seren, had resulted in a reduction in the amount of essential service information being made available to residents through the newsletter. Residents revealed a lack of knowledge of key services such as complaints and debt prevention advice. The Association had yet to identify alternative means of providing important, regular information to residents.
24. The Association's Llandudno Junction office was fully compliant with the Disability Discrimination Act (DDA). Whilst the Bangor office was not DDA compliant and did not have private interview facilities, the Association was about to move to larger, fully DDA compliant premises in Bangor. Both the Llandudno Junction and Bangor offices had loop and minicom facilities.

The Association did not provide residents with the information they need to hold the Association accountable for the quality of services provided

25. The Association provided information on its own performance annually to residents through its *What's the Score?* publication, which included summary information on the comparative performance of other landlords and the opportunity for residents to request a full comparative performance report. However, the Association did not have a comprehensive range of service standards covering all of its services, with the result that it would have been difficult for residents to establish the standard of service they should expect and to hold the Association accountable for meeting that standard. The Association had a Complaints Policy which met Assembly Government requirements. However, front line staff did not demonstrate a clear understanding of the policy, and residents were not well informed about how to complain. The Association's complaints tracking system could also have been improved and the Association was not using reporting mechanisms to ensure that it was learning from complaints.

Recommendations	
<i>Relationship to residents</i>	
R1	Work in partnership with residents to develop a comprehensive and systematic framework for resident involvement and community development activities to include action plans and evaluation and tailoring of involvement opportunities to meet the specific needs of supported housing tenants.
R2	Develop approach to gathering, responding to and acting on residents' views to improve planning and quality of information gathering and feedback to residents of outcomes.
R3	Involve residents in the development of information and advice and ensure that residents receive essential service information.
R4	Work with residents to develop a comprehensive range of service standards and related monitoring and reporting arrangements.

The Association had 'satisfactory' equal opportunities arrangements in place for service users and employees

The Association promoted respect for diversity and equality of opportunity, but did not have appropriate equalities targets and monitoring systems to enable it to evaluate the impact of its activity

26. Census data indicates that 1.03 per cent of the population of the Association's area of operation is non-white, whereas 0.8 per cent of the Association's tenants were non-white.
27. The Association had an Equal Opportunities Policy though this was not supported by an action plan against which delivery could be evaluated. All staff and Board members had undertaken equality and diversity training.
28. The Association was a member of the North Wales RSL Equalities Partnership and was implementing the Partnership's Black and Minority Ethnic (BME) Housing Strategy and Action Plan. Through the partnership, the Association was involved in a range of activities aimed at promoting equality. The Partnership's information leaflet on Housing Association housing was a key element of that activity, but the Association was not consistently ensuring that the leaflet was contained within its housing application packs.
29. All of the Association's publications were available in a range of appropriate formats such as Braille, and the Association's website was available in large print.

Good practice: Access to information

The Association has taken action to ensure wide access to its information:

- Documents are not automatically translated into accessible formats, but the availability of a wide range of formats – Braille, Welsh Braille, large print, Moon, audio tape/CD and CD-ROM – is publicised on all literature. The Association has a contract with one company for the translation of documents into a variety of accessible formats.
- All Association literature includes a ‘Happy to Translate/Hapus i gyfieithu’ logo.
- The Association has provided guidance to all staff on document design to ensure that it is accessible to those with visual impairments.
- The Association’s website is available in large print.
- Languageline is available in both Association offices and in the Association’s direct access hostels.

30. The Association had a Racial Harassment Policy and examination of racial harassment cases on site indicated that these are being dealt with effectively, although some of the detailed monitoring arrangements set out in the policy had not been implemented. The Association intended to review its policy to ensure that it was appropriate to its context.
31. The Association was not meeting the full range of requirements of the CRE Code of Practice in Rented Housing in respect of monitoring and reporting on equal opportunities and, as a result, did not have appropriate equalities targets and monitoring systems to enable it to evaluate the impact of its activity.

The Association was not treating the Welsh and English languages on the basis of equality

32. The Association has a Welsh Language Scheme which has been agreed with the Welsh Language Board. However, the Association had failed to meet its deadlines in respect of delivery of the related action plan.
33. The Association’s residents’ survey indicated that 85 per cent of respondents understood Welsh and 60 per cent could read Welsh. Much of the Association’s service provision was available bilingually, particularly in relation to face to face front line services. However, not all correspondence was bilingual and key services, such as complaints and the out-of-hours repairs service, were not available bilingually.

Recommendations***Equal opportunities***

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| R5 | Ensure that monitoring and reporting on equal opportunities meet the full range of requirements of the CRE Code of Practice in Rented Housing. |
| R6 | Meet action deadlines within the Welsh Language Scheme action plan. |

The Association had a ‘satisfactory’ approach in providing housing

The Association was working in partnership with relevant local authorities and other agencies to identify and provide for the housing related needs of the area

34. The Association worked with local authorities in Conwy, Gwynedd and Ynys Môn. The local authorities indicated that they had good working relationships with the Association, in particular in relation to supported housing.
35. The Association held regular, formal liaison meetings involving senior staff, councillors and Board members in Conwy. More informal liaison arrangements applied in Gwynedd and Ynys Môn, which the local authorities indicated operated effectively. The Association also contributed to the development and delivery of the housing strategies of all three local authorities.
36. The Association had, in the past, experienced difficulties in effectively managing its development programme resulting in delays in projects starting on site. This had had negative implications – albeit short term – for the quality of working relationships with its partner local authorities.
37. The Association did not have community housing agreements in place with relevant local authorities, but this was due to the approach of the local authorities concerned, and was not within the control of the Association.

The Association participated in community development initiatives and in a limited range of neighbourhood renewal and regeneration initiatives

38. The Association led on community development initiatives within the context of its Community Cohesion Strategy. Examples include a One Stop Shop providing advice and support in Colwyn Bay and the YoYo project with young people in Colwyn Bay.
39. The Association had had some limited involvement in neighbourhood renewal and regeneration initiatives in Gwynedd and Conwy. In Conwy, the Association had been involved in neighbourhood renewal in the Tre Cwm neighbourhood renewal area, where it was working in partnership with the Local Authority and the Communities First Team, and in Gwynedd the Association was involved in proposals for the Central Bangor Housing Renewal Area.

Recommendations	
<i>Providing housing</i>	
R7	Strengthen arrangements for partnership working with relevant local authorities and other agencies.
R8	Adopt a more proactive approach to secure increased involvement in neighbourhood renewal and regeneration initiatives.

The Association was providing a satisfactory rents service

The Association's debt prevention arrangements were not well developed

- 40. A range of rent payment methods was available to residents – Allpay, direct debit and payments by phone, via the internet and credit card. Rents officers accompanied housing officers to new tenancy sign-ups, and to welfare visits which were carried out six weeks into each new tenancy.
- 41. The Association had limited in-house debt prevention advice arrangements, although Association staff were familiar with housing benefit rules and entitlements, and were able to give low level debt advice through using benefits websites. For debt prevention advice, residents were signposted to the Citizens Advice Bureau and Shelter. Take-up of these external debt prevention services was not monitored or evaluated. On site checking indicated very low take-up levels.
- 42. Debt advice was provided by the Association on a reactive rather than proactive basis. Association residents contacted during the course of the inspection were not aware that the Association had debt prevention arrangements. On site analysis of tenants with high arrears indicated that a substantial number were in low paid, irregular employment and would be likely to benefit from access to debt advice services.

The Association's control and recovery mechanisms for general needs housing were not sustaining recent improvement

- 43. Rent arrears performance for general needs housing, as illustrated in Exhibit 1, was improving in relation to rent collected, but had deteriorated in respect of the percentage of tenants in arrears. Performance in relation to current rent arrears remained in the bottom quartile although performance in relation to the proportion of tenants in arrears was in the top quartile. At 31 March 2006, the Association's current arrears (net of unpaid housing benefit) were 3.8 per cent against a target of 2.5 per cent.

Exhibit 1: Current general needs rents Performance Indicators – four year trend

Indicator	2002/2003	2003/2004	2004/2005	2005/2006
Rent due from current tenants but unpaid as a percentage of rent roll (net of unpaid housing benefit)	3.8%	4.0%	3.5%	3.8%
Percentage of tenancies in arrears	46%	38%	33%	37%
Rent collected as a percentage of total rent collectable	94.5	97.4	99.4	99.5

Source: Performance Indicators for Registered Social Landlords in Wales 2004/2005 National Assembly for Wales and North Wales Housing Association data. Data has not been subject to audit.

44. The Association deployed resources intended to tackle high current rent arrears levels, for example, through area focused action, Christmas competitions and regular and rigorous arrears monitoring and action. However, these efforts were having only a limited impact, as the Association lacked a comprehensive analysis of the causes of the problem and had failed to identify appropriate remedial action. The Association had no clear service improvement plan to enable it to achieve its target performance of 2.5 per cent.
45. In contrast to the position in relation to general needs and sheltered housing, current arrears performance in relation to supported housing had improved over the previous three years from 2.43 per cent to 1.25 per cent. The Association had not analysed the reasons underlying this difference in performance trend.

Recommendations	
Rents	
R9	Provide an effective debt prevention service.
R10	Develop a clear service improvement plan for the rents service based on a comprehensive analysis of performance.

The Association was providing a ‘satisfactory’ letting service

The Association was not letting properties quickly

46. Between 2003/2004 and 2004/2005, the number of properties let within one week reduced from 28 per cent to 23 per cent and time taken to re-let properties increased from 19 days to 40 days. Whilst average re-let time reduced to 15 days during the course of the current year, this reflected a change in policy in relation to decanting of residents during major works, rather than any specific performance improvement action by the Association. Over the same period, void rent loss fell from 1.6 per cent to 1.1 per cent.

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- 47. Elements of the Association's approach to void properties appeared to be contributing to the time taken to re-let properties. For example, tendering of void works over £1,500 led to delays in letting, contractors were not given void turnaround targets and an improvement in the interface between housing and maintenance in relation to void works could have reduced delays.
 - 48. The Association had no comprehensive understanding of the reasons underlying its performance and no clear service improvement plan.
 - 49. The Association had a published void standard. Voids inspected on site were to an acceptable standard and met the Association's published standard.

The Association ensured that people in housing need were aware of, and had good access to, the Association's housing

- 50. The Association used a range of means to advertise the availability of its homes – adverts in Local Authority offices, its website, information distributed by other landlords, Move UK and articles in the local press – in addition to word of mouth via its community presence.
- 51. The Association operated an open waiting list and was responsive to national mobility and exchange schemes. Effective assistance was given to tenants seeking to move.
- 52. Demand for social housing within the Association's area of operations had increased sharply over the recent past and the Association's turnover had fallen to approximately 150 properties per year. Whilst the Association applied thresholds to its waiting list, it did not regularly review these to reflect changes in local housing demand. As a result, waiting lists were very long in proportion to property turnover, and large numbers of waiting list applicants had no realistic chance of being offered housing by the Association. In addition, waiting list maintenance – inputting of applications and updating of lists – required the commitment of substantial resources by the Association.

The Association was working effectively in partnership with relevant local authorities on the allocation of housing

- 53. The Association had close working partnerships with the local authorities within its area of operations and was achieving a nominations level of 50 per cent. The Association also had appropriate management arrangements in place for re-housing high risk applicants.

The Association ensured that those housed were fairly selected but did not have systems in place to ensure it maintained a balance in housing allocation

- 54. The Association ensured fair selection through its points based allocations policy, which had recently been changed as the result of a Best Value Review. The Association monitored the number of BME applicants on the waiting list and the numbers re-housed.

- 55. The Association did not set targets for referral sources and did not report on actual numbers and source of referral. Whilst operational staff making individual allocations sought to achieve a balance in allocation, and figures provided on request by the Association indicated that an appropriate balance had been achieved, the Association did not have appropriate monitoring and reporting systems in place to allow the active management of this process.
- 56. The Association's allocations policy document made limited provision to achieve community sustainability and the Association had no local lettings initiatives in place.

Recommendations	
<i>Letting housing</i>	
R11	Develop a clear service improvement plan for the lettings service based on a comprehensive analysis of performance.
R12	Implement systems to ensure that a balance in housing is achieved.

The Association was providing a 'satisfactory' housing management service

The Association ensured that residents were offered the most secure form of occupancy

- 57. Since January 2006, all new tenants have been given an initial probationary tenancy which automatically converts to an assured tenancy on the 12 month anniversary of tenancy commencement. The introduction of assured short hold tenancies for new tenants followed evaluation of a pilot of the approach on two estates.

Good practice: Evaluation of probationary tenancies
The Association piloted the use of initial probationary tenancies prior to their introduction in January 2006. A range of pilot areas were identified based on particular relevant issues such as anti-social behaviour and difficult to let problems, as well as support from residents and other agencies. The pilots included provision for regular visits to new tenants to assist them to sustain their tenancies. The impact of the use of starter tenancies in the pilot areas was evaluated and it was found that the use of the pilot starter tenancies had had the positive effect of helping, rather than deterring, vulnerable people. This outcome and the views of residents expressed through various surveys resulted in the Association's decision to introduce starter tenancies for all new tenants.

- 58. Assured short hold tenancies were being used in supported accommodation where accommodation is short term. Licences were in use for the Association's direct access hostels.

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59. Tenants were provided with information on their rights and responsibilities through the Tenants' Handbook, an explanation of the nature of the tenancy offered was detailed in the Association's offer pack, and all new tenants were provided with a copy of the Welsh Assembly Government's Guarantee for Housing Association Tenants.

The Association was helping to safeguard the quality of life of residents and neighbours through its approach to dealing with anti-social behaviour, although systems to support that approach required further development

60. The Association had recently, in consultation with residents, reviewed its Anti-Social Behaviour Policy to meet the requirements of the Welsh Assembly Government, and participated in multi-agency partnerships involving relevant local authorities and the police. However, further action was required to ensure the effective application of the Association's Anti-Social Behaviour Policy:
- further staff training was required to fully equip staff to make use of the menu of tools available to them to effectively tackle anti-social behaviour;
 - residents had not been provided with information about what to expect from the anti-social behaviour service;
 - the Association was experiencing difficulty in its efforts to access local legal advice to support its approach to tackling anti-social behaviour; and
 - the Association's mechanisms for tracking, monitoring and reporting on anti-social behaviour required development to ensure that individual cases and the service were being effectively managed.

Recommendation
<i>Managing housing</i>
R13 Ensure the effective application and management of the Association's Anti-Social Behaviour Policy.

The Association was providing a 'satisfactory' maintenance service

61. At the point of inspection, the Association was in the final stages of implementing major changes to its methods of procurement for all development and maintenance works through its membership of the Undod partnership. Through Undod, works would be procured on a partnered basis as part of a collaborative strategic framework. The aim of the partnership was to achieve improved value for money and performance in relation to all works.

The Association did not ensure that responsive repairs were consistently carried out effectively

62. The Association was not ensuring value for money in its responsive repairs service. The Association used 50 contractors who worked to daywork rates which had been negotiated annually with individual contractors. No benchmarking was carried out to ensure value for money. Allocation of work to contractors was carried out on a job by job basis, based on local and contractor knowledge with no systems in place to ensure probity and accountability. No formal system was in place to manage contractor performance, with management comprising a weekly manual check of jobs outstanding and an informal follow-up with the contractor. The Association's control of its response repairs budget was poor, with the service to residents having deteriorated towards the end of the financial year due to routine repairs being held back to ensure that expenditure did not exceed budget. The Association had recently created the temporary post of Repairs Co-ordinator, and early indications were that this post was having a positive impact on budget control and service delivery.
63. The Association had three repairs categories – Emergency (eight hour response, 24 hour completion), Urgent (three working day response, five working day completion), and Routine (14 working day response, 20 working day completion). As indicated in Exhibit 2, the Association's performance was poor, though improving. On site checking indicated that repairs response times as reported were not valid as some routine repairs were being held and not entered onto the repairs system, and emergency response follow-ups were not being consistently entered onto the system.

Exhibit 2: Proportion of repairs reported as completed within target

On site checking indicates that Performance Indicator information was not accurate.

Category of repair	North Wales Housing Association performance 2003/2004	North Wales Housing Association reported performance 2004/2005	Wales top quartile range 2004/2005
Emergency	80%	88%	100%
Urgent	88%	91%	98-100%
Non-urgent	84%	94%	98-100%

Source: Performance Indicators for Registered Social Landlords in Wales National Assembly for Wales 2004/2005. Data has not been subject to audit.

64. It was easy for tenants to report repairs, with a wide range of ways to report a repair available – in person, by telephone, by e-mail and via the Association's website. An out-of-hours service was provided by Homeserve based in Hertfordshire. This service operated satisfactorily when tested during the inspection.

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65. Repairs requests were handled by customer service advisors who had recently been given access to an IT based diagnostic tool and had received relevant training. Tenants were shortly to be issued with a repairs handbook that would include information to aid repairs diagnosis. No target level had been set for pre-inspections and the level of pre-inspections was not being monitored. A 10 per cent target was in place for post-inspection and outcomes were reported quarterly to the Board.
 66. The Association did not offer tenants an appointment at the point of reporting a repair, although an informal system operated whereby contractors contacted tenants to arrange a suitable date and time to call. Arrangements were tailored to meet the needs of vulnerable tenants and a system was in place to identify vulnerability.
 67. The Association issued satisfaction questionnaires with all repairs, and levels of recorded tenant satisfaction with the responsive repairs service were high. These high satisfaction levels were confirmed by the 1,200 residents who responded to the STATUS survey, 78 per cent of whom expressed satisfaction with the repairs service, and by the inspection's on site telephone survey of residents who had recently used the repairs service. However, considerable dissatisfaction with the repairs service was voiced by the very small number of residents who attended inspection focus groups.
 68. The Association had no specific service improvement plan in place to deal with the range of issues highlighted above. However, through the Undod partnership, it was about to comprehensively change its approach to procuring its responsive repairs service. This new approach was intended to deal with the value for money and performance issues that were affecting its responsive repairs service.

The Association was managing statutory servicing very effectively

69. The Association had comprehensive procedures in place for management of statutory servicing, including access procedures which used a range of methods to gain access which emphasised personal contact and use of local knowledge. The success of this approach was exemplified by the fact that, at the time of inspection, all gas servicing was fully up to date with no services outstanding.
70. The Association had carried out an asbestos survey of all common and other vulnerable areas. Information was held on a spreadsheet and provided to contractors as required. Whilst there were no flags on the IT system to prompt provision of relevant information to contractors, IT changes planned for April 2006 include a flagging system. No general information on asbestos had been provided to residents, although information was provided on a 'need to know' basis when work was carried out. Asbestos surveys were carried out prior to all planned and Welsh Housing Quality Standard (WHQS) work and asbestos found was removed. Staff had been provided with basic training in asbestos.
71. The Association had been involved in a range of initiatives aimed at promoting affordable warmth and had been successful in obtaining additional funding to promote affordable warmth and energy saving measures. However, the Association did not have an affordable warmth strategy.

The Association ensured that cyclical and planned maintenance was carried out effectively

- 72. The Association operated a rolling programme of cyclical maintenance covering painting, gas servicing, portable appliance testing and smoke alarms. All works were carried out under tendered contracts.
- 73. The Association also operated a programme of planned works. The programme was based on stock condition survey information, with additional input from the responsive maintenance team regarding issues arising from responsive repairs works. Where applicable, residents were given a range of choices of finish. All residents had recently been advised of the Association's forward programme of planned works to meet the Welsh Housing Quality Standard.
- 74. All planned and cyclical works were tendered to ensure value for money.

The Association had a clear plan to fully identify the maintenance and improvements necessary to meet the Welsh Housing Quality Standard, and had put in place specific programmes to meet the standard by 2012

- 75. The Association completed a stock condition survey in autumn 2004, which identified the maintenance and improvements necessary to meet the Welsh Housing Quality Standard. Stock condition survey information was to be kept up to date through an annual survey of 20 per cent of the Association's stock.
- 76. The Association had costed the necessary works and carried out a financial appraisal which indicated that the Association would be able to fund completion of works by the 2012 deadline.
- 77. The Association had prepared programmes of work to meet the standard by 2012, and was about to issue general information to residents on WHQS to supplement the programme information already provided.

Recommendation	
<i>Maintaining housing</i>	
R14	Improve the responsive repairs service to secure value for money, effective budget control, accurate performance information, and a quality service to residents.

The Association had ‘satisfactory’ arrangements in place for housing people with support needs

The Association was making housing available for people with a wide range of support needs and ensured they had access to appropriate services

- 78. The Association provided for a wide range of support needs. It planned provision in consultation with key stakeholders and worked in liaison with the Supporting People teams of relevant local authorities, to meet the identified needs of vulnerable people through a range of directly managed and agency managed projects.
- 79. The Association took self referrals from applicants with support needs. People requiring accommodation with support applied through the general waiting list. The Association accepted referrals or nominations from statutory authorities, support providers and other professionals and agencies.
- 80. The Association ensured that people with support needs had access to appropriate services by providing individuals with tailored support packages that were systematically reviewed to ensure progress. The Association worked with other support providers who deliver support services by agreement.
- 81. Move-on provision within the Association’s stock was limited due to low turnover and infrequent vacancies. The Association had arrangements in place with local authorities, other registered social landlords and the private sector to increase opportunities for move-on accommodation.

The Association applied most key expectations equitably to customers who required support, and tailored its service delivery to meet their specific needs except in the case of resident involvement

- 82. Annual reviews and quarterly monitoring arrangements were used to ensure that letting and management were undertaken satisfactorily by managing partners. Similar reviews took place in directly managed schemes. In addition, staff and resident contact was intended to ensure that residents understood and could exercise their occupancy rights and obligations. However, our on site investigations found a number of residents of directly managed accommodation who were not aware of their occupancy rights, leading us to question whether monitoring and review arrangements were operating effectively.
- 83. The Association was not tailoring its arrangements for resident involvement to meet the specific needs of residents with support needs. It did not have comprehensive arrangements in place to encourage the involvement of residents with support needs and, where arrangements were in place, was not ensuring that these were operating consistently. For example, during a visit to one project the inspection team found that meetings of scheme residents were not occurring regularly and were not allowing residents to raise, and the Association to address, issues of concern to scheme residents.

Recommendation	
<i>Housing for people with support needs</i>	
R15	Ensure that monitoring and review arrangements operate effectively and include evaluation of how intended services are being provided to residents with support needs.

The Association was raising standards in service delivery

The Association had a clear commitment to the achievement of improved performance, but it needed to improve its arrangements for performance management and to ensure that robust arrangements are applied across all of its continuous improvement activities

84. The Association had a clear commitment to the achievement of improved performance. However, the effectiveness of the Association's performance management arrangements was limited in impact. The Association had set itself the target of achieving top quartile performance in all service areas, but had no clear plans as to how it was going to achieve what were, in some cases, very substantial performance improvements. There was a lack of clarity as to where responsibility for managing the Association's performance lay. Both the Corporate Management Team (CMT) and Performance Review Group (PRG – a team of operational managers set up to consider performance in the context of the Corporate Plan) needed to take ownership of their responsibility for the Association's performance. They also needed to develop robust arrangements which would allow effective performance management clearly linked to the Association's corporate objectives and priorities, and integration of performance management into the Association's service delivery down to an individual, operational level. Key areas which needed to be tackled were weak links between strategic objectives and individual objectives and targets, lack of operational plans for a number of key strategies, lack of a comprehensive system for monitoring of performance across all key strategies, lack of performance improvement plans and lack of quality of performance reporting, evaluation and management across the Association.
85. The Association had a clear strategic direction captured in its Corporate Plan 2006-2009, which was reviewed annually. The Corporate Plan included a clear mission statement and the Association had made available to staff and, via its website to tenants, an easy to follow summary of the Corporate Plan – the 'five minute Corporate Plan' – to increase awareness of its strategic direction. Board members and staff had been involved in the development of the Corporate Plan and we found clear evidence of Board and staff awareness of Corporate Plan content.

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86. The Association had improved its corporate planning process over the previous year to ensure clarity of objectives and to incorporate a SMART action plan as well as regular monitoring and reporting of progress. For the Corporate Plan 2006-2009, quarterly progress reports were to be considered by the CMT and the Board. The Corporate Plan included key performance targets, although their contribution to the achievement of priorities within the Corporate Plan was not clear. Performance against key targets was monitored monthly by the Association's PRG via monthly reports, with exception reporting to the CMT and quarterly reporting to the Board. However, although performance against targets was being systematically reviewed, reports provided to us included errors, which suggested that reporting and performance management were not operating effectively.
87. The Association did not have systems in place to ensure that progress on its full range of strategic activities was being effectively managed. It did not have operational plans which linked to Corporate Plan objectives, although it was intending to develop service improvement plans for a limited range of areas, for example rent arrears. The Association had a range of key strategies which underpinned Corporate Plan objectives. However, with a small number of exceptions – BME Housing Strategy and Welsh Language Scheme – there were no action plans linked to those strategies to ensure action was focused and that progress could be managed. There was also no clear link between strategic and individual objectives and targets. Review on site of a sample of Personal Development Reviews (PDRs) indicated that individual objectives and priorities were not linked to those within the Corporate Plan. The Association had been a member of the Housemark benchmarking club for the previous two years. Although the Association had been making only limited use of the information provided by Housemark, it had recently determined to make more effective use of the information in future, to identify trends in performance, analyse reasons and compare performance with better performers.
88. Most of the Association's continuous improvement activity was carried out through its Best Value arrangements. The Association had a robust and effective approach to Best Value, with a Best Value framework applied effectively to all Best Value Reviews, appropriate involvement of residents and clear outcomes. The Association published an annual Best Value Review Performance Plan. The Association's 2005 Best Value programme had been completed and a range of future reviews had been proposed.

Good practice: Approach to Best Value

The Association had developed a robust and effective approach to Best Value. The Association had appointed a Performance and Quality Co-ordinator who took responsibility for implementing Best Value within the Association, although ultimate responsibility lay with the Corporate Management Team. The Association had a clear methodology which it applied to all reviews. This methodology had an emphasis on effectiveness and was applied flexibly to all Best Value Reviews, with the 4Cs – Challenge, Consult, Compare, Compete – an essential element of every review. Guidance was provided for those leading Best Value Reviews on how to tackle the 4Cs elements of the review. The Association published an annual Best Value Performance Plan which provided an update on progress with planned reviews, outlined the programme for the year ahead and gave information on the Association's comparative performance. Tenants were provided with relevant information annually through the Association's 'What's the Score?' publication. Each Best Value Review resulted in a comprehensive report, summary and recommendations for action. Significant improvement in service have resulted from the Association's approach to Best Value, for example the decision to retain a Bangor office, relocate in more appropriate premises and expand the range of services which resulted from the Association's Best Value review of services to Gwynedd and Ynys Môn.

89. Where improvement activity was undertaken outside Best Value arrangements, the quality was variable. Whilst there were examples of effective arrangements, for example in relation to the Association's trial inspection process, the Association's approach was not always consistent or effective. For example, the Association's proposed procurement changes through the Undod project involved very little resident involvement to ensure contractor requirements reflected residents' views. For Clwb Seren, whilst a project team had worked successfully to take the project to launch stage, there were no clear plans for future development or evaluation of the scheme.
90. The Association did not routinely evaluate the impacts of its improvement activities. Both Best Value activity and other continuous improvement activity suffered from implementation delays, and the Association did not have a comprehensive monitoring system to ensure that deadlines were met.

The Association could demonstrate evidence of service improvement in a range of service areas

91. There was clear evidence of improvements which have resulted from Best Value and other continuous improvement activity, for example the Association's new Lettings Policy, new office provision in Bangor, the Undod partnership and Clwb Seren.
92. Trends for Key Performance Indicators showed some improvement, although not the substantial improvement required to meet the Association's aspiration of top quartile performance in all service areas.

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93. Residents' views on services were generally positive. The STATUS survey indicated an overall satisfaction rate of 82 per cent, although areas of concern were highlighted, such as dogs, litter, vandalism and neighbour problems. The same survey showed that 78 per cent of residents were happy with the day to day repairs service, but 57 per cent of residents felt that this service was in need of improvement. Inspection telephone surveys indicated positive views of the Association's lettings and repairs services, whilst focus groups – albeit comprising a small number of residents – indicated substantial dissatisfaction with the repairs service.

The quality of the Association's plans for further improvement was variable

94. Improvement plans resulting from the Association's Best Value processes were generally robust, although they would have benefited from the inclusion of SMART action plans to facilitate monitoring and reporting.
95. For some other improvement processes, such as the Association's trial inspection, SMART action plans resulted in substantial and timely improvements. For other elements of the Association's continuous improvement activity, for example Clwb Seren, objectives were not clear and plans were not SMART. There were no plans in place to support the Association's aspiration to achieve top quartile performance in all service areas.
96. For Best Value Improvement Plans, 'periodic' updates went to the CMT and an annual update report was submitted to the Board. However, no formal monitoring arrangements were in place to ensure that all Association improvement plans were being delivered.

The Association needed to ensure that it had the capacity and arrangements to deliver prioritised improvements

97. The Association did not have a clear system that allowed for an overview to be taken of all of its continuous improvement activity. A range of Best Value and other plans existed, but for some areas there were no formal plans. The Association thus had no means of focusing and reviewing the range of improvement activity in which it was involved, and so could not make a realistic assessment of its capacity and arrangements to deliver improvements.
98. The Association could, however, demonstrate a range of successfully managed and implemented improvement processes, and its track record was particularly strong in relation to its Best Value activity. The Association's Best Value processes were supported by its Performance and Quality Co-ordinator.

Recommendations	
<i>Securing continuous improvement in services</i>	
R16	Develop effective performance management arrangements.
R17	Ensure that all continuous improvement activity is effectively planned, implemented and managed through: <ul style="list-style-type: none">• consistent arrangements and robust improvement plans informed by regular evaluation of outcomes of improvement activity; and• development of systems which allow the Association to focus and review the range of improvement activity in which it is involved.

Appendix 1

Summary of relevant Welsh Assembly Government Regulatory Code Expectations

Aspect	Summary of Regulatory Code Expectations
Relationship to residents	<p>Encourage resident involvement. (Regulatory Code 2.2.4)</p> <p>Provide readily accessible, clear and accurate information and advice for residents. (Regulatory Code 2.2.1)</p> <p>Be answerable to residents for the quality of services provided. (Regulatory Code 2.2.2)</p> <p>Ask for, listen to, and take account of the views of residents. (Regulatory Code 2.2.3)</p>
Equal opportunities	<p>Actively promote respect for diversity and equality of opportunity, work towards the elimination of discrimination in all their activities, and promote good relations between people of different racial groups. (Regulatory Code 2.3.1)</p> <p>Treat the Welsh and English languages on the basis of equality. (Regulatory Code 2.3.2)</p>
Providing housing	<p>Work in partnership with local authorities and other agencies to identify and provide for the housing-related needs of the area.</p> <p>Have effective Community Housing Agreements with relevant authorities wherever possible.</p> <p>Participate in community development or neighbourhood renewal and regeneration initiatives.</p> <p>(Regulatory Code 1.1.1)</p>
Rents	<p>Keep rent arrears to a minimum through the use of effective debt prevention, control and recovery mechanisms. (Regulatory Code 1.2.2)</p>
Letting housing	<p>Ensure that, as far as possible, people in housing need are aware of, and have good access to, the Association's housing. (Regulatory Code 1.3.1)</p> <p>Work in partnership with relevant local authorities on the allocation of housing. (Regulatory Code 1.3.2)</p> <p>Ensure that those housed are fairly selected, and should seek to achieve a balance in housing allocation. (Regulatory Code 1.3.3)</p> <p>Let properties quickly and efficiently. (Regulatory Code 1.3.4)</p>
Managing housing	<p>Ensure that residents are offered the most secure form of occupancy compatible with the purpose of the housing and the sustainability of the community. (Regulatory Code 1.4.1)</p> <p>Help to safeguard the quality of life of residents and neighbours. (Regulatory Code 1.4.2)</p>
Maintaining housing	<p>Ensure that homes are let in good condition. (See letting housing). (Regulatory Code 1.5.1)</p> <p>Maintain homes in good condition by ensuring that cyclical maintenance and responsive repairs are carried out effectively. (Regulatory Code 1.5.2)</p> <p>Identify, plan for, and carry out the maintenance and improvements necessary to meet the Welsh Housing Quality Standard (WHQS) by 2012. (Regulatory Code 1.5.3)</p>
Housing for people with support needs	<p>Make housing available for people who have support needs and ensure they have access to appropriate services. (Regulatory Code 1.6.1)</p> <p>Apply all key expectations equitably to customers who require support, tailoring service delivery to meet their specific needs. (Regulatory Code 1.6.2)</p>

Appendix 2

The two questions and terminology applied

Does the Association deliver good quality services?

Conclusion	Description
Excellent	The Association demonstrates all the positive characteristics of a 'good' association. Over and above that, performance is of a very high standard, strongly influenced by best practice in the sector.
Good	The Association demonstrates a strong commitment to and effective delivery of high standard services, given context and resources.
Satisfactory	Performance generally meets the standard you would expect of an association working in that context with those resources. Any failures to comply with regulatory guidance are minor.
Scope for considerable improvement	Although performance does not breach Regulatory Code, the Association's performance is unimpressive compared with peer group. Performance may not comply in all respects with regulatory guidance.
Fails to comply with the Regulatory Code	Performance fails to achieve outcomes specified in the Regulatory Code.

Does the Association secure continuous improvement in services?


Conclusion	Description
Demonstrates strong corporate and strategic capabilities	The Association is working to be a 'learning organisation'. It demonstrates all the positive characteristics of an association which is raising standards in service delivery. In addition, there is a systematic programme of cross-cutting reviews which are not only delivering service improvements but are also informed by the Association's high level strategic goals, with clear monitoring and measurement against these goals.
Is raising standards in service delivery	The Association uses formal processes, participation and consultation, training in basic continuous improvement, reward and recognition systems, within a range of service areas. Measurable improvements have happened as a result. However, any cross-functional reviews and resulting improvements have been ad hoc rather than a result of a structured programme of such reviews.
Shows weaknesses in processes and performance	While some service improvements are evident, these result from one-off initiatives (such as a new product or process, a training initiative), or an initiative by a particular individual or team, rather than from a structured ongoing programme of reviews. Consultation with service users and their involvement in change is weak. The Association lacks challenging targets for performance improvement and cannot demonstrate a convincing track record.
Fails to demonstrate capability	The Association's approach to changes is reactive and unstructured. Improvements (if any) arise from tackling manifest problems, ad hoc suggestions etc, rather than the systematic approach outlined by Assembly Government guidance on Best Value.

Appendix 3

Summary of inspection recommendations

Recommendations	
<i>Relationship to residents</i>	
R1	Work in partnership with residents to develop a comprehensive and systematic framework for resident involvement and community development activities to include action plans and evaluation and tailoring of involvement opportunities to meet the specific needs of supported housing tenants.
R2	Develop approach to gathering, responding to and acting on residents' views to improve planning and quality of information gathering and feedback to residents of outcomes.
R3	Involve residents in the development of information and advice and ensure that residents receive essential service information.
R4	Work with residents to develop a comprehensive range of service standards and related monitoring and reporting arrangements.
<i>Equal opportunities</i>	
R5	Ensure that monitoring and reporting on equal opportunities meet the full range of requirements of the CRE Code of Practice in Rented Housing.
R6	Meet action deadlines within the Welsh Language Scheme action plan.
<i>Providing housing</i>	
R7	Strengthen arrangements for partnership working with relevant local authorities and other agencies.
R8	Adopt more proactive approach to secure increased involvement in neighbourhood renewal and regeneration initiatives.
<i>Rents</i>	
R9	Provide an effective debt prevention service.
R10	Develop a clear service improvement plan for the rents service based on a comprehensive analysis of performance.
<i>Letting housing</i>	
R11	Develop a clear service improvement plan for the lettings service based on a comprehensive analysis of performance.
R12	Implement systems to ensure that a balance in housing is achieved.
<i>Managing housing</i>	
R13	Ensure the effective application and management of the Association's Anti-Social Behaviour Policy.

<i>Maintaining housing</i>	
R14	Improve the responsive repairs service to secure value for money, effective budget control, accurate performance information, and a quality service to residents.
<i>Housing for people with support needs</i>	
R15	Ensure that monitoring and review arrangements operate effectively and include evaluation of how intended services are being provided to residents.
<i>Securing continuous improvement in services</i>	
R16	Develop effective performance management arrangements.
R17	Ensure that all continuous improvement activity is effectively planned, implemented and managed through: <ul style="list-style-type: none">• consistent arrangements and robust improvement plans informed by regular evaluation of outcomes of improvement activity; and• development of systems which allow the Association to focus and review the range of improvement activity in which it is involved.



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