



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

2005/2006

September 2006

Author: Steve Barry

Ref: 589A2006

# November 2005 Inspection

## **Valleys to Coast Housing Association**

## Contents

---

<b>Summary</b>	3
<b>Detailed Report</b>	
The Association is relatively new and was formed following the first large-scale voluntary transfer of housing stock in Wales	6
The Association has established an infrastructure from which services are being developed	6
Because of their evolving nature, it was too soon to form lasting judgements on the quality of services provided by the Association, and a reinspection of services and management arrangements will be undertaken in 2007	8
The Association recognised that service quality needed to be advanced in all areas, and plans for improvement were being developed or implemented in many service areas	8
The Association has established a framework for strategic management; arrangements for securing continuous improvement were at an early stage of development	20
<b>Appendices</b>	
Summary of the relevant Assembly Government Regulatory Code expectations	23

## 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).
2. The inspection of the Valleys to Coast Housing Association (the Association) was undertaken in November 2005, just over two years after stock previously owned by Bridgend County Borough Council (the Council) was transferred to the Association's ownership following a ballot of tenants. The inspectors sought to answer two key questions in relation to the Association:
  - does the Association deliver good quality services; and
  - 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.
4. The Association has established an infrastructure from which services are being developed and a framework for strategic management. At the time of the inspection, services were evolving and arrangements for securing continuous improvement were at an early stage of development. Accordingly, the inspectors concluded that it was too early to form lasting judgements, either on the quality of services provided by the Association or on its arrangements for securing continuous improvement.

### **The Association has established an infrastructure from which services are being developed**

5. The inspection identified an organisation that has a clear direction and strategy for service improvement. Inspectors found some significant challenges that had been, or were being addressed which meant that although progress could be identified since September 2003, service quality was still developing at the time of the inspection.
6. Some emerging good practice could be identified in the structure and implementation of the business plan comprising the corporate plan which sets out aims and objectives with an explanation of underlying proposed action, and the financial plan which contains the key assumptions and budgets to support delivery of the corporate plan. In common with other associations, there is scope to develop performance management arrangements to enable evaluation of the service standards being delivered.

---

**Because of the evolving nature of services provided by the Association, it was too soon to form lasting judgements and a reinspection of services and management arrangements will be undertaken in 2007**

7. Inspection judgements are based on evidence of service delivery, and are required to have regard to the context and resources within which an association operates. The Association was established in September 2003, in response to serious deficiencies in the condition of the stock that the Council, which formerly owned the properties, was not in a position to address. In addition to the poor condition of stock, a basic infrastructure for service delivery was absent. In the light of the Association's immediate priorities following the stock transfer, and the evolving nature of the services being delivered by the Association during the period of the inspection, the Inspection Team concluded that it was too early to form lasting judgements, either on the quality of services provided or the Association's arrangements for securing continuous improvement. Accordingly, a reinspection of key service areas will be undertaken in 2007.

**The Association recognised that service quality needed to be advanced in all areas, and plans for improvement were being developed or implemented in many service areas**

8. At the time of our inspection:
- The Association had recognised a need to develop its *relationship with residents* and is to undertake a fundamental review in 2006.
  - The Association had established a framework from which to deliver *equal opportunities*.
  - The Association's partnership with the Council for *providing housing* was developing, and a robust approach to community regeneration could be identified, although arrangements for joint evaluation of the success of the partnership in delivering strategic housing objectives needed to be improved.
  - The Association *rents service* was demonstrating a clear commitment to improvement, by providing debt prevention services in conjunction with control and recovery arrangements that were reducing current tenant debt.
  - The Association had recognised the need to improve arrangements for *letting housing*. It established a team to focus upon the management of empty properties and is to undertake a fundamental review of the allocations and lettings process in 2006.
  - The Association's *management service* offered an appropriate form of tenancy and acted to safeguard the quality of life of residents and neighbours.
  - The Association had recognised the need to adopt a comprehensive strategy for the improvement of *maintenance services*. Some improvements had been implemented at the time of the inspection, with a fundamental review of the Housing Repairs Service scheduled for 2006.

- 
- Arrangements for managing services for *people with support needs* were being developed.

### **The Association has established a framework for strategic management and arrangements for securing continuous improvement were at an early stage of development**

9. Delivery against business plan strategic objectives is supported by an alignment of the corporate plan and financial plan. Alignment of these plans is considered good practice in that it enables proposals for service development to be accompanied by a realistic assessment of resource requirements.
10. The Association has a performance management framework, but a lack of data at the time of the inspection constrained the evaluation of performance in some key service areas. These included a breakdown of the component stages of managing relet times, responsive repairs performance against target completion times, and the outcomes of the lettings process. The Association had recognised these gaps and was in the process of improving data capture.
11. The majority of staff we met during the inspection supported the improvements achieved in the two years following transfer, and were committed to the further improvement of services. The Association has the opportunity of building upon this strong staff base by using the personal development and review process, to provide opportunities for staff development linked to the achievement of corporate objectives.
12. The Association's continuous improvement plan and supporting arrangements were in the process of development. The Association had produced an outline five-year continuous improvement plan commencing in 2005/2006. Proposed methodologies are outlined but the scope of the reviews was not available at the time of the inspection. Proposals for 2005/2006 include fundamental reviews of the housing repairs service, allocations/lettings and tenant participation. Only a strategic review of the housing repairs service, completed in February 2005, was available at the time of the inspection.
13. The absence of evaluation against the Association's own agreed service standards means that outcomes for service users are based upon perceptions, rather than hard evidence, of improvement since the stock transfer.

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

14. The Detailed Report and the Association's commentary on it will be available on the Wales Audit Office website ([www.wao.gov.uk](http://www.wao.gov.uk)), which also includes references to good practice found during this and other inspections.
15. The Association is required to circulate the Wales Audit Office's Summary 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.

### **The Association is relatively new and was formed following the first large-scale voluntary transfer of housing stock in Wales**

16. The Association was formed on 12 September 2003, following the first large-scale voluntary transfer of housing stock in Wales. The Association was established as a not-for-profit company limited by guarantee following transfer of assets and associated liabilities from the Council. The Association took responsibility for 6,398 rented homes, associated commercial properties and the provision of management services to 650 leaseholders.
17. At the time of the inspection, the Association employed 232 staff – including the direct labour team – at head offices, a customer service centre in Bridgend town centre and its depot in Bryncethin, where the housing repairs service teams were based.
18. The Association is governed by a board of management of 12, comprising four tenant members, four council nominees and four independent members, which meets on a quarterly basis. Board members scrutinise the Association's affairs through a resources group, a services group and an audit and remuneration committee that meet on a quarterly basis.

### **The Association has established an infrastructure from which services are being developed**

19. The key focus in the first two years of the Association's existence has been to establish a strong infrastructure from which services can be developed. The inspection identified an organisation that has a clear direction and strategy for service improvement. Inspectors found some significant challenges that had been, or were being, addressed. However, although progress could be identified since September 2003, service quality was still developing at the time of the inspection.

### **At the time of the inspection, the Association was addressing commitments made in the pre-ballot offer document**

20. Prior to the ballot of tenants, the Council issued a formal consultation document to tenants. The document *Your Home, Your Future, Your Choice* (the offer document) contained specific commitments about the repairs and improvements that would be undertaken to tenants' homes, with no additional increase in rent for this work, as well as the standard of services that could be expected should the majority of tenants decide to transfer.

21. These commitments have shaped the priorities of the Association and, in outline, covered:
- the delivery of a programme of specific improvements in the first 10 years following transfer, with no additional increase in rent for existing tenants;
  - statements explaining the standard of service to be provided, including a commitment to increase the number of dedicated 'front-line' housing officers, and become more proactive in dealing with anti-social behaviour and working with other organisations to resolve problems;
  - the promotion of community development work and working with others to ensure that resources are used to best effect in local communities; and
  - the development of the Council's tenant participation compact, in consultation with tenants, to fulfil a commitment to produce a tenant participation strategy that was agreed with tenants and complied with the Assembly Government's guidelines, viewing tenant involvement as a 'vital part of high quality service delivery'.

### **The Association was improving the poor condition of stock**

22. The prime reason that the Council sought the views of tenants on a stock transfer was the extent of disrepair of the housing stock. At the time of the transfer, it was estimated that £290 million was required to repair and improve the stock over a 30-year period. The stock transfer in September 2003 included 440 empty properties.
23. Since the transfer, the Association has been undertaking improvement works in accordance with offer document promises. It has also been required to manage the high number of empty properties within the budget available and has made progress in addressing the overall numbers of empty properties. During the two years before the inspection, partnerships were developed with key contractors, and a more detailed assessment of requirements for achieving the Welsh Housing Quality Standard (WHQS) has begun.

### **The Association has established systems and an infrastructure to support service delivery**

24. Association staff were initially based at the Bryncethin depot and at the Council's offices. The Association has since established new head offices, and opened a customer service centre in February 2005.
25. The establishment of the customer service centre and of area teams has met an initial commitment to establish integrated teams, and sets a foundation for the further development of services to customers.
26. Before the transfer, consultants reviewed the Information Technology (IT) systems in use by the Council and found them to be unfit for purpose by the Association in the longer term. The Association has now established a new IT network serving all its premises.

27. The Association has also established personnel management arrangements to manage the transfer of staff and recruit to the new organisation. To support reconfiguration of service delivery, the Association has negotiated with two trade unions and implemented a recognition agreement to facilitate employee consultation during a period of significant change.

### **Because of their evolving nature, it was too soon to form lasting judgements on the quality of services provided by the Association, and a reinspection of services and management arrangements will be undertaken in 2007**

28. Inspection judgements are based on evidence of service delivery and are required to have regard to the context and resources within which an Association operates. In the light of the Association's immediate priorities, following the stock transfer and the evolving nature of the services being delivered by the Association during the period of the inspection, the Inspection Team concluded that it was too early to form lasting judgements, either on the quality of services provided or the Association's arrangements for securing continuous improvement. Accordingly, a reinspection of key service areas will be undertaken in 2007.

### **The Association recognised that service quality needed to be advanced in all areas, and plans for improvement were being developed or implemented in many service areas**

#### **The Association has recognised a need to develop its relationship with residents**

29. Tenant representatives had been actively engaged during the stock transfer process through membership of the steering group and the Association's Board. By the time of the inspection, a new framework was evolving that included the objective of developing a multi-tenure approach to participation and engagement at a local level to support delivery of community regeneration objectives.
30. The Association has undertaken surveys of service users, which have indicated that services had generally improved since the transfer. However, the Association has recognised that the improvement was from a low base and future assessments need to be made in the context of a higher standard of service delivery.
31. The Association was working with a leaseholders' forum to develop a Leaseholders Handbook, with communities in the context of the community regeneration programme, and with tenants in the context of a tenant participation strategy.

32. The Association recognised a need to encourage resident participation, and responded during 2005 by :
- Undertaking a survey of all residents in January 2005 to find out how they wish to engage with the Association. The respondents to this survey form the nucleus of the new customer services panel.
  - Forming a customer services panel in June 2005.
  - Reporting to the Board in July 2005 on resident involvement activity since transfer.
  - Engaging consultants to carry out a consultation exercise on the issue of strategic engagement between the Association and its tenants in October 2005.
  - Providing training for all customer-facing staff on tenant participation in November 2005.
  - Developing a short-term tenant participation action plan in November 2005 pending a fundamental review scheduled to begin in 2006.
33. A fundamental review of tenant participation was planned for 2006 through the Association's continuous improvement programme which, at the time of inspection, was at the planning stage.

#### **Areas for further development: relationship with residents**

Clarify the intended outcome of engagement with tenants, leaseholders and communities to ensure the framework of engagement is readily understood.

Clarify how engagement in the development of service standards is being achieved and how arrangements may differ from community engagement.

Ensure arrangements are in place to enable engagement with residents with support needs.

Ensure those engaged in resident involvement have opportunities to learn from successful/unsuccessful initiatives, including the Association's own approach to community regeneration.

In partnership with service users, further develop methods of advising users of the standards and the range of services available from the Association and ensure robust arrangements are in place to address formal complaints.

Sustain the involvement of tenants in the editorial arrangements for the *Voice of Change* newsletter and provide opportunities for tenants to influence information provided by the Association, ensuring opportunities are available for tenants to receive information of importance to them, in particular, details of the programme of improvement works.

Ensure that service users are regularly informed about how the Association has used their views to shape service delivery.

## **The Association has established a framework from which to deliver equal opportunities and it needs to develop arrangements for evaluating outcomes**

34. The Association has an equal opportunities policy which sets out equal opportunities expectations and provides guidance on equalities issues. Training has been undertaken and guidance produced to support internal implementation of arrangements associated with employment practices.
35. The Association inherited limited information about tenants to enable it to be sensitive to diversity needs, and was in the process of improving its information base and developing its approach in consultation with Tai Pawb. At the time of the inspection, arrangements were in place to collect relevant information from applicants, but it was not being systematically analysed in the context of assessing the potential impact of service delivery and policies on relevant groups.
36. The Association does not have a Welsh language scheme and was awaiting the outcome of work being undertaken by the Welsh Language Board and the Welsh Federation of Housing Associations before developing a scheme. At the time of the inspection, the Association was exploring options for the provision of interpretation and translation services.

### **Areas for further development: equal opportunities**

Ensure the Association is able to demonstrate it is actively promoting diversity and working to eliminate discrimination, by systematically evaluating the outcome of activity in the context of local circumstances.

## **The Association's partnership with the Council for providing housing was developing and a robust approach to community regeneration could be identified, although arrangements for joint evaluation of the success of the partnership in delivering strategic housing objectives need to be improved**

37. The Council had restructured arrangements for addressing strategic housing issues and was reviewing the effectiveness of the new arrangements established following the stock transfer.
38. Community regeneration was being led by a regeneration enterprise board, chaired by the Local Authority's Chief Executive and included senior officers of the Authority and key external stakeholders, including the Association. The Council has also established the Bridgend Housing Partnership and other groups as a means of assisting the delivery of its housing strategy and addressing objectives within its homelessness strategy, the supporting people operational plan and other strategic plans. The Association participates as a member of these groups.

39. A steering group involving Council and Association officers has been established to implement regeneration initiatives. The group meets on a quarterly basis and has established four estate improvement programme areas that will be used to pilot a comprehensive approach to regeneration. A senior officer of the Council provides the link between the Regeneration Enterprise Board and the steering group.
40. The steering group had engaged consultants to support assessment of area needs, as a means of developing solutions to local issues with a specific focus on physical, social and economic regeneration.

<b>Area for further development: providing housing</b>
Contribute as an active partner in the review and evaluation of the outcomes of activities delivered by partnerships against the core aims and objectives of the Housing Strategy and other Council plans.

### **The Association's rents service provided debt prevention services, in conjunction with control and recovery arrangements, that were reducing current tenant debt**

41. In May 2005, the Association moved the management of the rents function from central to area teams. This required the acquisition of new skills and expertise.
42. The Association has positive relationships with the Council's Housing Benefits Team; its officers have received housing benefit training and are accredited by the Department of Work and Pensions. Staff are able to verify housing benefit applications enabling a quicker resolution of claims.
43. The Association's performance on current tenant rent arrears has improved since September 2003 when arrears were at 5.49 per cent, compared to 4.4 per cent on 31 March 2005. Area teams have targets for the further reduction of arrears aimed at achieving the overall figure for the Association of 4.1 per cent of rent due but unpaid from current tenants, as a percentage of the gross annual rent roll at 31 March 2006.
44. Former tenant arrears remain high at four per cent, and dedicated resources have been put in place since May 2005 to help reduce this figure, including the use of tracing and recovery agents.
45. The Association's policy and procedure guidance was produced in October 2005. The *Tenants' Handbook* informs tenants of the action the Association will take in the event of arrears, which includes options to refer to debt counselling and benefit advice, as well as identifying payment options.
46. In the event of rent arrears, tenants are informed of the advice service provided by Shelter Cymru via leaflets, posters and letters. The welfare and benefit advisor works two days a week in the customer service centre and staff refer tenants for advice using an appointment system. This service has been provided since October 2004, and has generated income for clients of £45,000 and helped 100 tenants.

47. Staff follow clear procedures and use the Anite computer system to generate standard letters and prompt home visits. There is scope to develop the system to generate weekly monitoring reports and identify breaches in agreements to support appropriate and timely action.
48. Progress against the business plan targets for the percentage of rent collected and current tenant arrears are reported quarterly. The services group also receives quarterly reports which show trends in performance over the year. These reports also provide a snapshot analysis of the total rent arrears of current tenants over time, with a note of the impact of housing benefit payments in arrear cycles. However, there is limited analysis of the number of tenants in arrears or a breakdown of the number of tenancies in arrears by level of debt, showing trends or action taken to enable evaluation of the outcome of action or the development of a longer-term improvement plan.

#### Areas for further development: rents

Develop an understanding of those in debt and develop specific approaches to resolving individual cases.

Develop the use of the Anite system to generate weekly monitoring reports and identify breaches in agreements to support appropriate and timely action.

Seek service user views about the impact of the prevention approach as a means of identifying further opportunities for service development.

Evaluate the impact of initiatives intended to reduce former tenant debt.

Assess the reasons for former tenant debt arising and introduce strategies for prevention.

Undertake regular monitoring of accounts to identify breaches of agreement and ensure prompt remedial action.

### **The Association had recognised the need to improve arrangements for letting housing by establishing a team to focus on the management of empty properties, with a fundamental review of the allocations and lettings process planned for 2006**

#### **The Association was addressing the high number of empty properties**

49. The Association established a multi-disciplinary team – the Empty Property Management Group (EPMG) – to tackle the problem of the high level of empty properties, within the budget that the Association was able to make available for this purpose. Having inherited 440 empty properties in September 2003, the Association has set a target for reducing the number to 200 by 31 March 2006. On 7 November 2005, the EPMG reported that it was managing 364 empty properties, of which 254 were considered ‘active’ with the remainder being scheduled for demolition (72), refurbishment (34) or empty for other reasons (4).

50. The EPMG has taken the first steps in tackling the overall numbers of empty properties and has set some targets within the overall process of dealing with empty properties. However, there is scope to further evaluate the component processes and set more challenging targets to drive improvement. Further process mapping is required and processes need to be challenged so that the Association can satisfy itself that action is appropriate and being undertaken as effectively as possible.
51. The Association does not systematically monitor relet times for all vacancies and, although it has set a minimum letting standard, it does not yet have robust arrangements in place to ensure the standard is consistently being applied. The Association provides new tenants with a wide range of information when moving in, and has a policy of visiting all tenants six weeks after the commencement of a new tenancy. However, details of the minimum lettings standard are not provided to new tenants. The Association also provides decoration allowances, but we found no clear criteria for standards of decoration and the provision of decoration allowances. Establishing clear criteria and applying them consistently will enable service users to provide informed judgements when the Association seeks their views.
52. The Association had scheduled a fundamental review of the allocations and lettings process for 2006.

### **The Association was developing the information available for housing applicants**

53. The transfer of stock has meant a significant change in the way in which people with housing needs are able to access housing in the Council area. The Council retains responsibility for managing a housing register and has its own selection criteria. The Association accepts nominations from the Council and also has its own housing register and selection criteria.
54. Before the inspection, the Association produced an explanatory leaflet about applying for housing. It provides an outline of arrangements in place and there is an expectation that people will seek more detailed advice from the customer services centre.

### **Weaknesses in arrangements for managing nominations from the Council and informing applicants of outcomes had been recognised**

55. A nominations deed was developed on the transfer of stock, which provided for 75 per cent of lettings to be made to those nominated by the Council and 25 per cent to be from the Association's register. A nominations task group has been set up with the intention of ensuring effective working arrangements between the two parties. The group has drafted and agreed a nominations protocol.

56. Data indicated that in overall terms the nominations targets were being exceeded. However, stakeholders and service users we spoke to considered the criteria and process to be unclear, particularly in situations where nominations were refused by the Association. Both the Association and the Council had recognised the need to review nomination arrangements more systematically and improve communications.

### **The Association was developing its evaluation of letting arrangements**

57. The Association was operating an exclusions policy, rather than a suspensions policy as expected by the Assembly Government. The Association had no register of people it has excluded and no appeals process is in place.
58. The Association is obliged to consider Council nominations for 75 per cent of its vacancies. The arrangements that the Council has in place will therefore have an impact upon the outcome of letting arrangements. The Association reports annual lettings by ethnicity, but at the time of the inspection it had not determined whether targets would be appropriate as a means of evaluating whether the application of policies results in fair selection. The Association reviews lettings figures by reference to the means by which an applicant has been rehoused but no monitoring was taking place against the Association's allocations scheme to assess whether it was operating as intended.

#### **Areas for further development: letting housing**

##### **Empty property management**

Further develop timescale targets for dealing with empty properties and monitor performance systematically.

Ensure the minimum letting standard is consistently applied.

Use feedback from new tenants as a means of evaluating the minimum letting standard and identifying options for improvement.

##### **Information for housing applicants**

Develop advisory information so that applicants can be made aware of their eligibility for consideration and prospects for rehousing in their areas of choice.

##### **Nomination arrangements**

Adopt a service-user perspective to evaluate the nominations process and ensure applicants are informed of the outcome of their nomination, the reasons for refusal and the mechanisms for appeal.

##### **Applications/lettings management**

Adopt suspensions policies in line with the Assembly Government's expectations and arrangements for ensuring applicants are made aware of reasons for suspension, review arrangements and how applicants may appeal against decisions.

Establish a register of suspended cases and arrangements for systematic review.

Undertake in-year analysis of the outcome of lettings arrangements to support assessment of whether selection arrangements are operating as intended.

## The Association's management service offered an appropriate form of tenancy and acts to safeguard the quality of life of residents and neighbours

59. Appropriate forms of tenure are provided, following the stock transfer in September 2003. All existing tenants have an assured tenancy agreement, with preserved rights such as the right to buy and additional succession rights.
60. All new general needs tenancies commence with an assured shorthold which automatically converts to an assured tenancy after 12 months, subject to compliance with the terms of the agreement. The Association has monitored the impact of using assured shorthold tenancies and has put more robust systems of recording in place to ensure that opportunities are maximised to secure support to maintain a tenancy and sustain communities. The Association also operates supported housing schemes, using tenancies that are appropriate to the particular circumstances of the scheme.
61. The *Tenants' Handbook* provides tenants with information on their rights and responsibilities, which are also outlined in the tenancy agreement. All new tenants are provided with the Assembly Government's *Guarantee for Housing Association Residents*.
62. The Association works in partnership with 'Safer Bridgend' to help deal with cases of anti-social behaviour and nuisance. Cases are referred to a panel to determine appropriate action and one acceptable behaviour contract has been drawn up between the partnership and a young person.
63. The Association had developed a clear anti-social behaviour policy and procedure with the involvement of operational staff, which was approved by the Board during the period of the inspection. The new protocols comply with Assembly Government guidance on dealing with anti-social behaviour. A need for further staff training to ensure compliance with the new procedures and the means of evaluating the impact of action taken had been identified.
64. The Association has also developed five estate action plan areas, intended to enhance the physical surroundings of communities through environmental improvement, and help safeguard the quality of life for residents and the wider community. At the time of the inspection, there had been no systematic evaluation of the outcomes of these plans, or the views of residents, to determine whether improvements have been effective.

### Areas for further development: managing housing

Record, monitor and evaluate cases of anti-social behaviour and determine the impact of action taken.

Work in partnership with residents to develop criteria for evaluating the impact of the implementation of estate action plans.

**The Association recognised the need to adopt a comprehensive strategy for the improvement of maintenance services and, although some improvements had been implemented at the time of the inspection, a fundamental review of the housing repairs service was scheduled for 2006**

**Some improvement in reporting responsive repairs and obtaining tenants' views had been secured. Further work had been identified to ensure the completion of repairs efficiently and within target times**

65. Target completion times set for responsive repairs are in accordance with Assembly Government guidance. The majority of repair requests reported by tenants are received by help desk staff based at the Bryncethin depot, which has responsibility for undertaking an initial diagnosis of the repair required and deciding whether it has sufficient information to place the job in the appropriate category. If so, it issues a works order. Help desk staff have produced a guidance manual to help them with this task. Tenants do not have any detailed guidance to assist them when reporting a repair, although feedback obtained by the Association's internal auditor indicated that 36 per cent of respondents considered a diagnostic tool would be of use to them.
66. In line with an offer document commitment, the Association introduced a limited appointments system for urgent repairs in mid 2005, and proposes to introduce repairs by appointment for other categories of work by March 2007.
67. Telephone surveys were introduced in January 2004, in an attempt to obtain the views of tenants as an alternative to seeking written submissions. During 2005, the Association sought tenants' views about the service received when reporting repairs and when jobs were undertaken. One quarter of all tenants who had responsive repairs completed, were surveyed and a 36 per cent response rate was achieved.
68. The Association also introduced an assessment of the responsive repairs service that combined the views of tenants with the outcome of post-inspection checks by officers, which was intended to form a basis for identifying opportunities for improvement in the future.
69. The following table, based upon tenant responses to the Council in 2001 and the Association in 2005, indicates that service users believe there has been an improvement in the quality of the repairs service compared to that provided before stock transfer.

**Exhibit 1: Valleys to Coast comparative survey**

Respondents consider a general improvement in the repairs service has taken place following the transfer.

Survey question	Reported outcome Bridgend County Borough Council January 2001	Reported outcome Valleys to Coast 2005
Were there any problems reporting the repair?	87% no	98% no
Was the repair completed satisfactorily?	94% yes	94% yes
Were you told when the repair would be completed?	59% yes	92% yes
Was the repair completed on time?	85% yes	88% yes
Did the tradesperson produce an ID card?	55% yes	73% yes
Did the tradesperson tidy up on completion?	92% yes	94% yes

*Valleys to Coast: November 2005*

70. This analysis shows service users consider there has been a comparative improvement in performance. However, the Association lacks detailed service standards that would enable tenants to provide informed responses in relation to the service they should expect to receive, and which would enable the Association to focus on the aspects of the service that need to change if further improvement is to be achieved.
71. On transfer, the Association lacked a reliable information base to support management of the maintenance service. The Association lacks valid data to enable proper assessment of any improvement in its responsive repairs performance since transfer, and experienced a systems failure in 2004/2005 which affected reported performance for the period. A review of the housing repairs service in February 2005 also included data on performance for 2003/2004 which had not been provided to the Assembly Government (Exhibit 2).

**Exhibit 2: proportion of repairs reported as completed within target**

Category of repair	Valleys to Coast performance Sept 2003 to March 2004	Valleys to Coast reported performance 2004/2005	Valleys to Coast reported performance April to September 2005	Valleys to Coast target 2005/2006
Emergency	97.9%	91%	95.62%	98%
Urgent	89.8%	85%	95.18%	90%
Non-urgent	No data	31 days	25.53 calendar days	22 days

*Source: Valleys to Coast Housing Repairs Service Strategic Review, February 2005 and Performance Indicators for Registered Social Landlords in Wales, National Assembly for Wales 2004/2005 (data has not been subject to audit)*

72. Trends indicate an improvement between 2004/2005 and April to September 2005 and a move towards 2005/2006 targets. However, the data has not been validated and thus must be used with caution.

### **Good progress is being made in replacing doors and windows**

73. The Association is undertaking a programme of work to replace doors and windows based on commitments made in the offer document. The programme of PVCu replacement of windows and doors was scheduled for completion in 2007. As part of the programme, contractors have been required to appoint tenant liaison officers to provide support and act as a communication link between contractors and tenants. Customer satisfaction with the contractors was surveyed: 62 per cent of those surveyed responded, with 99 per cent expressing satisfaction with the service.

### **Although some improvement has been achieved in reducing the backlog of servicing, further work is required to strengthen arrangements for managing gas servicing**

74. The Association has introduced a cyclical approach to statutory servicing, heating system servicing and smoke-detector servicing. In September 2004, the Association inherited an inaccurate database and more than 1,500 homes had no valid service certificate. The Association undertook an internal audit of arrangements for gas safety and solid fuel checks in November 2004. The report identified key areas for improvement that were in the process of being implemented at the time of the inspection. The number of homes with a valid gas certificate had increased from 72 per cent in September 2004 to 91 per cent in 2005.

### **The Association was in the process of assessing the extent and cost of works required to achieve the WHQS**

75. At the time of the inspection, the Association was in the process of assessing stock condition in the context of achieving the WHQS, and had designated a financial reserve to address any gap between the original estimates of the costs of full compliance and revised estimates. The stock condition survey undertaken by the Council in 2001, prior to transfer, had been completed before the publication of guidance for housing associations in November 2003. Work was also in progress to determine the extent of potential environmental works required in addition to the physical improvement of properties.
76. The Association also had information based on a condition survey of its non-traditional stock, which indicated that sufficient funds may not be available to meet the cost of improvements to achieve WHQS.

<b>Areas for further development: maintaining housing</b>
---

Identify underlying causes of performance against target completion times, implement improvement plans and regularly evaluate performance.
--

Continue to improve statutory servicing arrangements and regularly evaluate performance.
--

Determine the extent and cost of works required to achieve the WHQS by 2012.
--

## Arrangements for managing services for people with support needs were being developed

### The Association was making accommodation available for people with support needs and was developing management arrangements in partnership with support providers

- 77. The Association received accredited support provider status in October 2005, and has identified the need to develop arrangements for ensuring the service provided by agents meets expectations. Prior to this, the Council was the accredited support provider.
- 78. Applications are considered from those with support needs, although it is usual for those with high levels of support requirements to be referred by the Council. Offers to applicants may be deferred if appropriate support is unavailable to sustain a tenancy.

### Arrangements for identifying and tailoring support to tenants with support needs had been developed

- 79. The Association meets the needs of existing tenants who become vulnerable by offering transfers to more appropriate accommodation. It provides sheltered accommodation for the elderly, engages with external support providers if there are difficulties in sustaining a tenancy, and arranges aids and physical adaptations if required. The Association has set up an internal information sharing protocol that aims to ensure staff are made aware of service users with support needs and can access information about how specific needs may be met.

<b>Areas for further development: housing for people with support needs</b>
---

Review management agreements with support providers and undertake systematic review of the provision of agreed services.
--

---

## **The Association has established a framework for strategic management; arrangements for securing continuous improvement were at an early stage of development**

### **Delivery against business plan strategic objectives is supported by alignment of the corporate plan and financial plan**

80. The Association aims to 'provide good quality, affordable homes within vibrant and sustainable communities'. The Association's business plan has two principal sections – the corporate plan which sets out aims and objectives together with an explanation of underlying proposed action, and the financial plan which contains the key assumptions and budgets to support delivery of the corporate plan. These plans are aligned, in accordance with good practice, and proposals for service development are accompanied by a realistic assessment of resource requirements.
81. The Association reviews progress towards strategic objectives through annual reviews, such as the 2004/2005 review 'Delivering Change', which included a summary of progress against offer-document promises and identified particular aspects of service that required further development.

### **Some of the core themes of the business plan are supported by clear implementation plans, but others need further development**

82. In some areas, such as community regeneration, initial plans for implementation are being developed in partnership with the Council. These include criteria against which the success of schemes can be evaluated in the longer term. In other areas, such as the intent to promote successful neighbourhoods, the aim of working in positive partnership with the Council and other associations has been identified, but arrangements for formally reviewing the outcomes achieved had not been fully developed.

### **A framework for performance management is in place, but the Association recognises that it does not yet evaluate performance in some key service areas**

83. The Association has a performance management framework in place, but a lack of performance data at the time of the inspection constrained the evaluation of performance in some key service areas, such as a breakdown of the component stages of managing relet times, responsive repairs performance against target completion times, and outcomes of the lettings process. The Association recognised these gaps and was in the process of improving data capture.

84. The performance management framework involves Board members, senior managers and staff. A Personal Development Review (PDR) process was introduced for the majority of staff in April 2004, and there are plans to extend the arrangement to housing repairs service operatives in April 2006. For the Chief Executive the PDR formally assesses his progress in meeting business plan core themes. The majority of staff we met during the inspection supported the improvements achieved in the two years following transfer and were committed to the further improvement of services. The Association has the opportunity to build upon this strong staff base by using the PDR process to provide opportunities for staff development linked to the achievement of corporate objectives.
85. A continuous improvement plan and supporting arrangements were in the process of being developed. The Association had produced a five-year continuous improvement plan, as part of its 2005-2010 Business Plan. Proposed methodologies were outlined, but the scope of the reviews had not been developed. Proposals for 2005/2006 included fundamental reviews of the housing repairs service, allocations/lettings and tenant participation. Only a strategic review of the housing repairs service, completed in February 2005, was available at the time of the inspection.

### **The absence of evaluation against the Association's own agreed service standards means that outcomes for service users are based only upon perceptions of improvement since the stock transfer**

86. The Association undertakes surveys of service users which indicate that users believe there have been improvements since the stock transfer. However, the Association had not developed proposals to evaluate performance against declared standards, such as the minimum letting standard, and lacks agreed service standards in other service areas. As a consequence, service users are unable to make informed judgements about the quality of services they are receiving.

### **The Association recognised the need to instigate robust implementation plans for some service areas to secure improvement within clear timescales**

87. The Association has faced the challenge of securing improvement across a range of services since stock transfer in September 2003. Initially, a range of internal audit reviews was used to identify key risks and made recommendations in specific service areas. Progress reviews have been undertaken on a systematic basis and, for some of the more complex service areas, it has been necessary to review implementation timescales. For example, the development of comprehensive procedures for all functions within the housing repairs service was scheduled for completion in the summer of 2005, but the exercise had not been completed at the time of the inspection.

88. Responsibility for developing specific aspects of service has been assigned to area managers and other senior staff, who also face the challenge of developing the 'day-to-day' services. There was a recognition of the need for robust implementation plans in order to deliver service improvements within clear timescales.

**Areas for further development:****Securing continuous improvement**

Prioritise proposed activities in the business plan 2004-2010 and produce implementation plans that include specific responsibilities, measures of success and proposals for systematic monitoring and evaluation.

Ensure performance management arrangements evaluate performance for the full range of Association services against a balanced range of measures, using reliable performance information.

Establish robust implementation plans for improvement in key service areas, and ensure that they incorporate a realistic assessment of resources.


## Appendix 1

## Summary of the relevant Assembly Government Regulatory Code expectations

Aspect	Summary of regulatory code expectations
Relationship with 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. (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 WHQS by 2012. (Regulatory Code 1.5.3)</p>

<b>Aspect</b>	<b>Summary of regulatory code expectations</b>
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>





---

Wales Audit Office  
2-4 Park Grove  
Cardiff CF10 3PA  
Tel: 029 2026 0260  
Fax: 029 2026 0026  
Textphone: 029 2026 2646  
E-mail: [info@wao.gov.uk](mailto:info@wao.gov.uk)  
Website: [www.wao.gov.uk](http://www.wao.gov.uk)