

# **South Liverpool Housing Group Re-Inspection**

**South Liverpool Housing Group**

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## Housing Association Inspections

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively and delivers high-quality local services for the public.

Within the Audit Commission, the Housing Inspectorate inspects and monitors the performance of a number of bodies and services. These include local authority housing departments, local authorities administering Supporting People programmes, arms length management organisations and housing associations. Our key lines of enquiry (KLOEs) set out the main issues which we consider when forming our judgements on the quality of services. The KLOEs can be found on the Audit Commission's website at [www.audit-commission.gov.uk/housing](http://www.audit-commission.gov.uk/housing).

For housing associations our inspection role and remit is set out in sections 41(A) and 41(B) of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003) and is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

- is proportionate to risk and the performance of the association;
- judges the quality of the service for service users and the value for money of the service;
- promotes further improvements in the service; and
- has cost no more than is necessary to safeguard the public interest.

We are committed to working in partnership with other regulators, and the Audit Commission and the Housing Corporation are working together to improve the performance and efficiency of housing associations. Our shared objectives are to ensure that associations provide services for the diverse range of customers in their areas of operation, high standards of customer services and access, and value for money for both customers and the taxpayer.

The Housing Corporation is the statutory body which regulates housing associations to ensure that they are well governed, well managed and financially viable, as set out in its Regulatory Code. Its lead regulation staff work with housing inspectors to ensure that there is adequate information provided for the inspection and that the inspected body implements recommendations in the inspection report. The overall findings of the inspection are also used to inform the Housing Corporation (HC) Assessment (HCA) which determines eligibility for further public investment and may influence the housing association's future business prospects.

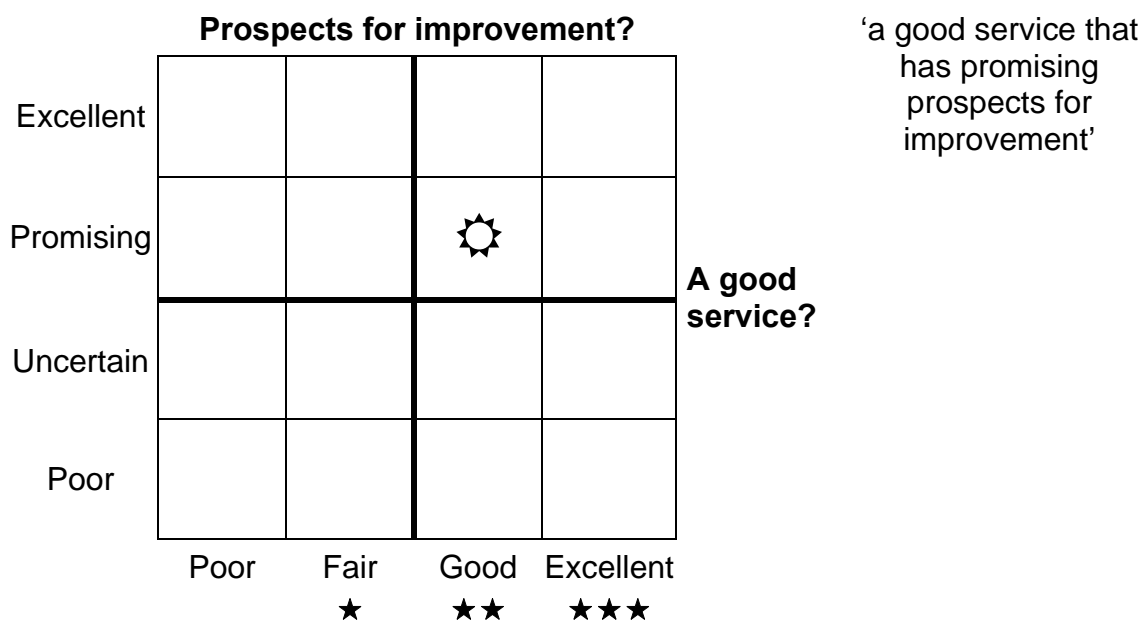
## Summary

- 1 South Liverpool Housing Group (SLH) is a Registered Social Landlord (RSL) which works solely in the Speke and Garston areas of Liverpool. SLH was registered in September 1999 to take 4,400 general needs units as part of a stock transfer from Liverpool City Council. The transfer was supported by £44 million in grant from the Estates Renewal Challenge Fund (ERCF), to facilitate the stock improvement programme.
- 2 At 31 March 2002 unit numbers had fallen to just fewer than 4,000 as a result of right to buy sales and a programme of demolitions. At the time of our inspection, stock numbers had reduced further to 3,534 units.
- 3 The Association has 98 members of staff and the governing body consists of 10 members, 4 of whom are tenants of the Association.
- 4 SLH was previously inspected in July 2004 and was awarded no stars with uncertain prospects for improvement. Inspected bodies failing to score any stars are re-inspected to assess whether progress has been made in delivering service improvements.

## Scoring the service

- 5 We have assessed South Liverpool Housing Group as providing a ‘good’, two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

**Figure 1 Scoring chart<sup>1</sup>**



Source: Audit Commission

- 6 The service is good because:
- the standard of customer care is high, customers can easily access services and report repairs at any time, the website is informative and has a number of interactive features;
  - there is a range of information provided to customers about the service including an informative tenants' handbook, and a series of leaflets are available explaining other services;
  - the quality of service provided to customers is measured through a suite of service standards which customers were involved in setting;
  - customers are actively involved in improving services and there are a number of ongoing initiatives to involve customers from 'hard-to-reach' groups;

<sup>1</sup> The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

## 8 South Liverpool Housing Group Re-Inspection | Scoring the service

- tenants have benefited from substantial investment in the housing stock with 83 per cent of properties reaching the decent homes standard and future investment decisions being based on sound stock condition data;
- responsive repairs are completed quickly and 80 per cent of jobs are completed during the first visit and an effective appointment system in place;
- satisfaction levels are high and improving for most service areas; and
- the organisation has adopted an effective range of approaches to address issues of anti-social behaviour (ASB) including positive work with partners to tackle specific issues.

However, there are a number of weaknesses with the service:

- turnaround times for empty properties although improved is still high at 49 days for 2005/06;
- the organisation does not yet have a comprehensive understanding of the profile of its customers and performance on meeting diversity targets is mixed;
- waiting times for major adaptations can be lengthy; and
- estate management standards are variable.

### 7 The Association is considered to have promising prospects for improvement because:

- customers can see recognisable improvements to the services they receive and SLH can demonstrate that it is effective at listening to and responding to customer feedback;
- the organisation can demonstrate a track record of delivering change by implementing the recommendations from the previous inspection and has implemented a number of quick wins identified in a recent mock inspection of the service;
- there is effective leadership and changes within the management of the organisation have provided a focus on improvement and staff demonstrated a commitment and enthusiasm for change;
- performance management arrangements are effective with evidence that they are being used to tackle areas of under performance;
- the organisation has made significant financial savings; and
- the skills of staff are being developed through regular training courses, and sickness levels are low.

8 However, we identified the following areas for improvement:

- the longer-term strategic approach to delivering sustained value for money (VFM) is under developed with targets for efficiency gains yet to be developed at a service level and VFM is yet to be embedded as part of the company culture;
- the quality of plans is variable. The organisation has not systematically evaluated the outcomes from initiatives which makes it more difficult to evaluate success and provide focus for future priorities; and
- IT systems are not fully integrated across all service areas which can result in duplication of effort and missed opportunities for an integrated approach to service delivery for customers.

## Recommendations

- 9 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs<sup>2</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Association shares the findings of this report with tenants and board members, and addresses all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

### **Recommendation**

*R1 Strengthen the focus on users and tenants by:*

- *evaluate how customers access services to ensure equity;*
- *continue to develop a comprehensive profile of the customer base which can then be used to shape services to meet customers need and to help direct strategic direction;*
- *introduce effective policies and procedures for rechargeable repairs; and*
- *work with customers to ensure that performance targets are challenging but realistic which can be used to drive forward continuous service improvement including for example arrangements for the aids and adaptations service and management of empty properties.*

The expected benefits of these recommendations are:

- delivery of suitably tailored and resourced services for all including vulnerable groups;
- improved income collection through an effective rechargeable repairs policy; and
- improved access to services for existing and future customers.

The implementation of this recommendation would have medium impact and will incur low costs.

They should be fully implemented within 12 months.

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<sup>2</sup> Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

**Recommendation**

*R2 Improve the general environment of the estates by:*

- *continue to work with partners to effectively manage open areas within mixed tenure communities;*
- *evaluating outcomes from initiatives to address anti-social behaviour (ASB) and improvements in estate management to ensure there is a focus for the direction of future resources and priorities; and*
- *identifying blockages and identify solutions which will contribute to maintaining reducing further void relet times.*

The expected benefits of these recommendations are:

- enhancing the sustainability of estates; and
- reduction in void costs, improved quality of homes and reduced relet times.

The implementation of these recommendations would have high impact and incur medium costs.

They should be fully implemented within 12 months.

**Recommendation**

*R3 Improve procedures for gas servicing by ensuring that robust reporting arrangements are in place, including regular reports to the Board.*

The expected benefits of this recommendation are:

- SLH meets its statutory requirements; and
- improved safety for tenants.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented within six months.

**Recommendation**

*R4 Continue to enhance capacity issues by:*

- *completing the proposed implementation of the new IT systems; and*
- *ensure that all service and corporate plans are SMART with identifiable outcomes, resourced objectives which reflect locally agreed and national priorities.*

The expected benefits of these recommendations are:

- IT systems which support operational activities and readily provide accurate strategic information; and
- a robust framework to formally assess performance.

The implementation of these recommendations would have high impact and incur medium costs.

They should be fully implemented within 12 months.

<b>Recommendation</b>
<p><i>R5 Integrate value for money into working practices by:</i></p> <ul style="list-style-type: none"><li>• <i>providing training within the organisation on what striving for VFM would mean to the organisation;</i></li><li>• <i>agreeing appropriate and challenging targets for efficiency gains for all services at an operational level which are linked to sustained or improved service quality; and</i></li><li>• <i>and consider how VFM can be implemented into the organisations business development and performance management frameworks.</i></li></ul>



The expected benefits of these recommendations are:

- the development of clear targets for efficiency gains and securing improved value for money; and
- an embedded approach to VFM.

The implementation of these recommendations would have medium impact and incur low costs.

They should be fully implemented within 12 months.

<b>Recommendation</b>
<p><i>R6 Report and publicise the key findings of this report to service users, Board Members, stakeholders, and staff.</i></p>

The implementation of this recommendation would have medium impact and incur low costs.

This should be implemented within four months.

***Recommendation***

*R7 Take action to address all other weaknesses in this report.*

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented within 18 months.

We would like to thank the staff of South Liverpool Housing Group who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 12 to 16 June

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# Report

## Context

### The locality

- 10 Speke and Garston are home to some 25,000 people and about 10,000 of them live in an SLH home. The areas are in the South of the City and border the river Mersey. Much of the housing in the area was built to 'garden suburb' principles with front and back gardens and large open areas of open space around the estates.
- 11 The resident population of Speke, as measured in the 2001 Census, was 9,098 of which 46 per cent were male and 54 per cent were female. Four per cent are from Black and Minority Ethnic (BME) communities, compared with 5.7 per cent across Liverpool as a whole. A higher number of the residents in the Speke area consider that they have a limiting long-term illness (29.7 per cent) compared with 24.6 per cent of the overall Liverpool population there is also a preponderance of older people, with approximately a third of tenants over 60.
- 12 Unemployment is generally high in this area of the city although, within the Association's stock, unemployment is higher still, with only 15 per cent of tenants economically active and there is a high level of benefit dependency with 59 per cent of SLH's tenants in receipt of some state benefit.
- 13 The estates managed by SLH are in the worst one per cent of Super Output Areas as measured by the Index of Deprivation. Educational attainment is low and there are high levels of serious organised and violent crime.
- 14 However, the area is well settled with more than half of tenants having lived in their property for more than 11 years. Tenancy retention has been increasing since 2002. In 2002, around 22 per cent of tenants had been resident in their accommodation for less than two years, this figure had decreased to 13.4 per cent in 2005.

### The Association

- 15 South Liverpool Housing (SLH) is a general needs association which operates exclusively in the south of Liverpool, close to the city's airport in the Speke/Garston and Cressington wards. SLH was registered in September 1999 to take 4,400 general needs units as part of a stock transfer from Liverpool City Council.
- 16 The transfer consisted of all local authority properties (excluding sheltered housing) within two large estates in Speke and Garston. It was supported by a grant of £44 million from the Estates Renewal Challenge Fund (ERCF), to facilitate the stock improvement programme.

- 17 To date there have been a number of changes to the assumptions contained in the transfer business plan. The most significant issues relate to a number of unplanned demolitions, an increase in right to buy sales, overstated rental income and issues around the funding of an in house telecommunications agency. Over the life of the 30-year plan, the Association was set to lose more than £30 million in revenue.
- 18 The business plan has therefore been recently updated to take account of these changes. SLH made £1 million savings in 2004/05 and £600,000 in 2005/06. In 2004/05 this included reducing staff costs by £200,000, and 12 staff were lost through voluntary redundancies to achieve this. The Association directly employs 98 people.
- 19 At the time of transfer, the Association made several key promises to customers, around issues such as property improvements, the provision of an out-of-hours emergency repair service and an appointment system for repairs. Rent increases for existing customers are to be limited to RPI plus one per cent and SLH will provide tenants with a breakdown of service charges. SLH has fulfilled its promises to its tenants.

### **The service**

- 20 This is a reinspection of SLH. An inspection was carried out in July 2004 when the service was awarded no stars and was considered to have uncertain prospects for improvement. Inspected bodies scoring no stars are re-inspected quicker than those scoring one or more stars.
- 21 Service areas inspected include: access and customer care, diversity, asset management, estate management and value for money (VFM).

## How good is the service?

### What has the service aimed to achieve?

- 22 SLH has a mission statement:
- 'Making South Liverpool a better place to live and work'.*
- 23 The mission will be achieved through three headline objectives, which are:
- a genuine three-star organisation;
  - growth and diversification; and
  - to be the leading provider of neighbourhood management in South Liverpool.
- 24 In addition, SLH has a clear vision and a set of values which are aimed at helping the organisation deliver its overall objectives and mission statement. Its vision is:
- solid and robust business plan;
  - together we'll deliver the future;
  - attractive inclusive neighbourhoods of choice;
  - responsive, listening and learning organisation; and
  - superb services.
- 25 Its values are to display:
- respect, openness and accountability;
  - equality, diversity and inclusivity;
  - socially responsible behaviour;
  - progress through challenge and innovation;
  - empowerment and development of our staff and customers;
  - continuously improve the quality of all our services to customers; and
  - treat others as they want to be treated.

## Is the service meeting the needs of the local community and users?

### Access and customer care

- 26** Weakness identified during the last inspection included a lack of service standards and monitoring of performance and service take up. Complaints were not managed in an effective manner and there was no comprehensive complaints policy and procedure.
- 27** Strengths significantly outweigh weaknesses in this area. There is an improved commitment to customer care. Service standards have been established and agreed with customers, public areas of offices have been improved, the telephone service is monitored and improvements made to customer information. The profile of SLH staff on their estates has improved through 'walk about Wednesdays' and a general emphasis on visiting tenants. However, further work on comprehensively establishing patterns of service take up is still required and the complaints procedure is not always kept to.
- 28** The group is developing a culture and focus on improving customer care. A customer care code provides detailed guidance and instructions for all staff on how to deal with the public. Challenging service standards covering all areas of service have been agreed with tenants; are closely monitored and generally kept to. Tenants and managers receive detailed information relating to compliance with service standards and any deficiencies are addressed. Performance against service standards on ASB such as responding within the prescribed time is also monitored. This shows performance on visits within five days, for example, failing to reach target times.
- 29** Where vulnerable tenants are known, IT records are flagged so that staff can tailor services to meet their needs. Staff are given advice on how to support vulnerable tenants. All staff are trained in customer care and new staff are trained on customer care as part of their induction process. Each service area has a customer care champion and this aspect of the business is subject to constant review. Staff show a commitment to providing a good service and generally understand their customers.
- 30** It is easy for tenants to comment on the service and their opinions are acted upon. Customer satisfaction for all services is gathered and broken down to reflect the ethnicity of the respondents. Through the 'you said, we did' initiative. Tenants are updated on what action the group has taken following their comments. There are several examples of where suggestions have been acted upon such as with changing the colour of repair receipts to help readability to having local voices on recorded telephone messages. Acting on tenant's suggestions shows SLH to be responsive to tenant's suggestions.

31 Results of satisfaction surveys, mystery shopping exercises and telephone response times are reported on a monthly and quarterly basis to the management team and Board respectively. The reports are used to highlight areas for improvement and where additional resources are required to plug gaps in services. Examples of monitoring on satisfaction include the following.

- Anti-social behaviour cases are monitored closely on a monthly basis and the level satisfaction with how complaints are dealt with is gathered. This includes such things as the number of new and existing cases and the ethnicity of the complainant and perpetrator. Complainants' satisfaction levels are generally high.
- SLH is aware of peak times for telephone and personal calls and allocate staff resources accordingly. Telephone performance for 2005/06 telephone calls shows that 89 per cent of calls were answered within the service standard of five rings, which is slightly above call centre industry good practice standards of 85 per cent. Tenants find it easy to contact SLH.
- Tenants are given the opportunity to comment directly to SLH and external agencies are commissioned to complete telephone surveys on a statistically valid random sample of service users.
- Tenants have a clear role in improving service delivery. A number of tenants act as auditors, checking service quality, for example inspecting empty properties.
- This emphasis on customer care can be evidenced by an increase in tenant satisfaction. SLH undertake annual customer satisfaction surveys and the most recent survey showed that showed satisfaction rates rising from 82 per cent in 2004 to nearly 90 per cent in 2005. This rise is reflected across most services and is based on statistically valid sampling techniques.

32 There are a variety of sources of information to advise existing and potential customers of the services provided including the following.

- A range of attractive and informative leaflets has been developed with tenants. The leaflets were available and are laid out in an easy to understand format and contain all the information tenants would reasonably need and include straplines to advise leaflets can be produced in a variety of languages and formats. A tenant 'reader's panel' acted as an editorial board for the leaflets and this is reflected in their ease of reading.
- The tenant's handbook is comprehensive, well laid out and easy to understand. It was developed with the tenants' editorial panel, and contains relevant information including service standards, contact telephone numbers of both internal services and support agencies such as Women's Aid which can help tenants manage their tenancy.

- The quarterly tenants' newsletter is informative, easy to read. Recent publications have featured articles on anti-social behaviour, the need to use rent free weeks to pay off rent arrears and general news about the organisation to keep customers aware of new developments. Tenants can contribute articles and generally there is feel that it reflects tenants' priorities.
- The recently launched website is easy to navigate, informative and is designed to a standard as defined by the Web Access Accessibility Initiative. The site contains a number of interactive features including a AM/PM repairs appointment system, rent payments, recording ASB, access to downloadable leaflets and signposting to other useful websites; However, it is not possible to view rent accounts on line or make on line applications for rehousing or other services. SLH is recording the number of hits and this will help judge the effectiveness of the site.

Accessible information is important to ensure customers are aware of the services available from SLH.

- 33** Improvements have been made to improve the accessibility of services. SLH's two offices are welcoming for customers and DDA compliant. Both offices are well equipped with facilities for children, private interview rooms and screens showing information relevant to tenants such as available properties. Tenants have been closely involved in designing the layout of the offices and agreeing opening times. Mystery shopping exercises found callers dealt with quickly by friendly and efficient staff.
- 34** Good relationships have been developed with other local support agencies. Housing Officers can make appointments for tenants with the local CAB and for tenants suffering from anti-social behaviour (ASB) to have discreet visits from the local police. SLH offices are loaned to other agencies such as Social Services for meetings and training courses. This helps develop joined up services for tenants and residents in the area.
- 35** There is inconsistent information on who is using the Association's services. Some information is available on the take up of some services including the location and nature of the ASB which is recorded and used strategically. However, the take up of other services, such as floating support is not tracked. Therefore the organisation is fully able to identify possible barriers to accessing their services.
- 36** SLH has a simple three-stage complaints policy and procedure that offers compensation for service failure. It complies with good practice and regulatory guidance. SLH staff are empowered to make goodwill gesture payments when service failure occurs. SLH comprehensively monitors the service and satisfaction levels on complaints and reports to internal team and management meetings and externally to tenants via newsletters. There are several examples where complaints have led to changes in service arrangements, such as the introduction of a protocol for using voice mail.

- 37 Reality checks of complaints showed that policy and procedure was not always followed. Tenants' confidence in SLH will be enhanced by following procedures and acknowledging poor service.

## Diversity

- 38 The previous inspection highlighted a number of serious weaknesses including the absence of a strategic approach and an underperformance against targets.
- 39 Strengths outweigh weaknesses in this area. SLH is developing a robust approach to diversity. Progress has been made and diversity now has a higher corporate profile and practical steps to reach targets such as translated publications are in place. The organisations meets Good Practice Note (GPN) 4 and 8<sup>3</sup>; all SLH premises are disability discrimination act (DDA) compliant. All staff, contractors and Board Members are trained on E&D (equality and diversity) and cultural awareness. SLH has an E&D tenant board champion who is also the chair of the E&D Implementation Team. However, the Association does not currently have a comprehensive understanding of the diversity of its tenants and performance on achieving diversity targets are mixed.
- 40 The Board has clearly signalled its commitment to improve its approach to diversity and working with diverse communities which has included the following.
- Adopting an effective framework to promote diversity. SLH has a comprehensive equality and diversity policy dealing with all groups who are considered to be disadvantaged. Policies on racial harassment, hate crime and domestic violence were agreed with a wide variety of stakeholders. All SLH policies and Board papers undergo equality and diversity (E&D) assessments, diversity targets exist across a range of indicators and progress against targets are reported to Board.
  - SLH is involved with a variety of other bodies representing or working with disadvantaged groups such as the Black and Racial Minority working party sub-group of the Liverpool Strategic Housing Partnership and the City Council's Equalities Manager acts as SLH's critical friend.
  - At an operational level, staff work closely with a number of stakeholders to promote community cohesion. This includes diverse roles such as working with local police to ensuring offensive graffiti is removed within the service standard time of 24 hours to arranging youth events. Staff show a clear commitment to working in a diverse manner and to support vulnerable tenants and rehousing applicants. Such an approach will create closer communities and enhance the sustainability of the area.
  - Contractors are expected to apply the Association's diversity policies and procedures when acting as its agent. Contractors are obliged to provide details of their own diversity policies and this is checked against workforce details. Contractors are offered free training on diversity, given access to Language Line and provided with language identification cards. Contractors who do not show a commitment to diversity are removed from the select list. This reinforces to tenants the Association's commitment to diversity.

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<sup>3</sup> Good Practice Note 4 and 8, Housing Corporation indicators of an organisation's commitment to diversity.

- 41 SLH is developing an understanding of the diversity of its tenants and can demonstrate positive outcomes for customers as a result. The group is in the process of profiling its customer base and has completed about 300 'tenancy health checks' against a target of 1,750 visits for 2006/07. As well as collecting information on particular communication needs, faith and sexuality about which no information is presently held, health checks identify whether subtler issues such as a requirement to 'knock loudly'. It also uses its 'Walkabout Wednesdays' as a way of directly engaging with its tenants to understand their particular needs. Outcomes to date have included changes to rent statements, large print documents and access details on repairs tickets. A detailed information base will help tailor services to meet the detailed needs of tenants and provide focus for future strategic decisions.
- 42 SLH is sensitive to the needs of customers and tenants who it knows to be vulnerable or have specific communication issues including the following.
- Vulnerable tenants' IT records are flagged with details of how the service needs to be tailored to their needs and this is shared with contractors. Applicants who may have difficulty dealing with the choice-based lettings system are given assistance.
  - As a direct response to meet the housing-related support needs of the high level of vulnerable people within the area, a floating support service has been established. Assessed by Liverpool City Council, the service was awarded a B rating under the Quality Assessment Framework in February 2006. This helps vulnerable people in the area maintain their tenancies and improve their ability to live independently.
  - Use of Language Line, language cards, typetalk and promotion of religious events.

As a consequence, SLH is reducing barriers and making services accessible for all sections of the community.

- 43 Performance against diversity targets is mixed and there is limited evaluation to reflect outcomes from initiatives implemented. Lettings to BME groups has increased over the last two years, is above target and reflects the proportion of BME residents in the area. BME tenant satisfaction is lower than that of other tenants and SLH is in the process of establishing the reasons for this. Board membership divides equally along gender lines and there is a disabled board member, but there are no BME board members. Targets for BME and disabled employees have not been met and, although the target for female employees overall has been met, there is no analysis of their positions within the management structure; nor is there any analysis of the proportion of BME and disabled applicants or their success rate. SLH is presently unsure as to the impact of its diversity policies.
- 44 SLH has a series of ongoing initiatives to involve traditional 'hard-to-reach' groups. These have included 'celebrating diversity' events which have been successful at bringing different members of the community together and raising awareness of different backgrounds through live music and dance.

- 45 Engaging with young people and equipping them with skills, confidence and opportunities to succeed is a priority for SLH. In 2003, SLH launched its Junior Board, which is a unique way of engaging with young people and giving them a real say in decisions that affect their community. During 2005, the Junior Board hosted Liverpool's first Youth Conference which gave young people the opportunity to identify and discuss issues in the community and shaped the Junior Board's priorities for the year ahead.
- 46 The Association has also been successful at attracting European Social Fund (ESF) to establish a programme of workplace training which has provided support to 41 Intermediate Labour Market (ILM) trainees, which has supported the regeneration of the local labour market and helped to return long-term unemployed people back into employment.

## **Stock investment and asset management**

### **Capital improvement, planned and cyclical maintenance, major repair works**

- 47 In the last inspection we found that a key strength in this area had been the delivery of the improvement works through the tenants promises agreed at transfer. A newly introduced property investment management strategy system (PIMSS) was to be used for future investment modelling. The Association had not agreed an asset management strategy, and tenants were not given sufficient notice of impending works.
- 48 Strengths outweigh weaknesses in this area of the service. From a strategic perspective, the Association is on target to achieve the Decent Homes Standard (DHS), asset management arrangements are robust although databases are not integrated and require manual updating. Tenants have benefited from significant investment in their homes.
- 49 Investment plans are adequately resourced to deliver local and national priorities including the DHS by 2010. As part of the transfer agreement, SLH carried out whole house improvements to its estates. These included new windows, central heating, kitchens and bathrooms. Consequently stock condition is good, with 83 per cent of properties currently meeting the DHS. The only work outstanding being ongoing is pointing and roof replacement works. SLH has agreed a DHS plus standard with its tenants. Properties are well maintained with cyclical maintenance including painting undertaken on a five-yearly cycle. SAP<sup>4</sup> ratings of 72 are in the top quartile. This should help tenancy sustainability and attract new tenants to the area.

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<sup>4</sup> Standard Assessment Procedure - a formula for calculating the thermal efficiency of a dwelling.

- 50** SLH has a good understanding of the condition of the stock and its estates' sustainability. A stock condition survey (SCS) was completed in 2004, surveying the external fabric of all properties and the internal fabric of 17 per cent. The stock condition data base is regularly updated by contractors completing capital works, although this is dependant on a manual system due to shortcomings with existing IT systems where databases are not fully integrated. This can lead to waste if responsive repairs are ordered when programmed works are pending or within defects. The SCS data base can predict spend over a 30-year period and reflects sustainability issues such as environmental conditions. This is an essential tool to inform strategic investment decisions.
- 51** An effective asset management strategy was approved by the Board in 2004 and updated in December 2005. The strategy takes a long-term strategic view of the stock and deals with issues such as the large number of older tenants and their likely future needs. It prompted the review of SLH's adaptations policy and the development of community health initiatives. As part of the strategy, a neighbourhood sustainability matrix has been developed with six indicators of need for intervention, such as the frequency of voids and vandalism. This has been used to inform works such as the fitting of secure entrance doors to blocks of flats showing signs of instability. Low demand is no longer a significant issue which demonstrates an effective use of resources.
- 52** Programmed works are effectively arranged, agreed with tenants and parcelled up to minimise disruption. The Audit Commission recommended percentage split between programmed and responsive repairs expenditure is met and the Association has a sound 30-year programme of planned maintenance. Tenants are given appropriate notice of works and details of whom they should contact if they have any problems. Works are co-ordinated with responsive repairs information and both meet tenants' aspirations and keep properties in good condition. The effectiveness of programmed works is reflected in the responsive repairs budget which has fallen year-on-year for the last three years.
- 53** Tenants are given the opportunity to influence investment decisions. Tenants have suggested security improvement work including alley-gating and boundary treatments. SLH is devoting £1 million to this work over the next two years and has budgeted £4.1 million over the course of the business plan. Tenants also have access to discretionary estate improvement budgets which can be spent on items of their choice. This helps to improve estates in a manner which reflects tenants' priorities.
- 54** SLH has fostered good relations with all repairs and maintenance contractors. Communications, IT links, disputes and complaints are dealt with in an appropriate manner and to the satisfaction of both parties.

- 55 Capital works programmes have been let in an effective manner using partnering principles. Both service improvements and efficiency gains have been secured when letting works programmes. For example, the re-roofing programme secured unit cost reductions from £3,375 to £3,111 on previous programmes and more effective working procedures. Monitoring reports show that programmes are delivered on time and broadly within budget. Through comparative studies with other HA's in the region external consultants have established that responsive repair charges are competitive locally.
- 56 SLH meets the requirements of the Control of Asbestos at Work Act. All communal areas have been surveyed for asbestos and details are held on an accessible data base. Contractors and staff confirm that details of asbestos are routinely shared with them prior to any works. No information has been supplied to tenants on the risks posed by asbestos. This leaves tenants at risk.

### **Responsive repairs**

- 57 In the last inspection we found that there was some emerging improvements in the delivery of the responsive repairs service following the development of partnering arrangements including the recent introduction of an appointment system. However, the delivery of the responsive repairs service showed clear weaknesses relating to performance and performance management and performance against other organisations, was weak, based upon the 2003/04 figures.
- 58 Strengths outweigh weaknesses in the responsive repairs service. This service shows rising tenant satisfaction ratings. Repair completions within target time are increasing and an effective appointment system has been established. The service is provided by a single contractor in the third year of a competitively tendered four-year contract. Operatives are multi-skilled, it is easy to report a repair and arrange an appointment to have the work carried out. The number of repairs completed as emergencies has fallen and feedback is used routinely to inform service improvements. However, rechargeable repair policies and procedures are under-developed.
- 59 The repairs service is easily accessed by tenants over the phone, by email, in person and via the website. Repair requests can be reported via a freephone number at any time and appointment slots of two hours are offered. The Association has an IT facility with its out-of-hours service provider which allows the provider to access the Association's appointment system this means that tenants can report repairs twenty four hours a day. Arrangements can also be made to offer out-of-hours appointments. At the time of our inspection, 71 per cent of repairs were being undertaken by appointment and of these, 99.68 per cent of appointments were kept. This ensures that repairs are completed at a time that is suitable for the customer.
- 60 SLH has a detailed repairs and maintenance policy. The policy clearly outlines landlord and tenant responsibilities around repairs and other matters related to the structure of the property. The policy outlines service standards and what tenants can expect from the service. This enables tenants to make an informed judgement on the quality of the service.

- 61** A series of efficiency gains have been made to the service. The last three years have seen a reduction in the cost of responsive repairs, and benchmarked responsive repairs expenditure show them to be top quartile performers. A composite schedule of rates (SOR) has been introduced for the majority of responsive repairs to replace the open book and overheads policy. Although it is too early to see what overall impact moving to a schedule of rates will have on budgets, the unit cost of each repair has reduced from £24 to £15 over the last three months. Responsive repairs are more expensive to complete than planned repairs and savings will allow the money to be spent more effectively elsewhere.
- 62** A series of improvements have been made to the repairs service, which include:
- communal area inspection policy to ensure that high standards are maintained in communal areas;
  - pre and post-inspection of repairs by appointment, within one-hour time slots;
  - an agreed outcomes form is completed by tenants and surveyors to ensure there is no confusion around work ordered;
  - most operatives are multi-skilled and 80 per cent of all repairs are fixed first time;
  - repeat orders are monitored and reported monthly to the management team;
  - a booklet containing maintenance tips is provided to all tenants with explanatory diagrams;
  - online diagnostic software to help customers when ordering repairs via the internet;
  - urgent and routine repairs completion times are exceeding SLH targets and delivering top 25 per cent performance. Emergency repairs fall just short of target and are in the top 50 per cent; and
  - routine repairs carried out within 21 calendar days, compared to the 'industry' target of 28 days, with plans in place to reduce to 18 days.

This has led to an increase in tenant satisfaction with the repairs service to 84.9 per cent in 2005/06.

- 63** Indicators which point to an efficient service are generally met. Repair prioritisation is effectively used and the percentage of repairs pre and post-inspected broadly meets Audit Commission guidelines. There are few disrepair claims and all have been settled before they have reached the court. This will save SLH money which can be spent on issues important to tenants.
- 64** Rechargeable repair policies and procedures are under-developed. SLH does not have figures on the number of cases involved or have a clear policy to guide staff on which repairs are rechargeable, when charges may be waived or repayment arrangements agreed. The lack of procedural clarity can lead to an inconsistent approach in dealing with customers and possible loss of revenue.

## Empty (void) properties

- 65 In the last inspection we found work was being done to bring long terms empty properties back into use, voids were being closely monitored and properties were being re let to a high standard and non barrier forms of security were being explored. However, average re let times were excessive at 25.7 weeks, and as with other aspects of the estates, grounds management such as the treatment of overgrown gardens of voids and communal areas was poor.
- 66 Strengths outweigh weaknesses in this area of service. The void service has made a number of improvements since the last inspection. Voids are generally well managed and have fallen significantly over the last three years. Barrier means of security are avoided and a void standard has recently been agreed with tenants. However, void relet times remain high but are improving.
- 67 Voids are generally well managed and have fallen significantly over the last three years, from around 12 per cent at the time of the transfer to the present level of around one per cent. This has been achieved by the demolition of low demand properties, a lower turnover rate and the more efficient management of voids. The number of abandoned homes fluctuates but has fallen by around a quarter in the last year and, on the completion of several development schemes, the number of properties becoming void is expected to fall further still.
- 68 SLH has recently agreed a voids standard with its tenants and this is recorded in pictorial form. The standard is given to all tenants when viewing their new home so that they can assess the condition of the property against the standard and accompanied viewings are undertaken. Visits to voids showed them to be generally well repaired. Whenever possible, tenants are offered decoration vouchers to complete the decoration of their new home. In exceptional circumstances SLH will complete the decoration of void properties.
- 69 Tenants also audit voids and make periodic checks. Voids whose previous tenant had chosen not to have their property improved under the improvement programme are brought up to the DHS plus. This will have helped improve the Association's acceptance rate. The Association also offers an incentive of £100 to tenants who give four weeks notice before leaving their home, this helps to enable quicker reletting of empty properties.
- 70 The void target relet time of 4.9 weeks is neither ambitious nor achieved. SLH's improvements in significantly reducing its voids are undermined by its poor record on reletting properties which, for 2005/06, averaged seven weeks. Reletting times have fallen significantly in recent months and averaged 29 days from year start to June. Average void costs are high at £2,500 per property and work is being done to understand the reasons for this including bringing forward the Best Value Review of Void Management to the 2006/07 programme. The organisation is yet to evaluate the success of initiatives and identify solutions to remaining barriers for improvement. Even in an area suffering a lot of vandalism of voids, this is a disappointing performance and increases overall void costs.

## Gas servicing

- 71 During the last inspection a number of serious weaknesses were found in the service. The number of outstanding services was high, CP12 certificates were not systematically checked and the majority of tenants complained that appointments for services were not made.
- 72 Strengths outweigh weaknesses in the gas servicing service and significant improvements have been made. Tenants are well informed about when their appliances need servicing and the servicing contract has recently been let with savings on the previous one. Not all gas appliances have been serviced in the last 12 months. Progress on the servicing programme is reported to Board but details on how long individual properties have been outstanding is not recorded.
- 73 There is a comprehensive policy and procedure for dealing with gas servicing and this is enforced. Tenants are well informed of when their gas appliances will be serviced and are provided with a leaflet advising them of the importance of gas servicing and of SLH's legal requirements. All estates have been divided into parcels and are serviced in a particular month; this is advertised to tenants and will help in gaining access. Additionally, all tenants are given an appointment for when the engineer will call at their home. Appointments outside of normal working hours are routinely available. All tenants who provide access each month are automatically entered into a monthly prize draw with winners names published in the tenants' magazine, 'Bulletin'. Tenant satisfaction with the service is measured independently and is around 90 per cent. Raising the importance of gas safety can contribute to a reduction in the number of appliances without a valid service certificate.
- 74 Not all properties have been serviced in the last 12 months. The number of properties serviced has increased over the last two years and around 98.7 per cent have been serviced this year. However, a service on boilers in seven properties has been overdue for more than six months although these cases are being monitored. A variety of means are used to gain access including prompts from call centre staff, injunctions and notices put over door locks advising tenants of the need for a service. SLH is pursuing the outstanding properties but such delays put tenants and SLH at risk.
- 75 Board members are not comprehensively appraised on the progress of the gas servicing programme. Details of gas servicing are reported to the Board, but the number of properties outstanding, how long they have been outstanding and action taken to gain access is not specified. The Board does not have a comprehensive understanding of how effectively the Association is progressing no access cases. Without comprehensive performance information the Association is unable to track whether it is taking reasonable steps to ensure it meets its legal obligations on gas servicing.

- 76 There are appropriate systems in place to deal with the administration of gas servicing. A robust gas servicing database is maintained, it is easy to interrogate and is routinely updated. The data base is linked to the repairs reporting system so that, when a tenant reports a repair on a house with an outstanding service, arrangements are made for the service to be completed at the same time as the repair. CP12 copies are efficiently stored, further works are acted upon and a one in ten check is completed by an external quality controller. Good record keeping is essential to an effective gas servicing programme.
- 77 The gas serving contract has recently been let in an efficient manner securing both savings of £19,000 and an improved service standards such as out-of-hours appointments. Gas servicing has been let to a single contractor via Fusion 21; the contract is for a 'three-star' service and is based on a single price per property for servicing and routine repairs. The contractor has a direct IT link with SLH and there is electronic transfer of servicing information, this has reduced the need for SLH to manually update its computer system once a service has been completed. The contract is completed over eleven months both allowing 'slippage' and avoiding Christmas. Procurement has been used effectively to improve performance.

### **Aids and adaptations**

- 78 In the last inspection we found the Association has joined the city-wide adaptations forum and has regular liaison meetings with the social services department (SSD). Working relations with SSD had improved but customers were waiting for adaptations for a considerable time, and felt their quality of life had been severely affected by a lack of provision.
- 79 Strengths outweigh weaknesses in this area. Minor adaptations are dealt with quickly and there are good links with other support agencies. However, waiting times for major adaptations can be lengthy.
- 80 SLH has good links with other relevant support agencies to maximise the use of adaptations and improve services. Features of the service include:
- efficient use of adaptations through recycling and rehousing; when the applicant wants this;
  - mapping of where adaptations have been fitted on the stock condition data base which is shared with the local authority's aids and adaptations service;
  - tenants requesting adaptations are visited at home and an assessment is made to see if they are entitled to any disability benefits;
  - recently agreed adaptations procedure and prioritisation policy reflecting Housing Corporation (HC) best practice; and
  - a dedicated adaptations officer and budget with funding from a variety of sources. The budget has been marginally increased from last year but waiting times for some major adaptations are lengthy.

This will help improve the availability of adaptations and reduce waiting times.

- 81 An effective means of prioritising adaptations is maintained with an urgent and non-urgent waiting list with about 45 applicants at the time of our inspection. After the Occupational Therapist's (OT's) assessment tenants are updated quarterly on their position and reviews of the list are carried out annually. A satisfaction survey is carried out annually and, following the installation of any adaptation, results show high levels of satisfaction.
- 82 Minor adaptations are dealt with quickly, generally within four weeks. However, waiting times for major adaptations and occupational therapist (OT) visits are unacceptably long; these delays are caused by the City Council. Major adaptations such as walk in showers can take up to 18 months. SLH is working with other agencies to reduce this, but whilst delays are still occurring, vulnerable tenants are left in unsuitable housing.

### **Tenancy management**

- 83 The last inspection found the Association was working closely with partners to deal with issues on ASB (Anti-Social Behaviour) and policies and procedures had recently been reviewed leading to improvements in the management of cases. However, there was a lack of a strategic approach to ASB and significant weaknesses in the management of the environment.
- 84 Strengths significantly outweigh weaknesses in this area of service. Dealing with ASB remains a significant challenge and a key priority of the organisation. A comprehensive policy and procedure has been introduced which reflects a range of options both enforcement and preventative and this is being effectively delivered. There is good involvement of tenants and robust monitoring of cases and close working with other agencies.
- 85 Tackling ASB is a key priority for SLH and it has a policy and procedure which reflects a combination of enforcement and preventative measures. There is a dedicated Community Safety Team and a budget of £87,000 to deal with incidents of ASB. Tools to combat ASB include:
- all new tenants are given an starter tenancy and asked to sign Good Neighbour Contracts, when starting their tenancy and clear warnings are given about the consequences of ASB;
  - a variety of legal and quasi legal sanctions are used and tenants' newsletters advertise successes and encourage tenants to report incidents. Mediation, local lettings and appropriate suspension policies also help to reduce ASB;
  - legal action has been used effectively to deal with ASB; within the first year 11 injunctions, 9 possessions and a tenancy demotion order in process, Section 30 and 60 notices used in several areas near shops and other facilities, quasi legal measures include acceptable behaviour contracts;
  - SLH maintain close contact with other agencies such as the police, Liverpool Anti-Social Behaviour Unit (LASBU) and the Crime and Disorder Partnership to address specific cases of ASB exchange information and share covert evidence gathering equipment;

- a range of diversionary measures aimed specifically at young people including funding for Positive Activities for Young People (PAYP) in the South Liverpool Area, the Youth Squad, and development of a Citizenship programme in local secondary schools to raise awareness of ASB;
  - creating defensible space and other 'design out crime' measures, such as alley gating; and
  - other policies such as asset management and lettings dovetail with ASB policies by dealing with adverse design features and establishing a rehousing applicant's intent before offering properties.
- 86** The seriousness and scale of issues presents a significant challenge to the organisation and it key objective of creating sustainable communities of choice. Some complaints of ASB involve serious criminal activity and SLH works effectively with the police to tackle the problem whilst safeguarding staff.
- 87** Appropriate and prompt action is being taken to address anti-social behaviour. SLH have a comprehensive and well designed Neighbour Nuisance and Harassment case management file which is used effectively to record incidents of ASB. Examination of a sample of cases found action generally to be taken in a timely manner and appropriate action taken to deal with the problem. Perpetrators are interviewed and legal action pursued in appropriate cases. Complainants are kept informed and notified of the outcome of actions. SLH has a number of serious ASB problems which it has been dealing with for over six months, some of which involve residents of privately owned property. The cases are being dealt with in an appropriate manner.
- 88** Tenants involved as witnesses in the prosecution of ASB cases are offered an extensive package of support. SLH has a victim support package which includes extra security, a 24 hours support scheme and a witness support forum held every six weeks. This scheme was short listed for a UK Housing Award for Excellence in Delivering Safer Neighbourhoods.
- 89** SLH also provides practical support, such as informing the person's employer that they are assisting in a court case and paying compensation for their absence. This is designed to encourage those suffering from ASB to testify against perpetrators, increase conviction rates and improve the quality of life for people living in the area.
- 90** SLH gives appropriate support to perpetrators of ASB including the identification of support need and, generally, a punitive approach is only adopted after the exhaustion of other possibilities. A supportive approach effectively co-ordinated with other agencies can control ASB effectively. Adopting a variety of tactics can avoid further entrenching social exclusion.
- 91** Trends and the effectiveness of measures to combat anti-social behaviour have been recorded since April 2005. The information gathered has been used to identify the pattern of ASB using a geographical information system (GIS) in their area and target resources but not the relative effectiveness of its attempts to combat it. Without this information SLH are unaware of the effectiveness of their activity.

- 92 Effective policies and procedures for dealing with domestic violence, racial harassment and other hate crimes have been adopted. The policies are well advertised to tenants and contain a lot of useful advice. The procedures take a victim orientated approach and incorporate current thinking on how to combat the problem. Targets for the reporting of hate crime have been set and the necessary steps to make it comfortable for tenants to report hate crime such as the offices becoming hate crime reporting centres have been taken. This will encourage those suffering hate crimes to report them.

### **Estate management**

- 93 There is a balance of strengths and weaknesses in this area of service. The environment of SLH's estate is variable. SLH is aware of the deficiencies of the environment and have put considerable resources into its management and strategic approach including:
- a more holistic approach to open space management is now underway with frequent partnering activities undertaken by SLH and Liverpool City Council including action on parking on grassed verges, joint skips campaign to address fly tipping and increased litter picking;
  - SLH have also established TEAM CLEAN where all staff carried out a clean up day in partnership with tenants and the Youth Squad and the City Council;
  - an emphasis on face-to-face contact with tenants in their homes and on the estates including monthly 'Walkabout Wednesdays' and clear up days to develop community cohesion. On the first Wednesday of every month, all staff leave their desks and walk around the neighbourhoods. The walkabout builds team spirit and allows staff to work on something different with colleagues who they do not normally work with. More importantly, it makes a visible statement of how important the environment is to SLH and gives tenants an opportunity to speak to staff from all levels of the organisation, including the Chief Executive;
  - a ten person mobile caretaking team, who are supported by ten former ILM trainees. They provide a range of effective estate management services including a handyperson and gardening service to address tenant's concerns with overgrown gardens. They also undertake estate patrols and remove graffiti. Following the expiry of the rent transfer guarantee, service charges have been introduced for tenants receiving additional services such as gardening and cleaning of communal areas;
  - discretionary environmental budgets for tenants in response to tenants concerns on creating defensible space and SLH are responding to this with alley gating and large fencing budgets made improvements by closing off insecure space, creating attractive features and in curtilage car parking;

- the transfer of large open areas of land from Liverpool City Council is being negotiated and the Association is using its influence to expedite these negotiations wherever possible. The land is being used to attract private and public sector development into this part of South Liverpool. Work on a large supermarket development has recently commenced and other smaller scale activities are at a similar stage. This will improve the appearance of the area and provide job opportunities; and
- a recently agreed Land and Open Space Strategy. SLH have now clearly 'badged' all areas of open land owned by the Association. These are fenced off to prevent fly tipping and resources are made available to ensure that they are well maintained and kept free from litter.

94 Despite the efforts made by SLH, there are still a few areas within the estates they manage that are unwelcoming and unattractive, where standards of estate management are more variable and additional resources have to be used to ensure that fly tipping and other problems do not get out of hand. A lack of consistency in the quality of the environment can hamper sustainability and undermine communities.

## Is the service delivering value for money?

- 95 In the last inspection value for money (VFM) was an area of significant weakness for the Association. There was no clear strategic framework for delivering VFM or a formal approach to procurement which sets out how the organisation intends to ensure that it provides quality services at a cost acceptable to its customers. Comparative management and maintenance costs were much higher than others both within its peer group and nationally and it did not understand the reasons for this. There were no corporate targets to reduce these costs. There are major inefficiencies in the way that the repairs service is procured and managed there was a potential for efficiencies in several areas.
- 96 There is a balance of strengths and weaknesses in this area. SLH has secured a series of cost savings and efficiency gains in several areas, an effective procurement policy is in place and SLH is a member of several purchasing consortia. However, SLH lacks a track record in obtaining VFM and it is not embedded into company culture with few targets being set for VFM.

## How do costs compare?

- 97 SLH has undertaken a number of benchmarking activities in order to identify its costs. Benchmarking exercises show that costs are generally higher than comparable organisations, but the most recent figures indicate that this trend is changing. The organisation has started to use cost data and has identified through its business plan a need for savings in both overhead and staff costs up to 2007. They have already successfully secured a reduction in operating costs from £9 million in 2004 to £7.5 million in 2005.

- 98 Benchmarking is being used increasingly throughout the organisation to compare performance and costs and the balance of costs between front and back office functions. Income management is seen as a high cost but a high performing area whilst the responsive repairs service shows both low unit cost and high performance. Other data shows that tenancy management in particular attracts comparably high costs but also criticism from tenants and inspection reports, and this has influenced this service areas positions in the strategic programme of best value reviews. Tenancy and estate management services are scheduled to be reviewed in 2006/07 as part of a five-year best value review programme. This is an effective use of comparative data and relates cost to quality.

### **How is value for money managed?**

- 99 SLH are developing strategies to manage value for money but there are inconsistencies in the approach. This particularly relates to targets for savings or other efficiency measures. Both the business plan and the asset management strategy incorporate savings targets but other key documents such as the value for money and a procurement strategy do not. The annual efficiency statement (AES) detailed modest savings which have been delivered this year.
- 100 SLH has adopted an effective budget setting process and principles. Budgets are fitted around tenant and Board Member priorities drawn from the tenants challenge days and Board away days. Managers have been trained and are assisted in budget setting using a zero-based approach. Managers are responsible for their own budgets and are given assistance in this with historic spending profiles. Budgets are well managed and delivered on target. This is an effective framework for aligning budgets to corporate objectives.
- 101 Reports to the Board relate cost and quality and include cost savings targets; this enables the Board to make informed decisions about the relationship between cost and quality. Costs have been brought into line with strategic priorities. Savings made have been redirected to frontline services and other tenant priorities such as environmental works.
- 102 There has been an overall reduction in staffing levels, total staffing numbers have reduced from 121 in 2005/06 to 98 in 2006/07. SLH have also been effective at seconding staff from other organisations to assist with a comprehensive programme of service improvements. During this period the Association has improved its overall performance and increased customer satisfaction with its services.
- 103 A number of systems have been put in place to implement the strategies, led by a business efficiency group involving staff from all sections of the Association. Expertise on procurement is provided by a procurement manager based at Golden Gates Housing, whose employment costs are shared with SLH. This gives SLH the capacity to secure further gains.

**104** Some reviews have led to substantial savings and efficiency gains. The maintenance partnering review led to a series of gains secured with the help of Fusion 21. This includes:

- gas servicing has been let to a single contractor through Fusion 21 with savings of £19,000 and a number of service improvements, including weekend and late night appointments;
- re-roofing savings with unit cost falling from £3,300 in 2004/05 to £3,111 in 2005/06 and an agreement to fix rates for two years; and
- introduction of schedule of rates to replace an open book process with anticipated annual savings of £65,000, mainly through the removal of a quantity surveyor.

**105** SLH has generated additional savings through reviewing the ways it delivers its services, examples include:

- reduced accommodation and running costs with the reletting of the Garston office, which maintained a frontline service at no cost to SLA and achieved overall savings of £87,000; and
- outsourced former tenancy arrears with conjunction with another local housing association, the service is now provided by a neighbouring local authority.

Such savings both improve services to tenants and allow savings to be spent on tenant priorities.

**106** SLH is working effectively with contractors to deliver improved value for money. Maintenance contractors work with the Group around such things as smoothing work flows, efficient spending of budgets through work guarantees and ensuring compatibility of IT systems. Other contractors have provided training on court procedures to avoid heavy legal costs. SLH has also worked with other housing associations to pool resources for training and developing tenants. This is an effective use of resources and improves relations with suppliers and fellow landlords.

**107** SLH has yet to complete a thorough analysis of high cost underperforming areas and put in place a strategy to deal with them on a systematic basis. For example, the caretaking service has been partly outsourced but the contract only commenced in June and is for less than a year, when an evaluation of the service will be made.

- 108** There is a growing understanding of value for money but it is generally not embedded in the service. Staff have attended a VFM, Efficiency and Procurement work shop to improve knowledge and a Business Efficiency Group in place to oversee VFM approach. However, at an operational level there are, for example, no objectives such as reducing the cost of transactions associated with rent payments. Although there has been some publicity on increasing the take up of direct debit staff demonstrated a limited awareness of the subject and do not actively encourage tenants to pay using the more cost effective methods. Direct debit payment days are limited (this was corrected while the team was on-site) and there are no targets set for its take up. Setting targets for staff helps create a culture of value for money.
- 109** Additional funding has been used effectively to develop new initiatives and improve property condition. Both internal and external funding has been levered in to deliver specific projects. Grants from energy companies have been used to install additional insulation and supply energy saving light bulbs. Additional services are available to tenants such as gardening and handyman service are funded from elsewhere. Attracting additional resources enhances the living conditions of tenants.

## Summary

- 110** South Liverpool Housing Group is providing a good 'two-star service'.
- 111** The standard of customer care is high. Tenants can easily access services and report repairs at any time, the website is informative and has a number of interactive features; offices are DDA compliant, and open at times agreed with tenants. Information to customers is comprehensive and customers are actively involved in improving services.
- 112** SLH is developing a robust approach to diversity. Progress has been made and diversity now has a higher corporate profile and practical steps to reach targets such as translated publications are in place. The organisation has adopted an effective range of approaches to address issues of anti-social behaviour (ASB) and staff provide a visible presence with a number initiatives in place to improve the overall appearance of estates.
- 113** The Association is on target to achieve the Decent Homes Standard and asset management arrangements are robust. Maintenance services particularly gas servicing have seen significant improvements and properties are well maintained.
- 114** The organisation has made significant financial savings within the business plan, however, the longer-term strategic approach to delivering sustained value for money (VFM) is less developed with targets for efficiency gains yet to be developed at a service level or VFM being fully embedded as part of the company culture.

- 115 The customer complaints procedure is being implemented inconsistently, performance on BME targets is mixed. Rechargeable repairs policies and procedures are underdeveloped, turnaround times for empty properties although improved, are still high at 49 days for 2005/06, waiting times for major adaptations can be lengthy and estate management standards are variable.

## What are the prospects for improvement to the service?

- 116 In the last inspection SLH were identified as having, 'uncertain' prospects for improvement. Since transfer, reported performance had slowly improved across many areas. There was some strength in the Association's approach to delivering improvements such the linkages between activities and corporate objectives and its willingness to respond to customer concerns once identified. However, there has been no step change within the first five years, and many of the indicators were in the fourth quartile nationally with a focus being on the delivery of the transfer promises, rather than a strategic approach to service improvement activity. Tangible improvements for customers were on an ad hoc basis. Other barriers to improvement included a decision against developing a robust approach to service review, a failure to implement the performance management framework in a robust and effective manner, a lack of service improvement plans, a limited range of opportunities to gather customer feedback and a lack of long-term targets.

### What is the service track record in delivering improvement?

- 117 Strengths outweigh weaknesses in this area. The last inspection report highlighted a number of weaknesses around access to and the quality of services, as well as the lack of a diverse approach and an absence of value for money. Planning was similarly weak and there were few stretching targets. SLH has responded to these weaknesses and has made particular progress in improving maintenance services and its approach to diversity. Transfer promises have been fulfilled but further improvements are required in demonstrating value for money where SLH has yet to establish a sustained track record, and problems with the environment persist.
- 118 SLH has used the last inspection report as a vehicle to drive improvements. Most of the recommendations of the previous report have been effectively acted upon. A number of weaknesses have persisted around void relet times, management of the environment and the complaints procedure are not always followed. Some progress has been made on community cohesion; other recommendations have been acted upon and in some areas exceeded. SLH have also effectively used the results from a 'mock inspection' to drive further service improvements.
- 119 SLH has focused on making improvements that will be noticed by the majority of tenants and this is reflected in rising tenant satisfaction. An emphasis has been placed on face-to-face contact with tenants and improvements, such as appointment times for repairs and turnaround times for void properties. Other, more difficult to achieve, improvements such as community cohesion and improvements to the environment have not seen the same degree of progress. Without comprehensive improvement across all service areas, recent gains in tenant's satisfaction and sustainability will be difficult to maintain.

## 38 South Liverpool Housing Group Re-Inspection | What are the prospects for improvement to the service?

- 120 The self-assessment was detailed and showed a general awareness of strengths but failed to mention some weaknesses such as waiting lists for adaptations and value for money. Self-awareness will help progress further improvements to services.
- 121 Good use is made of tenants' comments and complaints in developing service improvements. Tenants' complaints about how difficult it was to read repair receipts led to the colour of them being changed; comments about improving defensible space have resulted in a limited programme of environmental improvements. Tenants are also involved through annual customer challenge events and there are other opportunities for them to comment such as the 'you said we did' initiative. SLH can demonstrate that it is effective at listening and responding to customer feedback.
- 122 SLH has learnt from best practice and regularly consults with other social housing providers. In particular, it has followed the continuous improvement methodology of another large housing association and has seconded several of their staff to work on specific projects. A review of lettings arrangements showed advantages for SLH and its applicants in joining Liverpool Council's choice-based lettings system. This has provided greater choice for applicants and improved services.
- 123 Key performance indicators show improvements across most indicators over the past three years. Rent arrears collection rates have been over 100 per cent and in the top 25 per cent of all housing associations for the last two years. HCA ratings have improved with amber lights for governance and management changed to green. Repairs performance also shows similar and continuing improvement. Notable improvements have been made in void performance, although relet times remain in the bottom 25 per cent of all housing associations. Indicators demonstrate that performance is improving across a range of service areas.

### **How well does the service manage performance?**

- 124 Strengths outweigh weaknesses in this area. SLH has a corporate commitment to continuous improvement. Following the last Audit Commission inspection report, an action plan was drawn up for all service areas. A six-person quality and improvement team has been created with a brief to improve performance and services. SLH is developing its approach to benchmarking and is focusing on performance comparisons with successful organisations. This has led to a number of service improvements. However, improvement planning has failed to address some key weaknesses and set targets in important areas.
- 125 Effective continuous improvement arrangements have been adopted. A continuous improvement methodology has been introduced based around full best value reviews carried out on a five-year rolling programme and smaller scale team reviews when the service area is not subject to a full review. Service areas can be advanced in the programme if they are seen to be underperforming and this has happened with the voids service. Significant improvements have taken place following Best Value reviews such as the diversity review which led to the diversity training programme. The process is overseen by the performance improvement group.

- 126** With the exception of the Corporate Plan, other plans generally meet the requirements of SMART. The Corporate Plan 2004/07 acknowledges weaknesses but the supporting action plan is not SMART. SLH are aware of this and a review of the Corporate Plan is underway. The continuous improvement programme for 2006/07 meets all the requirements of SMART. Improvement actions are drawn from a number of sources including tenants, previous inspections and links to overarching corporate objectives. Each action is assessed for value for money relating to cost inputs and level of service. A consistency in planning enhances corporate capacity.
- 127** Improvement planning has failed to address some key weaknesses and set targets in important areas. For example, void relet times are not directly addressed and other weaknesses such as lengthy waiting times for major adaptations are not mentioned. Although an action plan is in place to improve value for money, it does not mention target setting or other efficiency gains. Similarly, the AES is not used as a means of driving across the board efficiency gains. Actions to improve the environment are to be undertaken but there are no means of measuring their success, which increases the risk of improvements not being effectively delivered.
- 128** All service areas have SMART one-year action plans to implement a series of improvements. The plans link to wider corporate objectives and contain many items which will directly improve services such as redesigning leaflets and bringing responsibility for a service into a single section. Some plans have been completed to a greater extent than others, although all show some progress. Individual actions are detailed with the sources of the action, for example, tenants or staff, and the outcomes and means of measuring impact. Responsible officers are named and timetables for completion specified. The plans are an effective planning tool which is easily understood.
- 129** Progress towards targets is closely monitored and, when required, corrective action taken, for example, with voids. Every quarter, the operations committee, acting with delegated authority from the Board, receives a report detailing performance over a series of indicators. The report incorporates historical performance and progress towards targets expressed in a traffic light format. The reports are clear and concise and highlight underperforming areas.
- 130** Target setting is variable with some being overly ambitious, such as those for reducing former tenant arrears and others modest, such as reducing void relet times. Consistently stretching targets are likely to result in consistently improved performance.
- 131** Resources have been strategically aligned using feedback from tenants and using a range of survey data. Neighbourhood mapping techniques provide managers with a comprehensive array of information on ASB, arrears levels, property density and stock condition. This information has been used to allocate resources strategically and develop neighbourhood initiatives. This is an effective and transparent means of allocating resources.

- 132 A comprehensive approach to risk management has been adopted. A detailed risk register is maintained with each risk graded according to severity and likelihood and list the measures put in place to mitigate that risk.

### **Does the service have the capacity to improve?**

- 133 Strengths outweigh weaknesses in this area. SLH has developed sufficient capacity to improve further. The Board and the senior management team are committed to continuous improvements and resources such as the quality and performance team are in place to drive the process. Skills have been built and expertise in areas, such as procurement, has been brought in. Partnership working has delivered a series of improvements and efficiency gains. However, ICT capacity is a weakness.
- 134 The aims and objectives of SLH are clear and have been agreed with tenants and other stakeholders. They have been communicated to staff and are used as a basis for all performance planning and evaluation. The sustainability of the area is being improved and SLH continues to work with local partners to achieve local and national priorities. A series of large scale developments are currently on going and, when complete, will significantly enhance the area.
- 135 There is effective leadership in place. A new Chief Executive and Chair have recently been appointed. Both have extensive experience in managing areas similar to Speke and Garston and are well versed in local issues. The Chair has been particularly active in responding to the messages in the last inspection report. The Chief Executive has adopted a high profile with staff and tenants and has driven the creation of a number of specialist sections to address particular local issues. They are an effective management team.
- 136 The priorities of the organisation are broad but not all are well defined or have clear means of measurement. Some, such as being financially self-sufficient and strong, are self-evident but others such as 'The lead service provider in South Liverpool' and 'Improving the environment', lack definition and measurement criteria. It will be difficult for SLH to evaluate its effectiveness in reaching its objectives.
- 137 ICT capacity is a weakness. The planned and responsive repairs' ICT systems do not 'talk to' each other and the call centre monitoring systems need upgrading. The ICT budget has increased year-on-year for the last three years and a specialist programmer has been brought in to create amongst other things a gas servicing data base. However, without effective IT systems, SLH will struggle to match the performance of other better equipped HAs.
- 138 A robust and comprehensive annual appraisal and development programme is in place using an independent consultant to identify and meet the development needs of Board Members. A training programme, to meet identified needs, is in place. Board Members' development needs are kept up to date and members showed an awareness of SLH's strengths and weaknesses.

- 139** Annual appraisals make good links with corporate objectives and set SMART targets for individual members of staff. Appraisals require managers and staff to identify what the member of staff needs to achieve, how they will do it, by when, and how they will know whether they have been effective. Staff have a clear understanding of what is their responsibility, what their priorities are, and how they are contributing to the corporate objectives.
- 140** Staff receive appropriate training and a detailed programme of training is available to all staff. Training also develops staff skills to enable them to deliver services previously requiring specialist contractors. For example, some caretakers attended chain saw and tree climbing courses enabling them to carry out tree surgery, removing the need to resort to contractors. Diversity training is mandatory for all Board Members and staff. This will build capacity and save money.
- 141** An emphasis has been placed on staff welfare and retention. An independent salary review resulted in the abandonment of a bonus scheme and small rises for some staff. There is a staff welfare group and generally staff spoke well of working for SLH. A staff intranet, 'grapevine', has been created to spread information and keep staff appraised of SLH performance. Systems are in place to protect the health and safety of staff such as a white board to record staff visits and whereabouts as well as flags on the computer system to identify tenants with challenging behaviour. These have helped contribute to a reduction in staff turnover from 18.8 per cent for 2005/06 on a downward trend averaging 14.1 per cent for the last three months, sickness levels are also reducing and at the time of our inspection were at 2.8 per cent.
- 142** Positive attempts have been made to develop the position of minorities within the organisation. SLH is a member of COFEM<sup>5</sup> and also holds training courses for female staff for their personal development. The 'junior board' encourages young people to take part in formal participation activity and runs a series of character building events for young people during the year. Contractors are set targets for the recruitment of BME and local labour, which are generally met.
- 143** Procurement has been used to build capacity. For example, the new gas servicing contract involves the contractor updating records which had previously been the responsibility of SLH staff. Partnership working with other HAs has enhanced procurement and business improvement skills. These gains have been made at little additional cost to SLH.
- 144** Financial capacity is strong. A comprehensive 30-year business plan has been agreed with the Board. The business plan makes reasonable assumptions about variables and well grounded predictions on the likely performance of the Association around key issues such as void rental loss and rent collection rates. The business plan has been modified to reflect the reality of the Association's performance in a number of areas such as voids. This has given financial security to SLH.

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<sup>5</sup> Career Opportunities for Ethnic Minorities, a group aimed at promoting career opportunities for minorities.

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- 145 SLH is successful in attracting investment into the area. A large supermarket development is shortly to start in Speke and other regeneration schemes are in progress. Other funding from the Neighbourhood Renewal Fund has been secured and grants from power companies for example for low energy light bulbs have benefited tenants.

## Summary

- 146 SLH shows, 'promising prospects' for improvement.
- 147 SLH is developing a track record of delivering improvements. The vast majority of weaknesses identified in the last Audit Commission inspection report have been addressed. It has made a series of improvements which will be recognised by tenants and has responded positively when customers have suggested improvements.
- 148 SLH has a corporate commitment to continuous improvement. Most service areas have seen improvements in performance and further improvements are likely. Systems to continuously improve performance are in place. Progress towards targets is closely monitored and, when required, corrective action taken.
- 149 The aims and objectives of SLH are clear and have been agreed with tenants and other stakeholders. They have been communicated to staff and are used as a basis for all performance planning and evaluation.
- 150 Changes within the management of the organisation have provided leadership and a focus on improvement, training and development is being delivered and staff demonstrated a commitment and enthusiasm for change.
- 151 SLH has yet to establish a sustained track record in delivering value for money and embedding a VFM culture throughout the organisation. Improvement planning has failed to address some key weaknesses and set targets in important areas and ICT capacity is a weakness.

## Appendix 1 – Performance indicators

### 1 General needs performance indicators for the year to 31 March 2005.

Performance indicator	2002/03	2003/04	2004/05	2004/05 comparison group mean	2004/05 comparison group median*	2004/05 quartile position in comparison group*
<b>General needs rent</b>						
Average weekly gross rent	-	-	-	£56.13	£55.72	-
Vacant dwellings and lettings						
Re-let time	180 days	200 days	70 days	61 days	45 days	4
Dwellings vacant and available to let	-	-	0.6%	1.0%	1.1%	1
Dwellings vacant and not available to let	-	-	0.5%	2.7%	1.1%	1
Lettings to BME tenants	-	-	2.6%	10.0%	-	-
<b>Stock condition</b>						
Average SAP rating	73	71	72	64	64	1
Failing decent homes standard	34.8%	29.7%	22.4%	20.5%	17.9%	3
<b>Repairs performance</b>						
Emergency repairs completed in target	92.4%	91.3%	98.4%	95.0%	97.6%	2
Urgent repairs completed in target	85.3%	84.2%	91.3%	92.3%	92.1%	3
Routine repairs completed in target	88.9%	92.0%	95.9%	92.0%	93.2%	2
Appointments made and kept	-	-	94.6%	90.0%	91.9%	2

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Performance indicator	2002/03	2003/04	2004/05	2004/05 comparison group mean	2004/05 comparison group median*	2004/05 quartile position in comparison group*
<b>Service to tenants</b>						
Tenant satisfaction overall	82%	80%	82%	82%	83%	3
Tenant satisfaction with participation	52%	42%	79%	68%	68%	1
<b>General needs financial performance</b>						
Average GN weekly operating cost	£71.56	£63.05	£35.54	£49.14	£43.93	1
GN operating cost as a percentage of turnover	161.7%	132.8%	68.1%	89.6%	77.6%	1
Weekly investment per GN unit	£124.15	£93.20	£26.77	£34.42	-	-
Rent collected for GN	93.7%	105.5%	101.5%	99.8%	99.4%	1
Rent lost due to GN voids	4.6%	3.7%	1.7%	2.1%	2.1%	1
Current tenant rent arrears at year-end for GN	-	-	5.2%	6.0%	5.5%	1

## **Appendix 2 – Documents reviewed**

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
  - corporate strategies;
  - policies and procedures;
  - performance reports;
  - service reviews; and
  - publicity material.

## Appendix 3 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
  - inspections of estates;
  - visits to the offices;
  - file checks;
  - inspections of empty homes; and
  - interviews and focus groups with tenants and staff.

## Appendix 4 – Positive practice

*‘The Commission will identify and promote good practice. Every inspection will look for examples of good practice and innovation, and for creative ways to overcome barriers and resistance to change or make better use of resources.’ (Seeing is Believing)*

### Reporting repairs

- 1 The repairs service is easily accessed by tenants over the phone, by email, in person and via the website. Repair requests can be reported via a freephone number at any time and appointment slots of two hours are offered. The Association has an IT facility with its out-of-hours service provider which allows the provider to access the Association's appointment system this means that tenants can report repairs 24 hours a day. Arrangements can also be made to offer out-of-hours appointments.

### Disabled adaptations

- 2 Tenants requesting adaptations are visited at home and an assessment is made to see if they are entitled to any disability benefits.

### Anti-social behaviour

- 3 SLH has organised a range of diversionary measures aimed specifically at young people including funding for Positive Activities for Young People (PAYP) in the South Liverpool Area, the Youth Squad, and development of a Citizenship programme in local secondary schools to raise awareness of ASB.
- 4 SLH have a comprehensive and well designed Neighbour Nuisance and Harassment case management file which is used effectively to record incidents of ASB.
- 5 Tenants involved in the prosecution of ASB cases are offered an extensive package of support. SLH has a victim support package which includes extra security, 24 hours a day support scheme and a witness support forum held every six weeks. This scheme was short listed for a UK Housing Award for Excellence in Delivering Safer Neighbourhoods. SLH provides practical support, such as informing the person's employer that they are assisting in a court case and paying compensation for their absence. This is designed to encourage those suffering from ASB to testify against perpetrators, increase conviction rates and improve the quality of life for people living in the area.
- 6 SLH gives appropriate support to perpetrators of ASB including the identification of support need and, generally, a punitive approach is only adopted after the exhaustion of other possibilities.