

Inspection report

May 2005

# Rochdale Boroughwide Housing

**Rochdale Metropolitan Borough Council**

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## Inspection context – Arms Length Management Organisations (ALMOs)

- 1 The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively and delivers high quality local and national services for the public.
- 2 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 (ALMO) 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).
- 3 This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 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 council/ALMO;
  - ◆ 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.
- 4 This service was inspected as part of the Government's Arms Length Housing Management initiative, which encourages councils to set up ALMOs to manage, maintain and improve their housing stock. The Government decided that councils pursuing this option can secure additional capital funding if the new arms length body has received at least a 'good' rating from the Audit Commission's Housing Inspectorate.
- 5 An ALMO is a company set up by a local authority to manage and improve all or part of its housing stock. The local authority remains the landlord and tenants remain secure tenants of the authority. An ALMO does not trade for profit, and is managed by a board of directors comprising Council nominees, elected tenants/leaseholders and independents.
- 6 The Housing Inspectorate has published additional guidance for ALMO inspections.
  - ◆ 'ALMO Inspections and the delivery of excellent housing management services' (March 2003).
  - ◆ 'Learning from the first housing ALMOs' (May 2003).

### Strategy and priorities

- 7 Rochdale Metropolitan Borough Council is one of the ring of Greater Manchester Councils. A mixture of densely populated urban centres with more rural areas, it lies to the north-east of Manchester, bordering the Pennines.

- 8 In 2003 the Rochdale Borough Local Strategic Partnership agreed a Community Strategy for the Borough, 'Pride of Place'. This is based upon 'Vision 2021' set out below. The strategy contains details of actions to be taken and targets to be met in the four years up to April 2007.
- 9 The vision and aims were agreed after consultation and five conferences, open to all comers, in November 2001 and March 2002. The vision is of:

*'a thriving place where people want to live, work, visit and do business - a place in which we can all take pride.'*

- 10 Pride of Place set out four key priorities for the Borough that will help it move forward on this vision. These are:
  - ◆ tackling crime and improving community safety;
  - ◆ better learning and training outcomes;
  - ◆ improving the local environment; and
  - ◆ better and more jobs.
- 11 There is currently no overall control of the council – there are 25 Liberal Democrat, 24 Labour and 11 Conservative councillors. The council has a cabinet comprising of the leader of the council and nine other members, each having a responsibility for a particular area of the council's work. The council has retained its four township committees, which continue to make a wide range of decisions at a local level.
- 12 The council employs approximately 10,000 staff across all its services and has a net expenditure budget of £247 million for 2004/05. Unemployment levels are above national and regional averages, and one third of the population are defined as being income deprived. Seven of Rochdale's 20 wards are in the top 10 per cent most deprived wards nationally, and 14 in the top 30 per cent.
- 13 The council has a housing stock of 15,285 homes plus 330 leaseholders. The service is managed by Rochdale Boroughwide Housing (RBH).

## Area and customer profile

- 14 The population is 206,618 people, which is growing slowly. Much of this growth is related to the expected rise in the number of black and minority ethnic people (BME) living in the Borough, from 11 per cent to 16 per cent overall by 2021. The population will continue to have a comparatively young age structure, with 22 per cent to 25 per cent of residents under 18 years old, but the number of residents over retirement age is set to increase too. The area is ranked 25<sup>th</sup> out of 354 in the ODPM index of deprivation<sup>1</sup>.
- 15 Of the 86,000 dwellings in the Borough, over 66 per cent are owner occupied and just 18 per cent rented from the council and 10 per cent from Housing Associations or a Registered Social Landlord.

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<sup>1</sup> Office of the Deputy Prime Minister, Indices of Deprivation 2004 – The index of deprivation provides a measure of deprivation based on a range of indicators including employment levels, quality of housing, educational attainment and mortality rates.

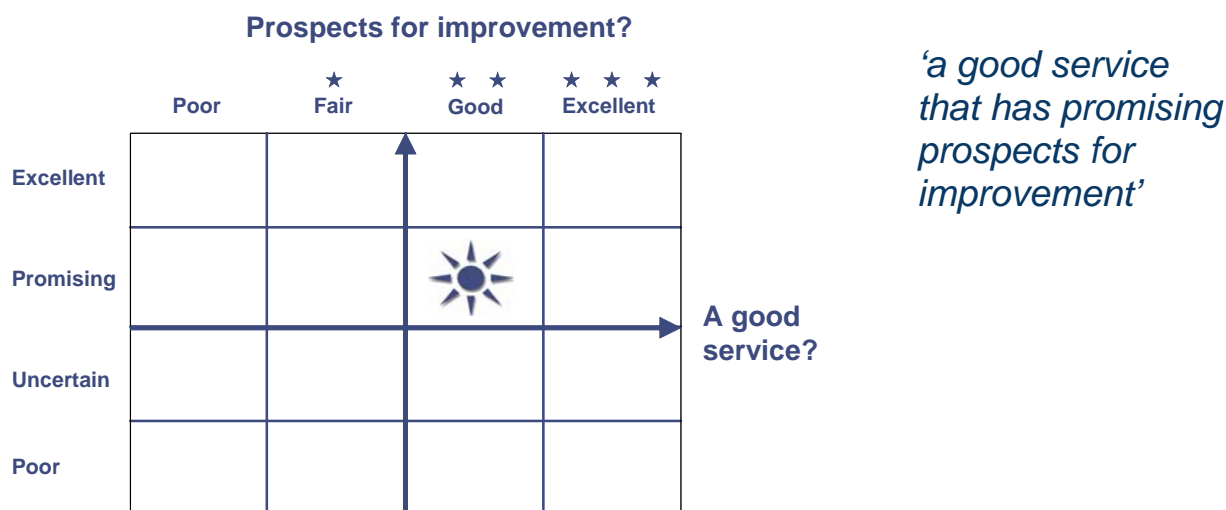
## Scope of the inspection

- 16 The council established an Arms Length Management Organisation (ALMO) called Rochdale Boroughwide Housing (RBH) with effect from the 1 April 2002. The ALMO has delegated responsibility for providing housing management and maintenance services, receiving a £25.9 million management fee for this service. It manages the council's £7 million budget for repairs and £60 million capital programme budget. It employs more than 600 staff to deliver the service.
- 17 The ALMO board consists of six residents, four council nominees and three Independents.
- 18 The functions delegated to RBH are set out in its section 27 application and can be summarised as:
- ◆ stock investment decisions and repairs ordering;
  - ◆ rent collection, dealing with arrears, debt counselling;
  - ◆ consulting and informing tenants on matters which are the ALMO's responsibility;
  - ◆ promoting tenant participation, including involving tenants in monitoring and reviewing service standards;
  - ◆ enforcement of tenancy conditions;
  - ◆ similar functions for leaseholders;
  - ◆ managing lettings, voids and under-occupation;
  - ◆ administration of the housing register; and
  - ◆ estate management, caretaking and housing related support services under the Supporting People programme.
- 19 The functions retained by the council include:
- ◆ overall housing strategy and enabling;
  - ◆ determining policies on lettings and antisocial behaviour (in consultation with the ALMO) and rents;
  - ◆ managing the Supporting People programme; and  
homelessness and general housing advice.
- 20 In October 2002, the Audit Commission inspected RBH and judged it to provide a good, two star service with promising prospects for improvement. That assessment enabled Rochdale to receive an additional £106 million to bring its homes up to the decent homes standard (DHS).
- 21 RBH expects to bring all the homes it manages up to the DHS by April 2006. The outcome of this re-inspection will not, therefore, release additional funding. However, if RBH achieved an excellent, three star rating, it would be able to enjoy the additional freedoms and flexibilities promised to excellent ALMOs by the government.

## Scoring the service

22 We have assessed Rochdale Boroughwide Housing 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.

### Scoring chart<sup>2</sup>: Rochdale Metropolitan Borough Council - Rochdale Boroughwide Housing



23 The service is good because it has many positive features, including:

- ◆ a strong and clear customer focus throughout all services;
- ◆ residents are effectively involved in all aspects of service delivery;
- ◆ customer satisfaction is regularly monitored for most services, shows improving levels of satisfaction and information is regularly reported and used to improve services;
- ◆ a culture of recognising and promoting equality and diversity, working with community partners to address local needs and providing fair access to services, with information provided in a wide range of different formats;
- ◆ access to services is easy and a web site offers helpful information and a range of on line services;
- ◆ high level of performance completing repairs on time and by appointment;
- ◆ disrepair claims are dealt with effectively and energy efficiency programmes have given cash savings for tenants;
- ◆ 98 per cent of the annual gas servicing programme is completed on time;
- ◆ tenants have agreed a choice based decent homes plus standard and high quality investment programmes are being delivered;
- ◆ a vacant property standards has been agreed with safety checks being completed to guidelines;

<sup>2</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.

- ◆ value for money savings have been achieved in many service areas, particularly through a comprehensive partnering agreement for the decent homes investment programmes;
- ◆ there is a wide range of rent payment options for tenants, improved performance reducing current and former tenants arrears and a range of benefit advice services available to tenants;
- ◆ tenancy enforcement is effective and many initiatives help prevent antisocial behaviour;
- ◆ there is a responsive caretaking service;
- ◆ the choice based lettings system offers fair and open choice for applicants through an efficient and helpful property shop;
- ◆ right to buy and leasehold management services are effective; and
- ◆ a range of tenancy support helps BME families to find accommodation and settle in areas they are not used to.

24 However, there are several areas that require further attention, including:

- ◆ office opening times are limited and there is no fully resourced plan to ensure all offices comply with requirements of the Disability Discrimination Act 1995;
- ◆ aspects of the repair service, particularly the high level of emergency repairs, and the collection of rechargeable repairs;
- ◆ there have been limited environmental improvements which are needed to complement decent homes programmes to ensure estates are sustainable;
- ◆ the projected cost effectiveness of collecting water charges has not been demonstrated;
- ◆ supported housing services are not strategically coordinated with other providers;
- ◆ estate grounds maintenance services are weak with no local performance indicators and management reports;
- ◆ the tenancy agreement requires updating to include all relevant requirements and guidance;
- ◆ debt advice and benefit take-up campaigns are uncoordinated and there has been no profiling of rent arrears cases to target benefit advice take-up campaigns;
- ◆ customer satisfaction is not routinely measured for all services including tenancy and estate management and rent services; and
- ◆ the council and the ALMO do not effectively monitor the nominations process.

25 We have judged that Rochdale Boroughwide Housing has promising prospects for improvement because:

- ◆ it has responded positively to inspection recommendations and made considerable progress to improve services since the last inspection;
- ◆ improvements have been implemented and frontline services have improved during a period of significant change;
- ◆ performance has improved across a wide range of indicators;
- ◆ there have been discernible customer benefits including speedier and higher quality repairs, greater choice for tenants, more ways to make rent payments and more prompt responses to reports of antisocial behaviour;

- ◆ it has a culture that demonstrates commitment to people, diversity and local communities;
- ◆ capacity to deliver improvement is supported through generally effective people and performance management systems; and
- ◆ governance arrangements are satisfactory.

26 However, we identified the following weaknesses in relation to prospects for improvement:

- ◆ a strategic approach to ensuring a value for money culture has only recently been established and there is uncertainty about how the cost effectiveness of the repair service and grounds maintenance service will be tested;
- ◆ the review of all internal service level agreements have not yet been acted on;
- ◆ some improvement plans lack measurable targets and customer focused outcomes, it is not clear how some lower priorities were agreed;
- ◆ there has been insufficient progress tackling a few previous inspection report recommendations;
- ◆ there is a lack of local PIs and performance management reports for some services; and
- ◆ there is no formal staff appraisal and development system and quality of supervision is inconsistent across the organisation.

## Recommendations

27 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. In this context, the inspection team makes the following recommendations.

### Diversity

- ◆ Ensure that fully resourced plans are approved within three months for all offices, those sheltered schemes not subject to review, and community centres to comply with the requirements of the Disability Discrimination Act 1995.

### Access and Customer Care

- ◆ Agree plans for revised office opening hours, taking into account customer preferences and the outcomes of the council's review of customer services, within six months, and implement changes within 12 months.

### Value for money

- ◆ Complete the review of all SLAs and agree and implement clear plans to ensure that the response repair and estate grounds maintenance services provide value for money within 12 months.

### Stock investment and asset management

- ◆ Effectively reduce the high proportion of emergency repairs and implement an agreed strategy to reduce response repair expenditure and re-direct expenditure to planned investment in line with audit commission guidelines. This should be completed within six months.

### Housing income management

- ◆ Profile tenant rent arrears and, with the council's debt and benefit advice agencies, target benefit take-up campaigns. This should be done within six months.

### Supported housing

- ◆ With the council ensure that a service improvement plan for sheltered housing is a key outcome of the council's sheltered housing review. This should be done within six months. Assist the council in developing and implementing plans for each of the schemes identified by the review for potential specialist use. This should be done within eighteen months. Ensure that all housing support schemes are coordinated and integrated with the council's broader Supporting People arrangements and prioritised to meet identified needs. This should be done within six months.

### General

- ◆ Review performance management reporting arrangements to ensure local performance indicators are agreed for all services and performance monitoring reports received for all services provided to tenants, whoever provides those services. This should be done within three months.
- ◆ With main and local board members review the role of area boards to ensure they play an effective part in governance of services. The review should be completed within six months.
- ◆ Take action to address all other weaknesses identified in the report. Report the findings of this inspection to the council and Rochdale Boroughwide Housing's Boards, tenants and leaseholders.

28 We would like to thank the staff of Rochdale Boroughwide Housing, particularly Sue Kershaw, who made us welcome and who met our requests efficiently and courteously.

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**Dates of inspection: 21 February – 4 March 2005**

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# Report

## How good is the service?

- 29 The assessment is based on the Key Lines of Enquiry in Housing Management' issued by the Audit Commission's Housing Inspectorate in July 2004. This focuses service inspection into seven main headings:
- ◆ Stock Investment and Asset Management;
  - ◆ Housing Income Management;
  - ◆ Resident Involvement;
  - ◆ Tenancy and Estate Management;
  - ◆ Allocations and Lettings;
  - ◆ Supported Housing; and
  - ◆ Right to Buy/Leasehold Management.
- 30 In addition to this core group of functions, we also consider the overarching issues of:
- ◆ Access (to services) and customer care;
  - ◆ Diversity; and
  - ◆ Value for Money.

## Access and customer care

- 31 In our previous inspection, we found a network of welcoming offices offering a range of landlord services, with clear thought given to disabled access and the needs of non-English speakers. This was complemented by 24 hour telephone reporting of repairs, a wide range of written information and a good quality complaints system. Information on the web-site had been substantially improved, and RBH had brought specific marketing skills to improve services into the organisation. Standards of customer care amongst staff were high and were appreciated by tenants, one quarter of who felt that the services they received had noticeably improved. We concluded that, although there remained some acknowledged room for improvement, customer access to RBH services was good.
- 32 Since the last inspection things have improved even further. Rochdale Boroughwide Housing (RBH) demonstrates a strong customer focused culture. Website information has improved with the introduction of several on-line services. There are more ways for tenants to access services including paying rent, reporting repairs and applying for housing. Good quality information is easy to obtain and includes clear standards. Customer satisfaction is generally high and feedback is routinely used to improve services. There are a few significant weaknesses that remain. In particular, limited office opening hours and offices are not yet fully compliant with requirements of the Disability Discrimination Act 1995. RBH has not ensured that the needs of all existing and potential service users are met by current arrangements.
- 33 RBH ensures that staff, and partners, understand this ethos of customer care through regular internal and external training programmes. Joint training is undertaken with the two major investment partners.

- 34 Customer Agreements are published for RBH provided service areas in plain language including standards that have been agreed with tenant representatives and service users. The agreements are clear and useful. Some local performance indicators have been agreed to measure performance against standards and feedback is collected by tear-off slips on the customer agreements. RBH tenant representatives carry out mystery shopping inspections of reception services, repair appointments and vacant properties to monitor performance against standards. However, there are no published service standards for council provided services, including sheltered housing and estate management services, or an overarching customer service standard. RBH has not ensured that service standards are published for all services that tenants receive irrespective of who provides services.
- 35 The website is easy to use and helpful. On-line services including paying rents and checking balances, using a benefit calculator, ordering repairs, making complaints and applying for accommodation. There is also extensive information about a wide variety of services including the stock investment programme. Straplines provide advice for other languages and formats. The home page highlights events and current news. RBH recognise that improved technology for telephone and internet access can deliver more efficient and cost effective services but there is still a need for local offices and personal visits for those customers who prefer face to face contact.
- 36 Staff are knowledgeable and able to deal with a range of customer enquiries at first contact. The 2003/04 tenant survey found 80 per cent of tenants said staff were helpful when dealing with their queries. However, their effectiveness is restricted by current IT systems that are not integrated and limited repair diagnosis software to improve the accuracy of repair ordering. A new integrated IT system is being installed between April and July 2005 that will address these issues and will for example allow staff to offer timed appointments.
- 37 Our visits to local offices found that reception areas were generally well managed. Opening hours, including out of hours contacts are clearly displayed and publicised on leaflets and web sites. Offices are welcoming, accessible and have appropriate facilities for visitors with disabilities including level access, minicom/audio loops, opportunities for interpretation and information is available in different languages, large print, Braille and audio tape for people who need information in other formats. Staff we observed were helpful and courteous.
- 38 RBH effectively canvases customer views of services. Customer satisfaction is measured through a three yearly STATUS general tenant survey and routinely for the repair and stock investment programmes. However, it is not routinely measured for rent services, tenancy and estate management. A tenant viewpoint panel of 1,073 interested tenants is used for general consultation. Information is regularly monitored with tenant representatives and reported to relevant forums. Satisfaction with opportunities to affect decision making is very high and has increased from 79 per cent in 2000 to 83 per cent in 2003.
- 39 Tenant satisfaction is high. Seventy five per cent of tenants in the 2003/04 general survey were satisfied with overall services. Eighty two per cent found staff helpful. The proportion of BME tenants satisfied is also high at 75 per cent. Satisfaction with individual services is considered in relevant sections of this report.
- 40 RBH effectively uses feedback to improve services, for example improving the cleaning of vacant properties, increasing repair appointments and acknowledging that there needs to be improvement with future estate services and environmental improvements. RBH track how recommendations from the 2003/04 survey are acted on.

- 41 RBH has reviewed the costs and benefits of local housing offices with tenant representatives. Although the findings have not been implemented, it has been decided that two offices will close and some office rent collection points will close in the future when additional rent payment options are fully operational. They are working closely with the council's customer information and access strategy to ensure that access arrangements are integrated. This is covered in more detail under the section on value for money.
- 42 RBH provides a wide variety of leaflets and other information in plain language and a variety of formats. In addition to customer agreements there are regular newsletters, advice leaflets and brochures. All information is developed and approved by a tenant editorial group. Information is easy to read and provided to a high quality under an easily identifiable RBH brand.
- 43 New tenant welcome packs and brochures for the decent homes improvement programme are particularly informative and helpful. The 'raising the standard' (RtS), major improvement programme, code of practice for investment partners provides useful information and standards that tenants can expect. It was agreed with partners and tenant representatives and includes information about contractors' performance standards and includes a dedicated RtS help desk telephone number.
- 44 The RBH complaints and feedback system is clear and well managed, monitored and reported. Leaflets have clear standards for responding to complaints. The less formal 'tuts, groans and moans' feedback system may confuse customers as it does not directly integrate with the formal complaints system. Quarterly monitoring thoroughly analyses key issues and feedback is given through a 'tenants talkback' newsletter. For example complaints about the lack of care shown by the contractors' workforce directly led to more customer care training. Local PIs for responding to complaints on time are closely monitored. Concern at deteriorating performance during 2004/05 with only 82 per cent of complaints being handled within the target ten days in the second quarter led to a local action plan to improve performance. There is no published compensation policy which would help to ensure procedures are open and transparent, and that all service users know what they are entitled to.
- 45 Although feedback from individual surveys is closely monitored RBH accept that learning from feedback could be more formalised and further improved. For example by periodically integrating feedback from mystery shopping, complaints and satisfaction surveys. In particular they recognise that more needs to be done to respond to the views of customers who currently do not access services.
- 46 There are still some significant weaknesses. Although access to local offices for people with disabilities is generally good RBH is not compliant with the requirements of the Disability Discrimination Act 1995 (DDA). A comprehensive survey identifies all necessary work to local offices, sheltered housing schemes and community centres. RBH has prioritised £40,000 work in 2004/05 but remaining work, although agreed and prioritised is dependent on projected efficiency savings and council approval. Progress has been slow in responding to statutory requirements. This is also detailed in a later section on improvement plans.

- 47 Although we have recognised a wider range of ways for customers to access services, RBH has not ensured that provision is suitable for all requirements, for example young people and users who can only visit offices outside general office hours. Office opening hours have been agreed with tenant representatives but are restricted. Offices close at 4.45pm, earlier on Tuesdays, and many close at lunchtime. Although RBH believes most tenants are satisfied with current arrangements more needs to be done to cater for those users who would like to visit offices at lunchtime or after work. Nearly 20 per cent of tenants replied to a specific survey about offices and access to services in July 2004. Of these some 17 per cent said they prefer to visit offices at lunchtime, 17 per cent would like to visit during late Thursday opening and 35 per cent on Saturday morning. RBH has accepted this concern and confirmed it will take these views into account when finalising access arrangements with the council's customer service proposals.

## Diversity

- 48 In our previous inspection, we found that RBH performed very strongly in relation to diversity issues, and that its equality framework was an example of positive practice. Although some further clarity was required on improving access and tailoring services for disabled users, RBH continued to make a real contribution to the development of the equalities agenda in Rochdale.
- 49 In this inspection, we found that the approach to diversity has improved even further. The council and RBH demonstrate a strong culture recognising the importance of equality and diversity. This is backed up by clear policies. Community representatives are closely involved in developing new initiatives and are positive about working with RBH.
- 50 Policies and key strategies provide a robust framework for respecting diversity and ensure access to services is fair and equitable. Both the council and RBH have published comprehensive race equality schemes (RES). RBH advise that it is compliant with the CRE code of practice in rented housing, although this would appear to be contradicted by currently meeting only level one of the 'generic equality standard'. It has a clear action plan to achieve level two by October 2005. An equality and diversity group meets quarterly to monitor the equality action plan. The board also has a staffing sub committee that receives regular reports. This policy framework provides a firm basis for developing and delivering fair housing services.
- 51 Training programmes for staff, residents and contractors have continued to develop since the last inspection. All new staff receive equality and diversity training as part of general induction training. Staff transferred to RBH received council training between 2000 and 2002. Training has also been given to tenants groups and stock investment partners operatives to ensure greater awareness of individual tenant needs when dealing with repairs and refurbishment work.
- 52 The range of information available for tenants and other service users in different formats is extensive. RBH's communication strategy ensures that translation and interpretation facilities are available on request. Staff we met were aware of how to obtain information and standard letters in a preferred language, or other format. The web site is compatible with a computer 'reader' to help visually impaired users. A stand alone IT database records customers' preferred format for communication. This will be integrated with all systems when a new IT system is implemented from April 2005. RBH are aware of the ethnicity of 73 per cent of tenants.

- 53 RBH ensures that information, and access to services, caters for diverse needs. The website includes information about the standard languages used for community leaflets and translation services. Staff regularly use both translators and 'language line' interpretation facilities at accompanied viewings and tenancy sign-ups. Many frontline staff at local offices are multi-lingual and are able to directly help customers. A specific equality leaflet is available upon request in various formats and includes details of an emergency out of hours' service.
- 54 The previous section on access and customer focus confirms that offices are generally accessible for users with disabilities and other needs. As has been noted, however, RBH has been slow to ensure that all offices comply with the requirements of the Disability Discrimination Act 1995.
- 55 RBH work closely, and effectively, in partnership with a wide range of community organisations including local voluntary organisations. BME partners we met at a focus group confirmed that there was a genuine commitment from RBH to promote diversity and equality.
- 56 RBH's procurement policy ensures opportunities for local suppliers and provides training opportunities for local disadvantaged groups. The positive employment training scheme as part of the 'Raising the Standard' (RtS) major investment programme is covered in a later section. Joint work with Rochdale Boroughwide Training has had a positive impact providing training for many young disadvantaged people. The success of the scheme is demonstrated by many going on to further training and employment with low drop-out rates. One young person with an antisocial behaviour order (ASBO) taken out against him has worked on the mobile caretaking scheme providing services in an area where once he was creating problems.
- 57 The focus on diversity issues has led to distinct service improvements for users with particular needs. For example RBH provides help for vulnerable people to apply for housing through the choice based lettings (CBL) system. Senior advisors provide help for applicants and the community induction project and equality officers help families settle in areas they are not used to.
- 58 RBH ensures that the needs of a diverse community are identified and catered for. A BME tenant focus group has been established. It has also tried to involve young people through focus groups but accepts that these need further development. RBH has positively addressed needs of younger people through training initiatives and diversionary work through community services. This is detailed in following sections.
- 59 Sheltered housing tenants are more involved through a forum. RBH is currently establishing a disability focus group and also has secured 'positive about disabled people' accreditation. RBH has effective arrangements, working with the council, to help women suffering domestic violence. However, RBH recognise that further work needs to be done in identifying and responding to the needs of other hard to reach groups.
- 60 RBH is a member of the racial harassment forum which regularly reports on racist incidents to cabinet. RBH also logs, and monitors, all reports of harassment.
- 61 Other positive features include:
- ◆ an analysis of rent arrears cases is being carried out in relation to age and ethnicity to ensure that procedures are being applied correctly and not to the disadvantage of particular groups;
  - ◆ there is comprehensive monitoring of performance by ethnicity, gender and disability in rehousing and some other services;

- ◆ 15 per cent of new lettings in 2004/05 have been to BME applicants, exceeding the target of 12 per cent.
  - ◆ positive action to employ a diverse workforce including training initiatives employing ten staff from BME backgrounds, one disabled worker and three women repair trade operatives; and
  - ◆ the level of employees who class themselves as having a disability has increased from 1.6 to 2.8 per cent of the workforce.
- 62 RBH acknowledges that the board's composition does not reflect the communities they work in. To redress this RBH has positively recruited 'awareness advisers' for the BME community and young people to the board.
- 63 Communication and participation with older tenants in sheltered schemes is inconsistent. Unlike general tenants and leaseholders, some residents of sheltered housing we met had concerns about opportunities for involvement and the level of communication they receive. This is covered in more detail later.
- 64 We found some weaknesses with the adaptations service. Although RBH is not responsible for delivering this service, tenants in the major improvement programme receive a more responsive service than other tenants. The aids and adaptations service for tenants with disabilities is covered in the section on stock investment.
- 65 There are other weaknesses including:
- ◆ performance by ethnicity, gender and disability is not measured for all services such as tenancy management;
  - ◆ the under-representation of BME tenants in sheltered housing schemes; and
  - ◆ the need to improve the routine profiling of customers and use analysis to identify and tackle problems.

## Value for money

- 66 In our previous inspection, we found that while consideration was being given to maintaining estates and recycling resources, RBH needed to improve its focus on energy efficiency matters and consider how it would help meet national fuel poverty targets on the council's estates. The main value for money concern at Rochdale was, however, the longer term sustainability of the council stock and the necessity for good quality 'business' information to guide investment decisions. In our view RBH had to adopt all the indicators recommended by the housing needs and demand study. In a complex local housing market RBH and the council faced some significant challenges in relation to value for money issues.
- 67 In this inspection, we found that RBH has achieved improved value for money in several key areas since the last inspection but, until recently, has not had a sufficiently strategic approach. It has responded to energy efficiency and recycling concerns and done much to ensure that stock investment decisions focus on sustainable estates. This is covered in the following section on stock investment. RBH has done much to ensure that both the quality and cost effectiveness of housing services is improved although until recently this has been implicit in key objectives rather than explicit. RBH has not strategically collated and quantified efficiency gains in order to clearly demonstrate value for money gains. RBH has recently demonstrated a new focus on a strategic approach to value for money (VFM).

A VFM policy statement considered by the board's VFM and finance sub committee recognises the need to develop a VFM culture. However, several weaknesses remain, particularly regarding the cost effectiveness of RBH's repair service and the grounds maintenance service procured from the council.

- 68 RBH collects and uses detailed information about comparable costs and performance with other similar organisations. It is using this information to focus improvement in key areas such as procuring goods more efficiently, economically and effectively. They prioritised setting up new partnering arrangements for stock investment to ensure this area of investment delivered value for money. They also resourced quicker implementation of a new IT system to improve the efficiency and effectiveness of housing systems and processes.
- 69 Costs of services and performance indicators are collected and measured accurately. However, more needs to be done to understand the relationship of indirect overheads with the repair service. RBH does not routinely use former BVPIs for average unit management and maintenance costs as local indicators to compare average costs with similar organisations.
- 70 RBH clearly understands where the greatest potential value for money benefits can be gained. The review of high costs SLAs has been prioritised. In addition it has been identified that there is a need to improve the efficiency of the response repair service to adapt to lower demands when the decent homes programme ends in March 2006. They have developed a repairs and maintenance business plan and identified repairs as a key area to drive down costs. Although there have been service reviews of stores, transport and a joiners shop these have not yet led to savings or efficiency gains. RBH has not been able to demonstrate the cost effectiveness of the in-house response repair service.
- 71 RBH has identified concerns about vehicle fleet management. It does not have a service level agreement (SLA) with the council for the in-house team's vans and has not ensured it is getting value for money for the service. The quality of the vehicles provided by the council has been variable with a higher level of breakdown than should be expected and this has incurred additional expenditure to RBH in terms of the external hire of vehicles. The current on-costs charged by the council to RBH for transport vehicles are high between 15-20 per cent. RBH is now in the process of setting up its own leasing arrangements, possible through Procurement for Housing and has estimated an annual saving of some £40,000 a year.
- 72 A VFM culture is not embedded throughout the organisation. A new procurement strategy approved in November 2004 has not had time to be fully implemented but, together with the new VFM policy, provides a solid framework for a more structured approach to procurement and VFM.
- 73 RBH are working in partnership with another local ALMO on collective procurement through a joint funded procurement officer. Work with Procurement in Housing and Fusion 21 is developing and will lead to future savings. This is reflected in the second part to this report.

- 74 RBH has procured a partnering agreement for the decent homes stock investment programme. The partnering contract was developed using Egan<sup>3</sup> principles. Tenant representatives were closely involved. The contract has customer requirements at its heart. Health and safety, risk and profit sharing (varied for each contractor according to expressed wishes), environmental issues and the supply chain are effectively covered. Efficiency savings are demonstrated through £7.2 million supply chain savings. The contract forms the basis for a long term partnership that will deliver cost effective service improvements.
- 75 The future of identified low demand properties has been determined for the majority of homes in the low demand action plan and has led to some selective demolition. RBH and the council are confident that decent homes investment will not be at risk by investing in unsustainable properties.
- 76 RBH has delegated responsibility for the HRA grounds maintenance budget and ensures that there is an appropriate recharge from the HRA to the council's general fund to pay for street services and grounds maintenance that benefit residents other than tenants. The level of recharges through SLAs with the council are negotiated and agreed openly and transparently between RBH and the council. Performance monitoring reports are received for most services. RBH also recharges the council for using the repair call centre's out of hours' service.
- 77 Real term savings of 11 per cent have been achieved on SLAs between 2002/03 and 2005/06. Reviews have focused on the larger SLAs (grounds maintenance, IT, customer information services, financial services and cash collection, and legal services). Smaller reviews such as personnel, advertising and media are still to take place. However, RBH cannot demonstrate the value for money of the grounds maintenance work being delivered under a service level agreement with the council. RBH and the council have not made sufficient progress to ensure that this essential service is providing a high quality service cost effectively. This and progress completing reviews of SLAs is considered later in this report.
- 78 RBH can demonstrate significant savings and efficiency gains since the last inspection. It has been able to exceed its own efficiency saving target of 2.5 per cent in 2004/05. It projects a 3.7 per cent saving with the £900,000 projected surplus being used as an efficiency gain for service developments such as introducing rent swipe cards, work to comply with the DDA and environmental improvement work. Introducing swipe cards will, in itself, produce future savings through closure of cash collection points. Other examples include bringing accountancy services in house from April 2005 (saving £145,000 per annum); one number for call centres; work with Scottish Power for new boilers and as preferred supplier for new tenants. RBH are finalising reviews of the stores, transport fleet and joiners shop.
- 79 Other savings and efficiency gains include:
- ◆ repair budget savings of £330,000 in 2003/04 and £863,000 in 2004/05 through staff reductions, rationalisation of depots and improved working practices, while improving performance;
  - ◆ energy saving by accessing a grant from the energy saving trust of 50 per cent of the cost for installing photovoltaic cells for high rise blocks;
  - ◆ ending repair operative bonus payment systems;

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<sup>3</sup> Egan: 'Rethinking Construction' DETR 1998

- ◆ bringing the health and safety service in-house produced an efficiency gain of £9,200 used to improve health and safety initiatives including production of a handbook;
  - ◆ mailroom and reprographic savings of £44,000 from the RBH office move;
  - ◆ improved use of technology, such as documents imaging, has helped reduce inefficient paper based systems; and
  - ◆ RBH has worked with an external partner to provide efficiency gains through 30 per cent reduction in staff sickness.
- 80 RBH has not demonstrated that it is getting value for money with all services. The lack of a strategic, structured approach to achieving value for money has already been mentioned. This should cover all housing landlord services whether provided by RBH, the council or other providers.
- 81 RBH recognised that fewer people are visiting local offices in person and more are accessing services in new ways. Reviews demonstrate that current access arrangements do not demonstrate value for money. Proposals are currently being implemented. RBH periodically measures enquiries and 'footfall traffic' at offices by type such as repair, rehousing and estate management. A review of the cost and benefits of local offices will generate savings of some £30,000. RBH are reviewing the SLA with the council for customer information services to ensure that they are only paying a fair amount for actual services received.
- 82 There are weaknesses in not achieving value for money in several key areas. For example, RBH is not getting value for money from the high level of emergency repairs. Emergency repairs were 39 per cent of total repairs in 2003/04 and emergency/urgent repairs combined were 78 per cent. This is well in excess of Audit Commission guidance of 10 per cent and 30 per cent respectively. Such a high proportion adversely affects the value for money of the repair service and performance completing repairs on time. Although there is no percentage uplift for emergency and out of hours' repairs there is a higher cost involved in delivering such a high proportion within 24 hours.
- 83 The ratio of planned : response repair revenue expenditure was still only 35:65 in 2003/04 compared to the recommended 60:40, and there is no formal strategy to minimise response repairs and redirect expenditure to planned investment. A recently completed 'repair and maintenance business plan' will help RBH achieve an optimum size of the in-house repair service which will help shift revenue expenditure from response to planned. Individual improvements, for example batching low priority repairs such as fencing and gutter repairs, have had little impact. Tenants were unhappy waiting up to 12 months for work. However, repairs could have been done quickly, and given better value for money using tendered 'call down contracts'.
- 84 RBH does not calculate the commissioning costs of the repairs services as it is an in-house team. It is still essential to measure the cost of overheads to help identify whether services are cost effective. Furthermore, the role of technical officers and property officers overlap and could be rationalised.
- 85 There are inconsistencies in how general administrative staff work and procure goods and services. For example goods are procured from different suppliers without obtaining maximum discount for volume. Basic collection of management information on number of transactions is not routinely measured and used to improve procedures.
- 86 The council has not agreed to the previous inspection recommendation to contribute funding to the resident's federation, RoFTRA, for services provided for non-RBH tenants. This is covered in later sections.

## Stock investment and asset management

- 87 The council has legal responsibilities as a landlord which include keeping in good repair the structure and exterior of dwellings and any installations provided for heating, sanitation and supply of services (section 11, Landlord and Tenant Act 1985) and contributing to the Home Energy Conservation Act Strategy (HECA). The government's 'decent homes' target also requires local authority landlords to bring their stock up to a defined standard by 2010. RBH is responsible for ensuring the day to day delivery of services to meet these requirements and for procuring all refurbishment work, acting as an agent on behalf of the council.

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

- 88 In our previous inspection, we found that RBH needed to improve tenants' choice, the quality of the council stock condition database, and links to non-technical investment considerations. However, the quality of planned schemes was good. Rochdale had a track-record of delivery, and there was sound programme management and financial monitoring of schemes. RBH was responding to labour retention and recruitment concerns, and was well advanced in its preparations for a move to partnering, designed to ensure it could deliver both the enhanced capital programmes and the innovation and efficiency gains required to drive forward service improvement. We concluded that RBH was delivering a good quality stock investment service for the Council's tenants.
- 89 In this inspection, we found that capital and planned maintenance programmes have improved further. Key concerns about limited tenant choice, stock condition data bases and links to other investment concerns have been addressed. There are few remaining weaknesses. Stock investment and asset management services are customer focused and residents are effectively involved in all aspects of service planning and delivery. The value for money of the service has improved, particularly through partnering arrangements. RBH has successfully delivered an extensive decent homes investment programme and is on target to achieve 100 per cent decent homes by April 2006. The programme has been managed effectively through partnering arrangements and closely involving tenant representatives and individual tenants. RBH and the council have made the best use of existing resources and recognises that future environmental improvements and decent homes plus investment is needed to complement decent homes investment after 2006 to ensure homes and estates meet aspirations and are sustainable. It has clear plans to achieve this.
- 90 RBH has a comprehensive stock condition database that builds on 100 per cent property surveys with 20 per cent annual inspections. RBH has addressed concerns that formed a major part of the qualification on the council's housing subsidy advance claim. Inaccuracies with the database could have resulted in government funding being withheld.
- 91 The database is updated monthly with stock investment information. Data is known for all DHS elements. It includes reports on asbestos and adaptations data although these are not part of the general stock condition information. Data can be analysed by DHS elements by individual elements or estates/locality. This provides a solid basis for informing effective investment priorities. The stock database is used as an audit or 'check' that improvement work is completed.
- 92 RBH has a very detailed asbestos policy and management plan to protect residents and people potentially exposed through suitable control measures and working methods. Hard copies of the asbestos register are sent to partners and housing managers and are available to operatives. Health and safety advice leaflets and training is given to staff.

- 93 The database includes effective information on energy efficiency. This demonstrates that SAP ratings have improved from 56 to 59 in the last year. It estimates that the 'total annual energy cost' of RBH homes has reduced by £548,069 in the last year (6.9 per cent). This equates to an average £36 per tenancy. Since the last inspection the average SAP rating has increased from 48 to 59. The database provides individual estimated annual energy costs for each property but currently this information is not shared with new tenants as part of the letting process.
- 94 Unfortunately the stock data base is not integrated with the response repairs system. Consequently, any replacements through response repairs do not automatically update the database and staff are unaware of recent/planned investment when undertaking repairs. Repairs to components under warranty installed during capital works could be charged to the repair budget. Similarly, staff cannot directly check the location of asbestos when undertaking repair work. New IT systems will address these weaknesses.
- 95 RBH has used stock condition data to agree a detailed programme to meet decent homes targets by March 2006. At the time of inspection 25 per cent of homes were non-decent compared to 60 per cent in April 2003. By April 2005 non-decent homes are forecast to have reduced to 18.8 per cent. It has used two major investment partners to deliver an extensive programme on time by effective programme management.
- 96 Programmes have also utilised other resources to supplement decent homes investment to help make homes and estates more sustainable. Such funding includes new deal for communities (NDC) funding, estates action funding and housing market renewal (HMR) initiatives. This improves the value for money of investment.
- 97 RBH work with council staff to regularly review the sustainability of estates to ensure that stock investment is not wasted. The sustainability model is built on initial research findings and is updated with stock condition data and other elements including turnover, demand and environmental considerations. A traffic light early warning indicator is also closely monitored by the capital programme group to highlight changes.
- 98 RBH is working with the council and the housing market renewal (HMR) pathfinder (Partners in Action) to gain a better understanding of local housing markets through further research and surveys establishing an improved, wider database of information. There is now more robust information about housing stock condition, voids, analysis of a resident survey and economic status. Positively the council has seconded a dedicated officer to work in RBH to integrate investment programmes with broader market renewal work.
- 99 This more robust assessment will inform the second HMR prospectus by July 2005 and will in turn enable RBH to finalise the last phases on the major investment programme (MIP). This will help ensure that RBH, council and HMR investment is integrated and that RBH decent home investment is linked to sustainable areas. While there is a small over supply of social housing across the borough there is clear demand for larger accommodation and some local remodelling. The greatest area of uncertainty regards sheltered housing which is currently being reviewed to determine the long term viability of six schemes. These are being held back from investment while other uses such as extra care and schemes for BME older people are investigated. Where DHS investment is held pending sustainability investigation RBH and the council need to ensure individual tenants and local tenant groups are fully advised. All non-traditional properties, with the exception of Orlit homes in one area, have a long-term life without significant levels of investment in structural works.

- 100 The selection of investment partners has been very positive, demonstrating clear commitment to partnering as discussed in the previous section. Expressions of interest were openly sought and residents were closely involved in the selection procedure. Over 900 new jobs have been provided, including 300 local people and 100 trainees from disadvantaged backgrounds. Partners we met were very positive about the working relationship.
- 101 RBH has worked closely with tenants and resident representatives to agree investment programmes, type of components and local standards. The standard specification for kitchens was amended following tenant feedback. Positively, all future investment programmes are published on the website.
- 102 A DHS Plus flexible standard has been agreed with residents allowing tenants to choose additional improvement work, under a 500 points scheme, from a menu of non-decent homes work. From an extensive list they can choose for example additional security lights (100 points) or a shower over bath (500 points) up to a maximum of 500 points. The website details the 500 points scheme.
- 103 The DHS Plus standard operates as an incentive to maintain a clear rent account. The tenant choice element and any decoration allowance are only made available to tenants with a clear rent account or arrears of less than £250 which are being regularly reduced. Housing officers have discretion to waive this in extenuating circumstances. Consequently, stock investment programmes are carried out to different standards depending on whether tenants are in rent arrears. RBH believe it would be perverse to pay allowance to someone who owes money. New tenants may move into a home that has not had decent homes plus work due to the previous tenant's rent arrears. Tenants are unable to buy additional items from the 500 point tenant choice list during MIP works. This benefit would be at no cost to RBH and would be beneficial to tenants but was not offered due to potential administration problems.
- 104 The mix of additional funding sources has inevitably produced some inconsistencies in improvement standards. Basic decent homes standards are lower in some areas than previous improvement standards using new deal for community (NDC) or estate action funding. For example external doors are no longer replaced as standard, replacement of kitchens/bathrooms depends on 'reasonable' condition and future life, and double-glazed window replacement is not provided as part of decent homes work. While recognising that DH programmes must focus on bringing homes up to decency standards, it is clear that the external appearance of improvements is variable. RBH and the council recognise this and are undertaking an environmental audit and will prioritise environmental improvement work when decent homes investment is completed. This is necessary before tenant aspirations (and area sustainability) can be fully met.
- 105 RBH also demonstrates positive practice in commitment to environmental considerations. Some 83 per cent of waste from the investment programmes is recycled. This is done through skip hire and using a disposal organisation that has a policy of recycling and sorting all waste received. They have a recycling facility that recycles card, scrap, glass, soil, hardcore, timber, roof tiles, some plastics and paper. Positively, RBH has now extended this service to recycle all waste collected by in house operatives. Improvement work also includes installing more efficient condensing boilers through a partnership with Scottish Power.

- 106 RBH ensure that their partners comply with good practice in health and safety. Both contractors keep health and safety records on site, and are able to easily refer to safety manuals and specifications for each contract and sub contractor. Positively, RBH has recently been awarded a four star rating on the five star health and safety management system audit.
- 107 Performance management arrangements are comprehensive including on site supervision, high levels of customer contact and post contract satisfaction surveys, health and safety checks, regular progress liaison meetings with contractors and tenants, and regular performance reports to senior management and boards. The quality of new bathrooms and kitchens we inspected during our visits was good and work was generally finished to a high standard.
- 108 Communication with tenants is effective through explanatory leaflets, information pack, open days and setting up site offices. A dedicated phone number for improvement programme works is also provided to tenants, a web site is regularly updated, and contractors provide tenant liaison officers who help tenants at every stage of the process. This allows tenants and contractors to timetable effectively, identify successful practice, and spot problems at an early stage. This initial visit checks if tenants have any special needs, such as home adaptations. Positively, RBH has appointed its own occupational therapist to speed up the time to make an assessment.
- 109 There are effective mechanisms for monitoring and using tenant satisfaction with the major improvement works. A help desk provides prompt response to queries. Tenant satisfaction is surveyed at the end of work, regular progress meetings are held on each street/estate and a year end review of the programme is held. Several improvements have been made as a result of feedback including improved customer care training and providing an information pack.
- 110 The major investment programme is delivering real benefits that are generally appreciated by users. All tenants we saw were happy with the standard of the work and the attitude of the workforce delivering the service. Overall tenant satisfaction at the end of January 2005 was 80 per cent, ranging between 67 and 84 per cent between the two contractors. Satisfaction with information given ranged from 66 per cent and 93 per cent. Satisfaction levels are significantly lower with one contractor.
- 111 The MIP has led to an estimated 20 per cent reduction in response repairs. It is forecast that this could further reduce to 40 per cent. There has been a particular reduction in heating failures. This benefit helps demonstrate value for money of stock investment.
- 112 There are some remaining weaknesses. For example, although there is some evidence of less popular areas being 'turned round', there is no formal framework to review the impact of stock investment. Such work is essential to evaluate outcomes and provide evidence of the value and success of capital investment programmes.
- 113 Tenants in sheltered housing have not been kept well informed about the major improvement programme. The council has relied on wardens briefing tenants and accept that tenants of sheltered schemes have not been sufficiently informed about the review and future of individual schemes. RBH and the council have confirmed they will address this concern.

- 114 There is some difference between the working methods of the two main contractors in the major investment programme. Tenants confirmed to us that they prefer the 'one-hit' approach rather than a 'phased work stream' approach. This finding was confirmed by RBH's year end review of the major investment programme. However, customer satisfaction levels between contractors contradict this. Although RBH has worked with one contractor to reduce the overall time taken during the phased approach the concern has not been resolved and customer preferences are not being adequately reflected in this working arrangement.

### Responsive repairs

- 115 In our previous inspection, we found that RBH had completed the planned merger of client and contractor teams, resulting in some efficiency gains. Reporting hours and appointment arrangements for general repairs had been extended; the number of multi-skilled operatives had increased; but it was taking longer to complete repairs. The amount of post-inspection undertaken had risen slightly, but other ways to capture quality data were underdeveloped, and the service was still dominated by emergency and urgent repair work. Although performance had deteriorated in the first part of the year of inspection, there had been an increase in customer satisfaction with the standard of service received.
- 116 In this inspection, we found that the overall quality and performance of the service is high but that several significant weaknesses remain. While the quality of repair work, access to services, tenant satisfaction and performance completing work on time has improved there are still several inefficient practices and RBH has not demonstrated the cost effectiveness and value for money of the service. This has been considered in the value for money section and a later section on prospects for improvement.
- 117 Performance in completing repairs on time has improved and is generally high. Performance completing urgent repairs on time has increased from 95 per cent in 2001/02 to 98.2 per cent in the third quarter 2004/05. The last published top quartile for this former BVPI for metropolitan authorities was 95 per cent in 2001/02. The average time to complete routine repairs was 9.5 days in the third quarter 2004/05, improving from 18 days in 2001/02 (top quartile 17 days). Performance completing all repairs within deadline (local PI) increased from 91.6 per cent in 2003/04 to 94.2 per cent in the third quarter 2004/05. RBH correctly measures repair performance from the date reported to date completed.
- 118 Disappointingly, lowest performance is in completing only 91.7 emergency (24 hour) repairs on time (the third quarter 2004/05). Performance should be highest completing emergency repairs.
- 119 Customer satisfaction is high with 88 per cent satisfied with the overall repair service in the third quarter 2004/05. The postal repair survey for the second quarter 2004/05 showed high satisfaction with appointments. 64 per cent were offered appointments and of these 98 per cent said the appointment was convenient and 91 per cent of appointments were kept. All tenants we spoke to during our inspection were satisfied with the quality of repair work. In a specific BME survey in 2003 80 per cent of BME tenants said they were satisfied with the repair service which compared very well with 62 per cent of a control group.
- 120 RBH deals with disrepair claims very effectively. Claims are handled firmly but fairly. Where a claim is justified a reasonable settlement is agreed. Other cases are robustly defended. Of the six small court disrepair cases submitted in 2003/04, three were dismissed, one settled for £400 with two outstanding.

- 121 Other improvements include:
- ◆ improved access for tenants reporting repairs through a repair call centre and on-line by the web site;
  - ◆ the level of appointments made and kept has increased from only 18.9 per cent of qualifying repairs in 2003/04 to 65 per cent during February 2005;
  - ◆ using mobile caretakers to undertake minor repairs delivering a more responsive reactive service;
  - ◆ better stock control for operative vans and the quick response team; and
  - ◆ a repairs handbook has been developed and approved by a tenant group. This is comprehensive, easy to understand with helpful diagnostic diagrams.
- 122 The high level of repairs undertaken as emergencies is still a concern as considered in the section on value for money. The proportion using the government right to repair (RTR) definitions of emergency and urgent jobs would be 20.5 per cent (excluding out of hour call outs). RTR urgent repairs (three days) have been included as RBH emergency repairs. This means that more repairs than required are being undertaken as emergencies. RBH could not delay carrying out RTR three day urgent repairs to its own later five day urgent period.
- 123 RBH has sought to improve this. It has recently changed procedures to reduce the number of out of hour emergency repairs by reviewing, and tightening, criteria for call outs. In addition call centre staff have been trained to improve the accurate diagnosis of repairs. This will be enhanced by the introduction of a repair locator with the new IT system in July 2005. The tenant repair manual also includes helpful diagrammatic guidance for reporting repairs.
- 124 As mentioned previously RBH has not developed a formal strategy to re-direct revenue expenditure from response repairs to planned investment.
- 125 Although there is a clear repair recharge policy performance collecting rechargeable repairs is weak. Recharges are raised by RBH but collection and monitoring is undertaken by the council. There are no formal, regular performance reports for the collection of rechargeable repairs by the council. At the end of February 2005 there was £64,000 outstanding with only £1,000 collected in the year to date. £179,000 has been written off in the last two years. From April 2005 rechargeable repairs will be collected in-house by RBH using the new IT system to monitor and manage performance. Furthermore, they will be collected more cost effectively by enabling tenants to pay by swipe cards.
- 126 Although operatives are empowered to undertake additional work in practice the service is inconsistent. Variations are only required for the small number of pre-costed repairs that have been inspected. Housing management staff we met said that the empowerment of repairs operatives to handle additional minor repairs has improved tenant satisfaction with the service.
- 127 Only four per cent post inspections of response repairs were carried out in 2003/04. This has improved to 10.6 per cent in 2004/05 to date. However, information on post inspections is not routinely analysed and reported to various forums in order to learn from experience and systematically inform future service improvement.

128 Some other weaknesses remain, including:

- ◆ there is no formal programme of training and personal development for repair staff to learn new trades and increase the level of multi-skilling. Multi-skilling is informal and largely restricted to the quick response team although it is accepted that many other operatives are multi-skilled. Multi-skilling helps ensure more jobs are completed at first visit and improve efficiency;
- ◆ the number of repairs completed at first visit is not measured. Current IT systems restrict this. This would indicate the effectiveness of improved working arrangements and cost effectiveness/value for money; and
- ◆ although repair priorities were reviewed with tenants in 2002 the 30 day (six weeks) for non-urgent repairs is too long and unchallenging, particularly given that current performance completing non-urgent repairs is under ten days.

### Empty (void) property repairs

129 In our previous inspection, we found that void properties were let quickly, but their condition was variable and sometimes poor, and that extensive use of metal screening was blighting some estates. There was no agreed lettable standard for voids, and the speed of turnaround was not tightly controlled. We concluded that, in conjunction with customers, the value-for-money, quality and purpose of the service needed reassessment.

130 In this inspection, we found that there had been some improvement, particularly agreeing a minimum void standard with tenants although there were still areas of concern, particularly deterioration in average relet times. RBH has made significant progress tackling our previous inspection recommendation to review how vacant properties are relet although they acknowledge more needs to be done.

131 A vacant property standard has been agreed with tenants and we found that it was being used properly in all areas we visited. Tenant inspectors randomly inspect properties to ensure they are repaired to the standard. The standard is basic focusing on essential repairs and safety checks. It does not include upgrading and improvement work to decency standards (unless a component requires replacing). It has been agreed with tenants that improvement work will take place during agreed stock investment programmes. Prospective tenants are told this. Properties are rarely decorated (decoration vouchers are offered) and, inevitably, some properties offered to prospective tenants are visually in poor condition even if suitably repaired. The vacant property standard is particularly detailed about cleaning standards following concerns expressed in feedback from tenants. However, the void property standard is not given to prospective new tenants to ensure they understand the standard they are entitled to.

132 Currently 100 per cent of void repairs are inspected. This seems excessive and is not cost effective given that repairs are carried out by the in-house team and tenant inspections are also used. Positively, photographic evidence is kept of inspections. In general we found that vacant properties we inspected were repaired to the minimum standard and repair specification. All the properties we inspected were generally clean and tidy. However, pipes to tanks were not lagged as required within the void standard. In one block the communal stairwell was not clean and there was a large amount of rubbish (weekly visit) and a glazing pane on the main door had been broken the previous day.

- 133 All vacant properties now have appropriate health and safety checks. Incoming tenants are given gas safety certificates and informed of the service schedule. Positively, arrangements have been made with a utility company for the supply of gas and electricity to help speed up vacant management procedures. RBH also receive a fee per property for each connection.
- 134 RBH has improved services to prospective tenants by offering 100 per cent accompanied viewings. Seventy six per cent accompanied viewings had been undertaken out of 1,699 lettings by the end November 2004/05. We shadowed an accompanied viewing and found a high level of customer care and helpful advice was given to a vulnerable applicant. Disappointingly, valuable feedback from this positive service is not routinely analysed and used to further improve services.
- 135 Other positive features of vacant property management include:
- ◆ a 'welcome pack' has been agreed with tenants and is given to all new tenants;
  - ◆ satisfaction surveys, by post and telephone, are undertaken after letting and current levels of satisfaction are quite high at 80 per cent;
  - ◆ if gardens are overgrown or have rubbish in them, they are cleared and cut back by caretakers; and
  - ◆ a variety of appropriate security arrangements are made including providing intruder alarms in vulnerable properties linked to an external contractor's control centre.
- 136 The decoration voucher system was reviewed with tenants and extended in October 2004. The number of suppliers and level of allowance is made available to tenants and offers considerable choice and flexibility. The level of decoration vouchers is large although it has reduced from £148,000 in 2003/04 to £66,000 in 2004/05 (to January 2005). However there are still some weaknesses. Despite the significant amount RBH only has limited discount arrangements with three of the five suppliers. A 15 per cent discount in 2003/04 would save £22,000. RBH do not make best use of new tenancy visits to provide an audit check that vouchers have been used. RBH do, however, recover VAT on decoration vouchers.
- 137 Performance in reletting vacant properties is mixed. Average relet times deteriorated from 39 days at the time of the last inspection (2001/02) to 43 days in 2003/04 and 46 days in the third quarter 2004/05. However, this still compares satisfactorily to top quartile performance of 43 days in 2001/02 (the last year this former BVPI was published). RBH accurately measures performance and includes difficult to let properties that are subsequently relet and properties where decent homes investment is required. Including such properties adversely affects averages. Performance has been affected by the introduction of choice based lettings. Overall RBH has had some success in reducing void levels from 423 properties in March 2004 to 305 in March 2005. Rent loss from vacant property was 2.43 per cent in the year to date 2004/05 (week 51).
- 138 However, the average relet time is still high given that the void standard is restricted to basic repairs and reflects some inefficiency with processes such as different teams and contractors carrying out cleaning, security and health and safety checks, rather than having an integrated team with responsibility and ownership of the whole process.

- 139 RBH and the council have recognised void performance as a key concern and have agreed a specific action plan to address it. A review of void procedures by a consultant has led to nine specific actions which are either implemented or are in progress. However, RBH has not effectively tackled all identified key weaknesses and concerns. For example, the number of different trades and contractors involved in repairing vacant properties complicates and delays procedures. The consultant's report advises:

*'as a general principle the systems for reservicing void property should minimise the separate interventions, which argues for the locally based teams to undertake all the work unless it is completely impractical'.*

- 140 Furthermore, there is limited flexibility to allow additional repairs for lower demand properties. This could help improve acceptance rates, relet times and new tenant satisfaction levels. The report advised:

*'we think you could consider having separate budgets to be expended by area managers to enhance the relet standard where lettability issues would justify a better standard to improve lettability'.*

### Gas servicing

- 141 In our previous inspection, we found that RBH had taken prompt action to improve its gas servicing work so that a good quality system was in place. The number of properties with an outstanding check due had reduced to 625, and empty properties were excluded from the totals through a manual cross-check. Standard letters no longer threatened forced entry, but instead explained the council's landlord duties and referred to the legal proceedings that would be invoked. We also noted that gas safety checks for mutual exchanges were taking place, and that RBH was accelerating its servicing programme to try and ensure all homes would be checked before the winter months.
- 142 In this inspection, we found that further improvements have been made to this service and there are few remaining weaknesses. RBH focuses on gas safety as a priority. There are high levels of performance completing servicing. However, the small number of properties with safety certificates overdue by over a year needs to be dealt with more quickly.
- 143 RBH achieves a high level of performance completing gas servicing programmes. As at the end of February 2005, 97.85 per cent of properties (13,421 homes) had a valid gas safety certificate. During inspection only 12 gas systems remained un-serviced for a period of more than one year, all of which have an injunction in place and one is due for eviction. Of those overdue more than a year, 3 are between two to three years overdue and 5 over three years. Overall performance is very positive but the level of risk presented by properties with safety certificates overdue by over a year is a concern and speedier ways to enforce injunctions are required.
- 144 Access procedures have been revised and are comprehensive. Appointments are offered to tenants and extended working arrangements recently introduced for evenings and Saturday mornings. The servicing period has been reduced from 12 to 11 months to help ensure all are completed before the expiry of safety certificates. Gas servicing is publicised within newsletters to promote access.
- 145 RBH has introduced more efficient and innovative procedures making best use of technology. Gas engineers, both in-house and external, have hand-held computers. Engineers can be allocated work when on site and can directly input access details, completed and required work keeping records up to date.

Engineers carry portable printers and can print a safety certificate for the tenant with the engineer's electronic signature. This is positive practice.

- 146 Performance management arrangements are effective. RBH has robust quality assurance systems to ensure that safety certificates are checked and filed appropriately. A minimum ten per cent post inspections are carried out.
- 147 Effective performance monitoring reports are considered regularly by the company management team (CMT). The spreadsheet positively records the time since the last service. This highlights the level of risk and priority for those cases where a valid safety certificate is long overdue. This ensures managers are fully aware of the success of the new procedures.
- 148 Customer satisfaction is regularly monitored for all tenants receiving gas servicing. Tenants are given a freepost response slip with their appointment card. Between October and December 2004 customer satisfaction with gas servicing is very high with 99 per cent being satisfied with the quality of work and 96 per cent with the convenience of the appointment. Response rates are low with only 180 replies in this period. A similar sample telephone survey to that done for response repairs would help validate these rates.
- 149 Some weaknesses remain. Currently IT systems cannot be 'flagged' to ensure an appointment for an outstanding gas service is arranged when a tenant contacts the organisation. This will be remedied by the new system being installed between April and July 2005. Furthermore, RBH do not systematically compare the performance between gas servicing contractors in order to learn from experience and improve services.

### **Aids and adaptations**

- 150 The adaptation service to RBH homes is undertaken by the council's strategic housing team and is not a delegated function to the ALMO. Although RBH are not responsible for this service it does affect the overall stock investment service tenants receive and has a key impact on how tenants are helped to cope independently in their homes. Overall we found performance providing this service was mixed and RBH are not doing enough to ensure the quality of services on behalf of tenants.
- 151 RBH tenants are not required to apply for disabled facilities grant and no means-test is applied. Funding for aids and adaptations to RBH homes comes from a specific budget set aside by the council for this purpose from the housing revenue account and capital receipts. Aids and adaptations work is carried out by 12 main contractors used by the home improvement agency.
- 152 Although there are positive informal working relationships between RBH, adult care services and the council's strategic housing service the lack of formal management reports means that RBH is unaware of performance and the impact on their tenants. RBH confirm that performance reports will be introduced as quickly as possible.
- 153 There are several positive features of the adaptations service. RBH has effectively responded to help tenants requiring adaptation work as part of the major improvement programmes. It has employed a dedicated occupational therapist (OT) on programmes to speed up assessments. Tenant liaison officers (employed by the investment partners) identify needs for adaptation work and refer these to the OT. This ensures that tenants get homes adapted to their individual needs during investment work. Tenants obtaining adaptation work as part of the major improvement programme receive a more responsive, efficient service than other tenants who have to wait longer for an OT assessment.

- 154 The council's home improvement agency has a fast-track system to deliver minor aids and adaptations work, under £1,000, through a handyperson service, to which RBH makes a £50,000 contribution per year. Such minor works can be critical to the achievement of timely and successful hospital discharges.
- 155 Customer satisfaction is measured by the council's strategic housing services. During 2004/05 to the end of February 2005, 150 tenants were surveyed. Forty one per cent replied and satisfaction rates were high for most aspects of the service. For example 88 per cent were satisfied with the quality of work (2 per cent dissatisfied and 10 per cent not answering the question). However, satisfaction is only measured when work is completed and tenants on the waiting list or who have not been successful getting work are not surveyed.
- 156 Positively, adaptations are recorded on the stock database and relevant vacant property attributes are available to the allocations team although currently IT systems are not integrated. However, the database does not include all adaptations completed in the past. The new IT system will address this.
- 157 Aids and adaptations are recycled when a property becomes vacant if a new tenant cannot be found who requires those facilities. Aids such as stair-lifts are stored and re-used.
- 158 Due to a backlog of OT assessments a waiting list of 18 months had built up by March 2004. This backlog has been reduced through the engagement of locum occupational therapists and there has been a consequent increase on the work pressures in the home improvement team to deal with these cases. Despite a target of visiting all applicants within four weeks of receiving the referral from the occupational therapists these initial visits are now taking up to approximately eight weeks except in urgent situations.
- 159 The council has demonstrated commitment to dealing with this backlog of adaptations by increasing budget from £900,000 in 2003/04 to £1.35 million in 2004/05. This has been necessary to meet the additional demand and integrating aids and adaptations work with major improvement programmes.
- 160 The absence of performance monitoring information does not allow RBH managers to monitor overall performance and general progress of applications. Although not directly responsible for this service, without such reports they do not know how well the service is being provided and cannot effectively act on tenants behalf. Target times for each stage of the process have not been agreed, although tenants are advised of the likely waiting times when they apply.

## **Housing income management**

- 161 In our previous inspection, we found that there had been some real progress made in increasing the range of opportunities for tenants to pay their rent. However, RBH remained heavily reliant on the most expensive methods of collecting and processing rent payments. The move to a different method of rent setting had, however, been well handled, and a new specialist arrears team had been established coinciding with an overall improvement in service performance over the past calendar year. Positive working relationships were in place with housing benefit, the courts and welfare advice agencies. Although there remained potential for more detailed analysis and further process improvements, we concluded overall that RBH provided a good service in relation to rent collection and arrears recovery.

- 162 In this inspection, we found that the service had improved further. In particular, more rent payment options have been introduced for tenants and rent collection and arrears recovery performance has improved, FTAs are written off and administered more effectively and a service level agreement has been agreed with housing benefit. However, debt advice and benefit take-up campaigns are uncoordinated and there has been no profiling of rent arrears cases from which effective benefit advice can be targeted.
- 163 RBH provides a comprehensive range of information about rent setting and rent payment and collection procedures. Procedures have been promoted through newsletters, leaflets displayed in area offices and through frontline staff. The RBH web site provides useful information and on-line services. Newsletters provide performance information. Information is easy to understand. Extensive advice about rents, payment options and eligibility for benefit is given to new tenants. Rent accounts are set up promptly enabling new tenants to pay rent immediately. However, rent statements are still only sent to tenants annually. They will be sent quarterly when the new IT system is introduced in April 2005.
- 164 It is easy for tenants to access the rent service and rent payment methods have increased since the last inspection with the introduction of direct debit, credit and debit cards, on-line web site payment and payment swipe cards. The swipe card system will be implemented from April 2005. RBH are working with the council to review extending opening hours of customer service points for late opening on Thursday and Saturday mornings.
- 165 RBH has analysed the transaction costs of payment methods and are encouraging take-up of the most cost effective methods, such as 14p for direct debit transactions, and reducing the higher cost office payment (85p per transaction) and door to door collection for some older people, sheltered housing tenants and people with disabilities. Door to door collection has been risk assessed and is only provided for vulnerable tenants. It will be phased out in the future given the Department Works and Pensions (DWP) requirement for claimants to have a bank or building society account.
- 166 RBH demonstrates it is now collecting rent payments more cost effectively. There has been a significant shift towards more cost effective methods. The take up of direct debit is now 12 per cent of payments compared to only 2.4 per cent of transactions and 6 per cent of payments in 2003/04. There are cash incentives of £5 at the start and £5 at the end of each financial year for remaining on direct debit. Further promotion of direct debit payment is to be undertaken. Payments made at area offices are expensive to administer but have reduced from 84 per cent of all transactions in 2003/04 to 80 per cent in 2004/05 to date. Door to door rent collection has reduced from 8 per cent of transactions in 2003/04 to 5 per cent in 2004/05 to date. These figures are included in office counter payment totals.
- 167 Positively, tenants have sub accounts for garages, sundry debts and legal charges. Any payment that cannot be directly attributed to a specific sub account (for example by particular swipe card) is apportioned to each account.
- 168 There are some weaknesses with rent accounting. For example, RBH has not yet been able to quantify the savings made by the change in payment methods and has not yet fully evaluated the impact that this has had on the value for money of retaining cash collection facilities at area offices.

- 169 Service charges have not been disaggregated with the exception of CCTV, security charges, sheltered heating and lighting charges and one block of flats. By pooling service costs general tenants are subsidising the rents of tenants receiving these services. RBH recognise that this is one issue for consideration in tackling the HRA position post 2010.
- 170 RBH has consulted tenants and proposes to collect water charges from April 2005. Over 2,500 replies were received, 63 per cent of which were in favour of the proposal. RBH has served notice to vary conditions of tenancy. There is no opt-out provision for those who do not wish to receive this service. RBH has not effectively demonstrated the cost effectiveness of collecting water charges with rent. An exercise shows that income from commission exceeds estimated costs of administration and will give an estimated surplus of £200,000 a year. It has compared arrangements with other ALMOs. However, we are not satisfied that this adequately takes into account rent arrears that are directly attributable to water charges. Estimates of arrears due to non-payment of water charges does not sufficiently take into account cases where 'rent' is covered by full housing benefit, and any arrears will be wholly attributable to water charges.
- 171 Performance collecting rent is high increasing from 96.8 per cent at the last inspection (2001/02) to 97.2 per cent in 2003/04 and 98 per cent in the third quarter 2004/05.
- 172 RBH has close working relationships with the council, housing benefit (HB) administrators and the courts help and support tenants experiencing difficulties paying rent and maximise recovery of rent arrears. A corporate debt recovery policy has been approved within RBH to ensure joint working between sections pursuing debts. However, there is no similar agreement with council departments to help tenants manage multiple debts on a fair and equitable basis.
- 173 There is effective partnership working between RBH and the council regarding housing benefit administration through a service level agreement. Regular liaison meetings are held to monitor performance and consider service development. Relevant staff have been trained to verify information on behalf of HB and staff have access to data bases to share information.
- 174 Collection of rent arrears has improved considerably since the last inspection. Current rent arrears have reduced from £791,000 in April 2002, to £615,000 in December 2004. Current tenant rent arrears has reduced to 1.67 per cent of the annual rent debit. Prompt arrears recovery action is taken by staff and systems for pursuing current tenant rent arrears are effective. Housing officers use evening and Saturday morning visits where appropriate. Good relationships with the courts ensure hearings within five days of instruction.
- 175 However, rent arrears reduction has largely been achieved by crediting of decoration allowances to the accounts of tenants in arrears. Following completion of major improvement programme works tenants receive a decoration allowance. Where a tenant is in arrears this allowance is credited to the tenants rent account. During 2003/04 some £76,000 was credited to rent accounts and £103,000 in 2004/05 to date, of which approximately 75 per cent was for MIP disturbance allowances.
- 176 The arrears recovery procedure is robust and effective. Notices of intention to seek possession are served when arrears have reached £200 to £300. Tenants are made aware of the potential for eviction when the debt is still manageable. There are appropriate levels of delegation. For example eviction is only sought as a last resort and requires the local area manager's agreement.

- 177 Tenants' needs are considered at all stages of the arrears recovery process. For example, where an eviction is agreed the housing officer will notify the homelessness team and, where children are involved, children services are involved.
- 178 Reality checks of rent arrears cases during our inspection demonstrated that staff follow guidelines laid out in comprehensive procedures. There is regular and rigorous performance monitoring of rent arrears from an individual officer level to the organisation as a whole. The IT system prompts actions at key stages including the production of standard letters and housing officers are allowed some discretion to write tailored letters to tenants in special circumstances. Staff have individual targets and performance is reviewed on a regular basis by managers and formally once a month. Housing officer arrears figures are reported through to the area boards.
- 179 RBH has a calendar of events as incentives to encourage the recovery of rent arrears. For example in the April and December of each year RBH holds a prize draw for all tenants who have a clear rent account. The winner of the draw receives £250 and this is advertised in the tenants' newsletter.
- 180 RBH has strengthened former tenant arrears (FTA) performance and arrangements are now effective. The HRA includes bad debt provision within recommended guidance. There is a clear write-off policy and £367,000 was written-off in 2003/04. Collection of FTAs has increased to £110,000 in 2003/04 and £89,000 in 2004/05 (as at the end of November 2004). However, total FTAs have increased from £1.1 million in 2002/03 to £1.5 million in 2003/04 to £1.7 million in December 2004. Bad debts have not yet been written off for 2004/05 due to the introduction of new procedures.
- 181 The target collection rate for FTA is 23 per cent and current performance is 41.4 per cent. Specialist central staff undertake home visits for FTA, as well as joint visits with housing officers. When RBH are unable to recover FTA external debt collection agencies are used. Debt collection agencies (DCAs) charge 17 per cent of the total debt if recovered through correspondence or 35 per cent following a home visit. RBH will be comparing performance on debt recovery for each of the agencies used.
- 182 The council provide debt advice and some housing advice to RBH tenants. Services are generally effective but are not strategically focused to help maximise tenant income and minimise rent arrears. Primarily the focus is on debt advice and financial planning for tenants faced with possession action. A protocol between RBH and the advice service is that RBH officers will accept the suggested repayments as calculated by the advice service. Specialist housing advice is also provided by the Rochdale Law Centre, where a dedicated housing advice worker is funded by the advice service.
- 183 RBH's community support officers and the tenancy support team provide welfare advice to tenants. In addition debt advice surgeries are held at area offices and the FTA team enclose a CAB debt advice pack when contacting former tenants.
- 184 A broad range of housing benefit advice is given by RBH staff during all stages of lettings procedures, during arrears recovery procedures and through advice in leaflets, handbooks and newsletters. There are housing benefit freephone hotlines in all housing offices and RBH has introduced a benefits calculator on the website.
- 185 However, there are limited joint initiatives to promote housing benefit take-up such as holding regular surgeries at housing offices. The level of referrals from RBH tenants to the council debt advice service is not monitored and there is no data to suggest any targeting of services.

## Resident involvement

- 186 In our previous inspection, we found a good network of representative tenant and resident associations that were well supported by RBH. They were represented by an effective and independent federation which was leveraging in additional funding for the estates. RBH made particular efforts to ensure access to tenant meetings was made easy. It was taking forward the development of area and specialist tenant compacts, and recognised that practical/informal involvement for service users needed to be developed further. The establishment of RBH had in itself enhanced the direct influence of tenants on service design and direction, and the council was very supportive of this. RBH had, in its first year, increased funding for tenant involvement, and was protecting this increase for the future, although the council had yet to determine the proper level of its contribution. We concluded that, although currently stronger on the former than the latter, tenant participation and user involvement at Rochdale was a high quality service.
- 187 Since the last inspection the involvement of a broader group of residents has developed further. Resident involvement is very strong with few remaining weaknesses. RBH has a culture of respecting residents and meaningfully involving them in driving service improvement. Commitment to resident involvement is demonstrated from board directors, through senior officers to front line staff. More tenants are involved in tenant and resident associations (TRAs), through working groups and new ways have been explored and set up to involve a broader group of tenants in different ways. There is clear evidence of residents being involved at the heart of RBH. Their input is key in effectively managing and developing RBH services.
- 188 The framework for involving local residents in additional ways has improved. An extensive network of 40 TRAs covers 73 per cent of tenants. Eight special interest groups (SIGs) involve tenants looking at specific services or issues to identify improvements. For instance there is a supply chain group that looks at the best ways to obtain supplies and components for the stock investment programme. Tenants are involved in local inspection and mystery shopping of front line services. All tenants are invited to an annual conference and tenant representatives are invited to a 'tenants' residential'. Residents are also involved through representation on the ALMO Board and Area Boards. The effectiveness of area boards is considered later in the report as part of RBH governance arrangements. TRAs are effectively supported by the independent federation, RoFTRA.
- 189 Tenants are effectively involved in reviewing the progress and performance of the MIP. A partnering team for each contractor meets every two months and includes tenants, operations and technical staff and the contractor. At a local level each estate has progress meetings where local residents can air their views. Tenants are also represented at the most senior level on the partnering panel that comprises directors of each partner, board members, tenant representatives and council representatives.
- 190 RBH has fully complied with a previous report recommendation and established a tenants editorial group that reviews all publications such as the literature used in the major improvement programme information packs using their own 'tenant approved' logo.

- 191 Tenant participation is widely publicised and promoted through newsletters, leaflets, information on the web site within the framework of a customer consultation strategy. RBH actively canvasses the views of service users and uses information to improve services. For example, tenant feedback has resulted in the production of a tenants' handbook for major improvements programme. Tenants have also been involved in forming policy and procedures such as the lettable standard. Tenants have influenced the amended decoration voucher scheme, tenant inspections of ready to let properties and agreeing how estate design environmental budgets are spent.
- 192 RBH has made efforts to ensure that a broader group of residents have the opportunity to be involved. A BME focus group has been formed and TP groups have been set up in several sheltered housing schemes. RBH has held events with voluntary organisations and women's housing aid and is setting up a vulnerable tenant's compact and a young persons' compact. A youth forum has been introduced in one board area and others are planned. However, RBH recognise that more needs to be done to attract people from BME communities and young people to be involved in TRAs and RBH area boards.
- 193 In addition to the formal representative structure the opportunities for residents to be involved in other ways has improved. The BVPI measuring satisfaction with opportunities for participation and being involved in decision making is very high, increasing from 46.6 per cent in 2001/02 to 62.4 per cent in 2003/04. A 'tenant viewpoint' panel gives the opportunity for tenants to be involved in particular issues without being on a local TRA. There have been focus groups on specific issues such as the major improvement programme and grounds maintenance.
- 194 RBH and RoFTRA have involved residents in the review of their boroughwide tenants' compact. This has not yet been finally approved. It is due to be completed in April 2005. Positively, there are also 22 local estate compacts.
- 195 RBH provides a high level of support for resident involvement. Total resources have increased since the last inspection. RBH provides significant resources for resident training, and capacity building which is provided by the independent federation, RoFTRA, owned and managed by TRA members. A majority of tenants is required on a TRA committee before funding is granted to the group. RBH's budget for tenant participation in 2004/05 is £631,000 including £500,000 grants to RoFTRA, TRAs and estate management boards, plus £130,000 staff support costs. RBH has a formal three year agreement with RoFTRA until 2006/07. RBH has helped establish local resource centres to help neighbourhood management and local capacity building.
- 196 The council has not agreed to a previous inspection recommendation and still does not financially support RoFTRA even though they provide services to all local residents. The council advise that budget constraints prevent this.
- 197 RBH also provides extensive support and training to board and area board resident members. A 'mentoring' scheme helps board members. Each member of the main board has a senior officer mentor to support them in their area of responsibility. Board members similarly help area boards and their members, helping to train potential future main board members.
- 198 RBH recognises that it needs to demonstrate the cost effectiveness and VFM of tenant participation. For example, RBH has identified the high cost of the annual tenants' residential but has not yet reviewed it. Fifty five adults and 17 young people attended the last one. Costs were shared with RoFTRA (not using HRA finding). It has not used procurement to consider alternatives to current arrangements. RBH has included this review in the draft 2005/06 service plan.

## Tenancy and estate management

### Tenancy management

- 199 In our previous inspection, we found that enforcement services in relation to dealing with neighbour nuisance on estates were strategically well linked in to the community safety agenda for Rochdale, and that the newly established legal and enforcement team was having a positive impact.
- 200 In this inspection, we found that tenancy management services had improved further. In particular, action against antisocial behaviour (ASB) is more effective using a wide range of remedies while balancing enforcement with support and preventative initiatives. Clear information informs tenants about their rights and responsibilities. However, customer satisfaction is not routinely measured and there are no local PIs to monitor and manage performance.
- 201 A comprehensive range of leaflets, handbooks and other information including a customer agreement for antisocial behaviour (ASB) ensures that clear, simple and easy to understand advice is available for tenants to understand their rights and responsibilities. Standards are clear, for example victims of ASB are to be contacted within 24 hours of their original report for serious cases. Rights and obligations are clearly explained to new tenants when signing for their tenancies. The tenancy agreement has a clear message about ASB and other statutory requirements such as the right of quiet enjoyment. The outcome of successful action over ASB is promoted in the press and other publications.
- 202 The tenancy agreement contains clear and comprehensive information relating to nuisance but does not refer to domestic violence or mention potential grounds for possession. It has not been updated to reflect RBH's role managing tenancies on behalf of the council or giving the address where tenants can serve notice on the organisation. This could potentially jeopardise any legal action they take in the courts on behalf of the council although RBH clearly explains its role in the tenant handbook and at tenancy sign-up interviews. RBH has confirmed tenancy agreements will be amended from April 2005 to make this clear. The council rejected introducing probationary tenancies following consideration by RBH's area and main boards.
- 203 Effective procedures are in place to ensure that tenants enjoy their rights to quiet enjoyment while having the right balance of enforcement action for breaches of responsibility. An initial assessment of any complaint is made by the housing officer responsible for the area. Only after the housing officer has exhausted all potential remedies at the local level will the case be referred to the enforcement team. The centralised legal services and enforcement team has been strengthened and continues to ensure that non-standard ASB cases are handled by specialist officers. The team includes solicitors who provide prompt advice and includes staff from BME backgrounds able to provide culturally sensitive approaches. Positive relationships with courts ensure cases are heard quickly. Translation facilities are available to the team where their individual skills are not matched to the needs of the victim or the client.
- 204 RBH effectively uses a broad range of tools to manage cases of ASB. In 2003/04 RBH served 65 notices of seeking possession, received seven court orders, 15 injunctions and 14 ASBOs. RBH also employs parental control agreements and acceptable behaviour contracts. Surveillance includes covert camera installations and camcorders loaned to victims. Witnesses are provided with diaries or 'dictaphones'.

- 205 An innovative alternative to avoid enforcement action in cases of neighbour nuisance and ASB has been implemented by RBH. Perpetrators can be referred to a voluntary sector support service if they have particular support needs that may be giving rise to the problem.
- 206 RBH has had considerable success in dealing with ASB which has helped deliver more popular and stable communities. For example in one area a RBH funded community resource centre provides a number of community activities for a range of age groups run in conjunction with other agencies including the voluntary sector and the primary care trust. Effective action in conjunction with the police has reduced the level of drug-related crime. Additional security measures, such as the provision of window grilles at the rear of properties has reduced burglary rates and the development of furnished accommodation for single tenants has promoted sustainable new tenancies in the area. As a result turnover of tenancies has reduced.
- 207 Preventative work has significantly developed since the last inspection. For example RBH's support for local community facilities provides diversionary activities for local children and young people particularly during holiday periods. RBH officers believe that this approach has reduced levels of vandalism and ASB in difficult areas. A broad range of preventative work includes floating support and tenancy support (see later section on Supported Housing), community support officers and security initiatives include providing CCTV cameras. Designing out crime is a key part of stock investment and environmental improvement programmes.
- 208 Void turnover on many estates has reduced by between 15-50 per cent following local investment programmes and more effective tenancy enforcement. Effective work tackling ASB together with stock investment on one estate has positively improved turnover and popularity of a local housing association's stock as well as reducing their complaints about nuisance and ASB.
- 209 RBH staff have worked very closely with the Police and other local partners to effectively tackle local problems through a variety of both preventative and punitive means. A protocol allows sharing information. A case intervention group determines the most appropriate course of action, for serious cases handled by the specialist team, including diversionary assistance and support for local people where necessary. Other partnerships include the Shelter inclusion project and the social landlord's crime and nuisance group.
- 210 The view of the BME focus group we held was that RBH gave a quick response to racial harassment and treated all incidents seriously. A multi-agency partnership panel effectively monitors all reported cases which positively includes a third-party reporting system.
- 211 All staff have received mandatory training in dealing with domestic violence. The council's homeless persons unit provides support for prosecution of perpetrators of domestic violence, health advice and advice on security issues.
- 212 New tenancy visits are carried out within one week of occupation. Although the target 100 per cent is not achieved due to some access problems 1,650 were completed by the end of December 2004 out of 1,787 lettings (92 per cent). However, outcomes have not yet been analysed and routinely reported to apply learning to develop services further. As mentioned previously, best use is not made of new tenancy visits which are too soon to manage the use of decoration allowances and identify other problems new tenants may have.
- 213 There are other weaknesses. RBH recognises that it needs to improve low level nuisance enforcement and be clear about the relationship with the tenant management organisations in tenancy enforcement.

- 214 RBH do not routinely measure customer satisfaction with tenancy management and estate management services. Without this they are unable to monitor and manage the effectiveness of published standards and procedures, demonstrate that services are open and fair to all groups of users and gain detailed feedback on the success of initiatives. For example not measuring and reporting on the ethnicity of ASB cases casts doubt on RBH meeting the requirements of the CRE code of practice in rented housing.
- 215 Incidents of nuisance are recorded on a stand alone IT system and are not integrated with general IT systems. The system is due to be replaced between April and July 2005. RBH has not developed an effective suite of local performance indicators to help track and measure the effectiveness of tenancy enforcement. It will introduce these as soon as possible.

### **Estate management**

- 216 In our previous inspection, we found that the service had been significantly expanded. RBH was, however, still using this resource to supplement failing or inadequate service elsewhere, and this had to be addressed. Nevertheless the estates were maintained to a consistently high standard, and we concluded that customers are receiving a high quality estate caretaking service from RBH.
- 217 In this inspection, we found resident dissatisfaction with the council's grounds maintenance service, although, in general, estates we visited were maintained to a satisfactory standard. There was little evidence of litter, graffiti and vandalism. Efforts have been made to reduce shrubbery and trees where these were trapping litter and causing an eyesore.
- 218 The overall standard of estate grounds maintenance is a key concern of tenants. RBH has delegated authority to manage maintenance on all HRA land. Services are provided by the council through service level agreements. Performance management and control is weak and both RBH officers and tenants we met are dissatisfied with the quality of the service. The 2003/04 tenant survey identified low tenant satisfaction with environmental services. The highest dissatisfaction with services was expressed over grass cutting with 25 per cent saying this had got worse over the last 18 months and 22 per cent saying street cleaning had got worse. However, similar percentages said it had got better (28 per cent grass cutting and 24 per cent street cleaning).
- 219 Concern over the quality and cost effectiveness of the service has not been effectively addressed since the last inspection. The grounds maintenance service level agreement was reviewed in 2004 and an external assessment was carried out by the Institute of Leisure and Amenity Management. This confirmed there was a question mark over competitiveness. RBH sought to work with tenants to define a new level of service rather than immediately market test the service. The new agreement starts in 2005/06. RBH has placed the council's environmental management service on notice that if quality does not improve and they fail to reach a shared understanding that the costs of the service are competitive, it will market test the service later in 2005/06. Given the extent of concerns it is surprising that RBH did not immediately explore the market to see if an enhanced service could be provided more cost effectively.
- 220 RBH has positively responded to concerns about the environment and estate services by investing £200,000 in one-off improvements to grounds maintenance, increasing area based estate design improvements from £250,000 to £1 million in 2004/05, introducing tenant estate inspections and working with the council on an environmental audit.

- 221 Since the last inspection RBH has improved the role and performance of its caretaking service. RBH now employs 17 estate caretakers and 24 mobile caretakers. Mobile caretakers provide a more general and responsive estate management service visiting hot spots for litter, clearing gardens of void properties and undertaking minor landscaping jobs. They have not yet started to do minor repairs. All of the tasks are standardised in a manual including health and safety risk assessments. Frontline staff said that the introduction of mobile caretakers has had a particular impact in reducing litter and vandalism on estates. An out of hours' service responds to serious cases of ASB and offensive graffiti.
- 222 Positive and helpful service standards are published for RBH's caretaking service with clear targets for removing graffiti and other commitments. However, there are no published service standards for estate grounds maintenance and street cleaning. The caretaking service standards do not make it clear to tenants that these services are provided by the council.
- 223 There are no effective performance monitoring reports for RBH's caretaking service or systematic inspection of all areas. The only local performance indicator covers the number of health and safety incidents. While there is some ad hoc inspection of the performance of individual caretakers no use is made of tenants or their representatives to sign-off work that has been completed. RBH are not formally measuring and learning from the impact of estate service improvements. As a result the investment made by RBH in this area of service may not be delivering the full potential benefits. RBH accept this and will introduce KPIs and ways of tenants signing off work to communal areas. Positively, RBH is responding to criticisms and is introducing peer inspections of estates by neighbouring tenants from Bury and Bolton.
- 224 RBH is taking a proactive approach to increasing security and designing out crime on estates. Vacant properties are protected from vandalism by a range of methods including shuttering, temporary alarms and hanging net curtains through a contract with a contractor. Decisions are based on a local risk assessment. RBH is aware of relative costs but is moving towards more use of intruder alarms to make properties more marketable. On one estate additional CCTV is being installed to cover communal areas and discourage antisocial behaviour on the streets.
- 225 The estate design improvement budget is a positive arrangement for tackling environmental issues. RBH officers are aware of the impact that the budget can have for example in the removal of sheds that have obscured a view of tenants' front doors and left them vulnerable to break-ins. However, to date it is unclear what effect phased improvement work is having on estates.
- 226 In some areas security arrangements and environmental improvements have not benefited neighbourhood appearance. For example security screens on vacant properties and on one estate we noticed that security gates to blocks of flats are unattractive and were unpainted twelve months after installation. Many were unlocked and ineffective.
- 227 The council has started to charge all residents for the removal of bulky items of rubbish. Tenants are concerned this will have a negative impact on the environment of estates due to the increased dumping. However, the council is meeting targets to remove fly tipping within one day of notification.

## Allocations and lettings

- 228 In our previous inspection, we found that allocations systems were generally coping well with a high workload, and that customer satisfaction was good. However, systems were also resource intensive, some processes were not efficient, and greater flexibility and targeted marketing were required if the different types of local demand were to be met effectively.
- 229 In this inspection, we found that weaknesses had been largely addressed and the allocations service was customer focused, professional and efficient. In particular RBH had tackled a previous inspection recommendation and introduced a choice based lettings system (CBL). Homechoice offers more choice and has helped tackle low demand. Remaining weaknesses generally relate to reletting procedures which were covered previously under vacant property repairs and tenancy management.
- 230 RBH the council and the housing market renewal pathfinder are jointly reviewing housing supply and demand in the context of changing housing markets. They have improved local market intelligence since the last inspection. This is essential to ensure that future stock investment funding is targeted on sustainable estates. The council recognises that house prices, changes to rehousing policy, CBL, house condition surveys and changing aspirations need to be taken into account. It is recognised that increased requests for properties offered through CBL, on its own, is not a measure of increased demand or sustainability. Lettings need to lead to lower turnover and longer average length of tenancy in order to ensure increased stability and sustainability.
- 231 Access to housing is open and easy with a strong customer focus. The lettings policy is comprehensive and published information to applicants is helpful and easy to understand. The waiting list is reviewed annually and applicants advised of their status although they are not given information on their prospect for rehousing. RBH consider this is difficult to give accurately and inappropriate. CBL has now been extended to all types of properties and areas. There is now more open and transparent access to all property types and areas where applicants have real choice. The property shop has a very professional, high quality estate agent marketing approach. RBH recognise there has been a delay setting up local property shops.
- 232 A wide range of assistance is available to ensure that all potential applicants have fair access to housing. It is possible to apply for housing and request properties offered under CBL in person, over the telephone or on-line via RBH's web site. The web site is available in different reader friendly formats. Access is available to more vulnerable applicants through advocacy groups such as Age Concern. Staff are trained to give comprehensive advice and can effectively sign post applicants to other providers for accommodation or support services.
- 233 RBH effectively minimises the risk of vulnerable applicants being disadvantaged when applying for accommodation under CBL system. It employs home access officers to promote the system to all groups. Sessions have been introduced at the property shop specifically for applicants from BME backgrounds and senior equality officers hold regular surgeries for BME applicants and tenants at local offices.
- 234 There is detailed regular monitoring of access to housing by ethnicity but not other disadvantaged groups such as young people, travellers or people with disabilities. RBH is on target to achieve 275 lettings to BME applicants in 2004/05 with 258 lets by December 2004. Detailed monitoring of access systems shows that 15 per cent of web site property searches in 2004/05 (December 2004) were from people from BME communities.

- 235 However, performance highlights some concerns. BME applicants from some groups are under-represented. For example Pakistani people represent 7.7 per cent of the local population but only 4.4 per cent of the housing register, and only receive 3.7 per cent of offers and 2.3 per cent of allocations in 2003/04.
- 236 The allocations policy is robust and balances the needs of vulnerable people with offering fair choice. Applicants are assessed and placed into two bands one for priority need and one for those with no identified need but who are interested in accessing council homes. The IT system automatically allocates property on an approved quota system to one of the two bands. Properties are split into low, medium or high demand areas. Choice of all property types is available to all applicants while ensuring those in priority housing need are catered for.
- 237 The approach adopted by RBH when rehousing people with rent arrears is positive. If a tenant has arrears in excess of £250, a payment agreement has to be made and if the agreement is maintained a report to a senior manager is made seeking authority to re-house. There is also an appeals procedure.
- 238 The CBL system has been successful. The introduction of the CBL has contributed to increasing 'demand' with the waiting list increasing from 5,000 in 2003 to 7,348 in December 2004. Property turnover rate has improved from 18.4 per cent in 2002/03 to 15.45 per cent in 2003/04. It has reduced in some estates by as much as 50 per cent. Total lettings have reduced from 3,008 in 2002/03 to 2,439 in 2003/04. The Homechoice service is well used with over 200 callers a week and eleven other housing associations and private landlords use the service to advertise their properties. 500 expressions of interest a week are made via the internet. Eighteen per cent of all applications are from BME applicants. Other initiatives have been developed such as providing 150 furnished tenancies in addition to 200 asylum seeker units.
- 239 As reported previously accompanied views are offered for all lettings and in 2003/04, 2,025 were carried out, some 83 per cent of lettings. New tenancy visits are undertaken within the first week of occupation as considered in the section on tenancy management. While this is positive, it is too early to check that decoration allowances have been used properly. RBH also analyse reasons for refusal of offers. Of those that respond the two overwhelming reasons are that applicants want another area (17 per cent all refusals in 2003/04) and 'dislike the environment' (12 per cent of refusals). This supports the need for RBH to focus on improving the quality of the environment and estate services.
- 240 RBH has positively amended the allocations procedure to minimise void relet times. When a property is being offered to applicants with a housing need multiple offers are made. It is explained to each applicant where they rank on the list of people being offered the property thereby allowing each applicant to consider their interest in the property.
- 241 RBH has considered the most cost effective mechanisms for advertising properties under the choice based system via the internet, advertising properties in the property shop or from other RBH and council service access points. The potential for newspaper advertising was considered but was regarded as prohibitively expensive.
- 242 RBH has formal nomination agreements in place with local housing associations and monitors performance through quarterly liaison meetings. However, performance varies considerably between associations and overall performance is not routinely monitored and reported within RBH and the council. Performance varies between housing associations but by the third quarter 2004/05 only 19 per cent of total housing associations lettings were to nominations.

Nominations were offered for 28 per cent of all lettings varying from 0 per cent to 50 per cent.

## Supported housing

- 243 In our previous inspection, we found that the community management service, transience research and new tenancy support pilot were good examples of the strategic approach being taken by RBH to achieve stable communities through addressing the non-housing needs of its customers. A shadow supporting people framework was in place for Rochdale, and RBH were continuing to play a part in its future development. We concluded overall that there were a good range of direct and indirectly provided support services in place at Rochdale for Council tenants.
- 244 In this inspection, we found little evidence of improved housing support services.
- 245 The council has retained responsibility for:
- ◆ homelessness services; and
  - ◆ warden services for sheltered housing.
- 246 The council also retains its responsibility for administering 'supporting people' grant which is paid to providers delivering housing related support to vulnerable people across the borough. The council administers this grant on behalf of a partnership between itself the local primary care trust and the national probation service.
- 247 RBH provides:
- ◆ some interim accommodation for the council;
  - ◆ sheltered accommodation for older people; and
  - ◆ some tenancy support services.
- 248 Although there are some positive features of supported housing services there are also considerable weaknesses. RBH has failed to take responsibility ensure that the overall housing support needs of tenants are identified, provided for and that high quality support services are provided efficiently and cost effectively by the relevant service provider. In particular there is no overall coordination of housing support service between RBH and the council. The council remains responsible for most supported housing and RBH has no clear understanding of tenants' needs and the quality and effectiveness of services. RBH has interpreted their responsibilities for supported accommodation in a limited manner. The future level and success of the tenancy support service is uncertain. Although we did not inspect the council's sheltered housing support service there are clearly considerable weaknesses.
- 249 Support for vulnerable tenants applying for rehousing under choice based lettings was mentioned in the previous section. Although some initiatives have been developed to increase housing support for vulnerable people, there is a lot of work to be done to develop a comprehensive service that meets all identified requirements of tenants. The existing IT system does not flag tenants' individual needs or requirements, although a separate database is maintained about preferred methods of contact. The new IT system will be able to 'flag' specific needs of vulnerable tenants.

- 250 RBH is unclear about its role in relation to SP arrangements. RBH are only a provider of one SP funded housing support service, the intensive management support scheme on two estates. It is due for a formal review by Supporting People in early summer 2005. RBH also provide access to housing where support is a condition of tenancy which is provided by another agency (paid by SP) such as sheltered housing. RBH is unaware of how such support services are performing.
- 251 RBH provides temporary accommodation for homeless people, refugees, and works with other providers such as Shelter Inclusion (prevention of anti-social behaviour), Stepping Stone, Sure Start, Real Deal and the Multi-Agency Public Protection Panel (rehousing ex-offenders). It is not involved in SP arrangements through the provider forum and is not a key partner in developing the SP five year strategy. We were given very little information and found it difficult to assess the quality of overall provision, performance and outcomes for users.
- 252 Initiatives such as furnished tenancies and tenancy support help improve estate stability and sustainability. There are 150 furnished properties. One hundred and ninety seven flats are offered to asylum seekers. In 2004/05 to date 47 households have been rehoused. Interim accommodation and support was provided to 431 households in 2003/04. Support for tenants requiring aids and adaptations to their homes have been considered in a previous section.
- 253 RBH addresses the housing support needs of vulnerable new tenants. The tenancy support service was originally introduced to help and support BME families to access housing and settle in new areas. For example 12 BME tenancies have been established and sustained on one 'non-traditional' estate. In 2003/04 and 2004/05 support has been provided to 913 families and individuals. Of these 104 have received multi-agency support co-ordinated by the tenancy support service. The service has helped reduce the number of failed tenancies and deliver more sustainable tenancies. Standardised sign-up procedures ensure a full understanding of tenants' needs and support requirements. It has also developed effective links with other support agencies. A directory of support agencies has been produced and is available to officers who are signing-up new tenants. Training has been supplied to all officers involved in the allocations process by the tenancy support team.
- 254 The tenancy support service is a key driver for ensuring an understanding of the support needs of tenants. This is to be main streamed into the existing housing officer role when neighbourhood renewal fund ends. Links between vulnerable tenants and support agencies will be reliant upon generic housing management staff who have received training.
- 255 RBH manages 29 sheltered schemes. RBH are only responsible for tenancy management and the repair service. Warden services are provided through Careline, part of the adult care services department. The council are currently reviewing the sheltered housing service as part of their duties as provider under supporting people arrangements. The council is also reviewing the investment options required to achieve 'decency' standards.
- 256 The council recognise that demand for bedsit flats in a number of schemes is declining. It may not be financially viable or practical to bring all schemes up to decency standards. Stock investment programmes were suspended for six schemes pending a full review. The council has not formally approved the review but it is likely that six schemes require demolition or alternative use as extra care housing or specialist BME sheltered housing. Residents were not effectively involved in scheme option appraisals and those we met had little understanding of what was happening.

The council/RBH has not communicated effectively with tenants and wardens of sheltered housing, who have not understood the organisation's timetable or plans for major improvement works.

- 257 The council and RBH recognise that BME tenants are under represented in sheltered schemes. Research carried out in 2001 across Rochdale and Oldham found that Asian elders had no preference for sheltered housing. We have not been made aware of any strategies to tackle this issue other than considering the future use of an existing scheme as a designated sheltered scheme for older BME people.
- 258 Schemes offer opportunities for tenant involvement. There are effective tenant participation arrangements in place in some sheltered schemes. Eight schemes have their own tenants association. A new forum has been set up bringing together wardens and tenant's representatives with officers from RBH. These forums discuss topics of common concern to sheltered residents, for example the major investment programme.
- 259 Considering the age and poor condition of some sheltered schemes we found that sheltered schemes we visited were well run. However, there are significant variations in the standard of accommodation being offered to tenants in sheltered schemes. One scheme that we visited had undergone significant investment in recent years. Accommodation has been remodelled and bathrooms and kitchens refitted to a high standard. Another scheme lacked very basic requirements. It is accepted that major improvement programme investment has been deferred until the end of the programme when the review of future schemes is confirmed.
- 260 We found considerable weaknesses with the sheltered housing service. For example services to tenants in sheltered accommodation are very traditional. Services have not been reviewed to reflect the changing needs of the community. To date there has been no provision of extra care housing. Schemes are not all fully accessible for tenants with disabilities. One scheme we visited had a front door that could not be used by tenants or visitors in wheelchairs. There were no grab-rails fitted around the front ramp entrance or in the toilets. A detailed survey has found they are not compliant with requirements of the Disability Discrimination Act 1995. RBH confirm work will be done to comply within the next 12 months.
- 261 Sheltered tenants do not have individual support plans as required under Supporting People arrangements, although we received conflicting advice during the inspection. The creation and development of these plans is the responsibility of the council support staff. The lack of support plans means that supporting people funding could be jeopardised when the service review of the scheme occurs. Any resultant reduction or withdrawal of funding could impact upon the viability of schemes and support to RBH tenants. The council confirms that support plans will not be completed for all sheltered tenants until March 2006. This is three years after Supporting People funding was introduced.
- 262 Respective management responsibilities between council wardens and RBH housing officers are laid out in a SLA but were not clearly understood by staff, or tenants, we met. Crucially, RBH do not receive any performance monitoring reports regarding housing support to sheltered tenants provided by Careline and the adult care services department. Although not responsible for this service they have no formal way of measuring the level of housing support their tenants are getting. RBH has requested future reports.

- 263 Communal areas and shared facilities such as lounges, stairways and laundries in sheltered schemes we visited were not always equipped to modern standards. While being clean and well decorated, some communal areas and shared facilities are very basic. Some individual flats do not have bathroom facilities meaning that residents have to use shared bathing facilities.
- 264 The future of sheltered accommodation across the borough has been the subject of review by the council but this process has generated uncertainty over RBH's investment in individual schemes. There is no firm evidence of effective risk management in this regard with exit strategies being developed by RBH for schemes which might be identified by the review as being surplus to requirements.

## **Leasehold management and Right to Buy**

- 265 In our previous inspection, we found effective right to buy (RTB) and leaseholder services. Performance against statutory timescales was very good, and the service was setting itself more challenging targets to improve further. Information provided was comprehensive and clear and customer satisfaction was generally high. The service's record of delivery was good and focused well on outcomes for its customers. We believed that it was an area of positive performance for RBH, and that right to buy customers in particular are receiving an excellent service.
- 266 The right to buy and leasehold services to 330 leaseholders continues to be strong and has improved in several areas. RTB administration is effective and other housing providers use the service. Customer satisfaction is high. Leaseholders now have the opportunity to be more involved in developing services. Leaseholder Forums have been set up to improve communication and consultation. There is also a leaseholder newsletter.

### **Right to Buy**

- 267 A wide range of information and advice is available for RTB applicants and leaseholders in a variety of formats. A complaints system exists for RTB services. A comprehensive RTB procedure document covers statutory requirements and the internal processes. It was updated in April 2003 to reflect the Commonhold and Leasehold Reform Act, 2002. A booklet has been drafted to reflect the recent RTB changes introduced in the Housing Act 2004.
- 268 There is 100 per cent performance in meeting statutory deadlines for the RTB process. In response to this, and in order to reflect the aspirations/expectations of applicants, higher targets were set at half the required statutory timescale for processing applications and offer notices.
- 269 A surge in applications with 817 applications and 568 sales in 2003/04 following changes to RTB discount regulations meant the RTB section was unable to meet the enhanced local targets. The average time to make a RTB offer is currently 42 days against a local target of 37 days. Local targets have been withdrawn as unrealistic given the increased workload and new targets are being considered.
- 270 RBH positively records RTB performance by ethnicity. Some 5 per cent of RTB applications and completed sales in 2004/05 to date have been to Pakistani tenants.
- 271 RBH provides RTB administration services for Guinness Trust and Bowlee Park HA (Riverside) which are former Manchester City Council overspill estates. These services are provided in accordance RBH's Memorandum of Association. One local housing association advised us they were very satisfied with the cost effectiveness and efficiency of the service which is better than previous arrangements.

- 272 There is high customer satisfaction with RTB services. For example:
- ◆ over 80 per cent of service users find staff to be polite;
  - ◆ 80 per cent find staff to be helpful;
  - ◆ over 76 per cent believe that staff know what they are talking about;
  - ◆ 75 per cent felt things were clearly explained;
  - ◆ 74 per cent felt that queries were dealt with quickly;
  - ◆ 75 per cent felt their queries were dealt with efficiently; and
  - ◆ over 85 per cent of users were satisfied with the RTB service.
- 273 The highest level of dissatisfaction was with time taken to complete following acceptance of offer. Most delays are due to problems with production of plans and boundary disputes. Private sector surveyors are used and they do not have direct access to plans. RBH are reviewing procedures to overcome delays. It is also using electronic requests to speed up processes.
- 274 A report from an independent mortgage consultancy compared RBH's performance with other north Manchester social landlords and found that 'Rochdale is unquestionably the best in all categories'.

### **Leasehold management**

- 275 There is a wide range of payment methods for service charges including standing order, cash, telephone, debit and credit cards. Currently RBH are considering adding direct debit and swipe cards as payment methods for leaseholders.
- 276 RBH use an effective PC based networked system to handle all aspects of service charge administration. All notices and letters, including major works notices and invoices, are produced from the system and are recorded on an audit trail. Summaries and statistical analyses are regularly produced to monitor performance. Although this is not integrated with the general IT system it is a very functional stand alone system.
- 277 Service charges are administered efficiently. Estimated service charges are issued annually in April together with clear information about insurance details, instalments due and methods of payment. Actual charges are calculated as soon after the year as possible and are notified to leaseholders in August/September. Direct billing by RBH has improved the ability to re-schedule instalments and provides one contact point for queries from leaseholders. Service charge arrears have increased from £2,309 in April 2003 to £27,343 in March 2005 as, following direct billing and collection, bad debts have not been written off.
- 278 Performance indicators have been set up to measure performance collecting service charges. The PI measures arrears as a percentage of annual debit plus arrears brought forward. The target is 25 per cent and current performance (February 2005) is currently 26 per cent.
- 279 RBH has satisfactory arrangements in place to deal with major improvement works that affect leaseholders. When estimates and schedules have been prepared a 'notice of intention' to carry out works is served on each leaseholder (and local TRA if relevant) allowing the statutory timescale of 30 days for comments. Details of any assistance available for payment of any costs are sent with the notice.

- 280 A forum exists for leaseholders of Kingsfisher Court and meets twice a year. Following the success of the Kingfisher Court scheme, it was determined to test whether leaseholders as a whole wished to have a boroughwide forum. All leaseholders were surveyed and RBH received 30 responses of interest. The first meeting was held in January 2005 and approximately 12 people attended, with a similar number sending apologies. It was agreed the forum will meet on a quarterly basis with RBH staff providing support.
- 281 An updated leasehold guide has been produced, and sent to all leaseholders, reflecting the changes contained within the Commonhold and Leasehold Reform Act, 2002. The leasehold procedure is clear and covers all main areas, such as consultation and major works. It guides individual members of staff through the IT system. The escalation procedure is clear and court action is seen to be a last resort. The guide is clear about consultation with leaseholders, but consultation through TRAs may confuse some leaseholders in that they may assume that the TRA will do it for them.
- 282 While the leaseholder guide states that it is important to contact the repair call-centre for repairs to common parts, it is not clear that costs will be apportioned for the repair where necessary. The guide does not give specific information on welfare benefits.
- 283 Satisfactory guidance is given on options for leaseholders such as loans from banks and building societies, home improvement loans from the current lender or council, the right to a service charge loan, HRA grant assistance for over-60s and re-scheduling of instalments over five years interest-free.

## Summary

- 284 The service delivered by RBH is customer focused. Customers can easily access services in many ways. Improvements to the web site and on line services are impressive. Tenants are effectively involved in managing and developing all aspects of services. Customer satisfaction is generally high and feedback is effectively used to improve services. RBH is clearly committed to respecting diversity and ensuring that customers have fair and equal access to services.
- 285 The quality and performance of most services has improved since the last inspection. Performance is particularly strong with capital investment programmes, allocations and rent services. Tenancy management ensures that there is an appropriate balance between enforcement action and preventative action through support to tenants.
- 286 Improvement has been more limited with response and vacant property repairs and particularly estate management. Although, more repairs are being done on time and by appointment there are several inefficient practices that prevent RBH from providing a cost effective service. There are significant weaknesses with some supported housing services. In particular RBH has not ensured that the adaptation and sheltered housing support services provided by the council are effective. RBH has made some progress improving the value for money of services but this has not been strategic.
- 287 Overall, therefore, we believe that the housing service provided by Rochdale Boroughwide Housing is a 'good', two star service.

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

### What is the evidence of service improvement?

- 288 RBH has delivered a range of service improvements since the previous inspection. It is acknowledged that several of these have had improved outcomes for service users, such as the major investment programme, the new repair call centre and property shop, more rent payment options, repair appointments, choice based lettings and improved web based services. However, at the same time there has been less progress demonstrating value for money for all services (particularly with the repair service) and there are still considerable weaknesses estate grounds maintenance services and supported housing services.
- 289 RBH has responded positively to previous inspection recommendations, and other weaknesses identified in the report, to develop and improve services. Details of progress are provided in the appendix. Of the 18 recommendations in the report 13 have been completed or significant progress has been made. In particular RBH has improved customer satisfaction and complaints procedures and used information to improve services. It has introduced choice based lettings and increased tenant choice in investment work. However, there has been limited progress achieving good practice ratios for response repairs expenditure and the level of emergency repairs.
- 290 The previous inspection also made 11 recommendations for the council. Full assessment of progress is given in the appendix. Progress has also been positive with seven recommendations being completed or significant progress has been made. In particular significant progress has been made reviewing housing market intelligence with the housing market renewal pathfinder. This information will inform the housing strategy currently being drafted. However, the council has not agreed appropriate levels of funding towards resident involvement costs for non-tenant residents. Work to ensure RBH demonstrates value for money with all services has been limited.
- 291 In addition to delivering these improvements RBH has also delivered significant improvements, on time, in line with other its own improvement plans. For example, successfully project managing the replacement of the IT system, setting up partnering contracts with two major investment partners and successfully delivering the decent homes investment programme.
- 292 RBH has made progress improving the value for money and cost effectiveness of many services and procedures. For example the supply chain special interest group has led to £7.2 million savings through effective partner working. Higher quality goods are now procured at lower cost. However, progress could have been greater if there had been a strategic overview.
- 293 Services are more customers focused. For example a repairs call centre has made it easier to report repairs, appointments are now made for most repairs, there are more ways to pay rent and web site information and on line services have significantly improved.
- 294 The board has prioritised resources and given the highest priority to the stock investment programme to improve tenants' homes to meet, and exceed, government decent homes standards. The positive impact of this programme has been discussed previously.

- 295 Progress in completing reviews of service level agreements (SLAs) has been slow although in general reviews have led to significant savings and enhanced services. RBH has reviewed all but four of the original 25 services bought from the council. This comprises all but three per cent of the total £2.8 million of support services in 2002/03. RBH has not completed reviews of all SLAs and ensured the efficiency and cost effectiveness of all support services. The review of non-financial services was only considered by the finance and VFM sub committee in January 2005. Remaining reviews cover relatively minor personnel support services, advertising, insurance and the media unit services.
- 296 Action following reviews has led to savings of £163,000 from council SLAs and £169,000 from consultants' fees. Reviews of RBH's own internal financial support services, personnel services and policy and performance will take place in 2005/06. These will include examining the small elements of support bought in for these areas. The council accept that the review of SLAs has been delayed due to other priorities. The council has been reorganising central support services and is improving its base information about measuring costs and qualities which will help future reviews.
- 297 RBH accepts that it has not demonstrated the cost effectiveness of the response repair service. Progress has been very limited and future plans are unclear as detailed in the following section. The organisational priority was to implement stock investment programmes and RBH did not have the skills and capacity to develop procurement plans due to key staff leaving during the period. However, improvement plans were not reviewed and re-prioritised to reflect this. Restructuring and an additional post of procurement officer has helped to increase capacity and capability.
- 298 Customer satisfaction has increased and satisfaction levels amongst the BME community are high.
- 299 Performance has significantly improved across a wide range of performance indicators, both national best value PIs and local PIs, over the last three years. Performance against individual PIs is detailed in the attached appendix. As well as percentage rent collection increasing to 98 per cent in the third quarter 2004/05 a local PI shows the increase in rent arrears (as percentage of gross debit) at the lowest level since 1994. Performance completing repairs on time and keeping appointments have also improved. The biggest area of weakness is for voids performance but there have been several contributory factors such as introducing choice based lettings and carrying out decent homes work, and RBH has agreed an action plan to tackle this.
- 300 The level of discernible customer benefits is positive given the scale of change establishing ALMO services and particularly delivering an extensive stock investment programme. RBH has worked hard managing change to prevent deterioration of frontline services to users during this period. Clear customer benefits include:
- ◆ speedier repairs by appointment;
  - ◆ greater choice for tenants regarding improvements to their homes;
  - ◆ more ways for tenants to make rent payments;
  - ◆ 100 per cent accompanied viewing offered to prospective tenants;
  - ◆ better access arrangements through the repair call centre and website;
  - ◆ successful resettlement of BME families in non-traditional areas;
  - ◆ more effective preventative and enforcement action on ASB; and
  - ◆ extensive and open choice based lettings.

- 301 Tenants have directly influenced many improvements, including:
- ◆ increased focus on customer care with joint training with MIP partners;
  - ◆ improvements to leaflets, handbooks and other information;
  - ◆ increasing the size of the estate caretaking team;
  - ◆ the minimum vacant property standard with tenant inspections; and
  - ◆ improved tenant choice for stock investment.
- 302 RBH seeks to learn from its own experience and good practice elsewhere. Staff and tenants share experience through special interest groups and visits to other organisations. RBH works with other ALMOs, regionally and nationally, in several ways to share good practice. The council has reviewed and amended its performance framework for the ALMO following benchmarking with other ALMO councils. It has strengthened arrangements to review ALMO requests for increased management fee to fund service developments. This resulted in some requests being approved while requiring others to be funded through efficiency gains.
- 303 The investment partners work jointly with RBH, and each other, sharing experience and providing joint training such as for customer care. RBH has also shared services with local RSLs including CBL and ASB action, training initiatives for local people, tackling social exclusion, community safety and staff sickness management.
- 304 RBH has made use of feedback from customer complaints and satisfaction surveys to develop services. For example year end reviews of the MIP identified feedback of tenant concerns such as lack of customer care from sub contractors, information that was not customer friendly, lack of tenant choice and weak web site information. This directly led to action and improvements which have been described earlier. However, better use could be made of feedback from mystery shopping, tenant inspection, post-inspections and comparing performance between contractors.
- 305 Learning from other organisations has produced discernable benefits to service users. For example extending the gas re-servicing programme from 12 to 11 months and an independent audit to check effectiveness and quality of work. Design of the property shop built on learning from visits to a travel agency. Changes to the repair appointment systems following work with a London ALMO. Improved sickness management procedures followed visits to external organisations. The IT supplier selection process followed visits to several organisations.

## **How good are the current improvement plans?**

- 306 In our previous inspection, we found that Rochdale had not completed all its best value reviews: non-nuisance related enforcement of tenancy conditions; voids process management, sheltered housing and the three tenant management organisations. The council needed to ensure that all of these services were programmed for review. In relation to the completed reviews, we concluded that RBH had not adequately reflected lessons learned from the earlier inspection within its later review or service improvement plans. In our view, despite undertaking a lot of useful background work, RBH was not using the tool of best value to its full potential in fulfilling the council's duty to secure continuous improvement for tenants in its landlord services. We concluded that there was clear scope for RBH to improve its ability to draw together robust improvement plans for services that focus on its customers.

- 307 In this inspection, we found that RBH has responded to previous recommendations and reviewed the best value toolkit and developed improvement plans to make them more customer focused and challenging. The council has agreed a new proportionate approach to carrying out best value reviews. Most reviews have been completed and others are planned. Improvement plans are comprehensive and if achieved will deliver significant improvement. They include priorities agreed with tenant representatives and board members and are used as a working tool to manage progress. Further improvement would develop SMART targets and ensure that the board and other monitoring forums can focus on progress and outcomes to more effectively manage progress.
- 308 RBH routinely use best value principles to develop improvement plans. A new best value framework ensures that reviews are more challenging. For example recent reviews of offices and IT systems. Staff, tenants and board members increasingly challenge existing ways of doing things to develop more effective improvements. Challenge is undertaken through a structure that allows effective consultation. For example staff and tenants are involved in various special interest groups. These groups are used as a key mechanism to improve and develop services. External challenge has been used in the review of grounds maintenance, void management and sickness management. However, the council and RBH have not fundamentally challenged some key areas of service delivery such as grounds maintenance and the response repair service.
- 309 Staff have opportunities to suggest improvements to services and to the way the organisation works. As well as opportunities to be involved in working groups, regular team meetings and newsletters encourage suggestions to the central policy team. Front line staff we met were very positive and felt that they were listened to.
- 310 RBH compares performance with other ALMOs and has used visits to other organisations to learn from good practice elsewhere. For example performance with repair appointments was improved following visits to other organisations. RBH has benchmarked with other housing providers in relation to its repair stores function.
- 311 RBH are keen to find new and innovative solutions to problems. For example they are currently short listed for ODPM funding for a 'smart asset management' scheme where high value stock components are tagged helping future service action and better use is made of electronic information.
- 312 The council and RBH have limited experience applying principles of 'competition' in improving services. The stock investment partners were selected using 'Egan' based partnering principles and new IT systems have been effectively procured. However, all services have not been robustly reviewed, subjected to market analysis and open procurement. Delay in completing reviews of some SLAs with the council has already been covered.
- 313 RBH believe that market testing of the repair services:
- 'is necessary in order to apply partnering principles to all repair and maintenance works and to demonstrate value for money in how those works are procured'.*
- 314 However, its decision to market test the response repair service has not yet been approved by the council. The council is exploring other ways of demonstrating cost effectiveness with two consultancies before deciding. This assessment should have taken over the last two years. While RBH believe the terms of the management agreement allow them to market test the service without the council's agreement they clearly prefer to have council support.

- 315 RBH advise that the process for tendering the repair service is continuing during this independent assessment and initial soft market testing of potential partners has commenced.
- 316 Although RBH is still on target to market test the repair service during 2005, as detailed in the last inspection report, progress demonstrating the cost effectiveness of the existing service has been unacceptably slow, and current plans are still uncertain.
- 317 RBH has not had a strategic plan to ensure that all services provide both improved quality and are cost effective. Although RBH has made significant savings and efficiency gains it has not been part of an agreed plan. This has been considered in the value for money section. Although the RBH business plan identified achieving VFM as a key value, key principle and a key challenge in moving from a 'good' to an 'excellent' service there was no strategy to achieve this.
- 318 RBH has recognised this weakness and now has a more strategic approach for achieving VFM through the recently agreed VFM policy statement, procurement policy and proposed annual efficiency statements. This provides a robust basis to develop improved cost effectiveness and VFM of services. Internal capacity has been developed with the joint appointment of a procurement officer with another local ALMO. Work with 'Procurement in Housing' will use the consortia to purchase office supplies (estimated efficiency gain of 20 per cent or £11,000 a year). It is also being considered for vehicle leasing. Furthermore RBH are working closely with Fusion 21 (in the Manchester area) to provide efficiency savings and other local benefits such as local employment. RBH are clear that the priority of any efficiency gains will be to invest in environmental improvements to address key tenant concerns.
- 319 RBH's service delivery plans are comprehensive and are tackling the right things. The plan for 2004/05 clearly links housing aims and objectives to council, community plan and national priorities. It takes account of the environment in which the organisation is operating, for example, prioritising action to bring homes up to the decency standards and to continue with its response to anti-social behaviour. It is ambitious, and, if delivered, would lead to significant improvement in services. It is wide ranging covering all key service issues as well as general issues such as governance, sustainability and equalities. There are clear links to housing inspection recommendation. It highlights relevant PIs and attached detailed spreadsheets give an indication of 'risk assessment'.
- 320 The council's HRA business plan is still being drafted based on a better understanding of stock investment, and development of a draft housing strategy using housing market research with the HMR pathfinder. A revised HMR prospectus is due in July 2005 and the HRA business plan and housing strategy will incorporate strategies to deal with its key findings. The housing strategy will be forwarded to the government office north west for assessment as being 'fit for purpose' by June 2005.
- 321 The programme for implementing a new IT system has been condensed between April and July 2005 following review with staff and supplier. The tight timescale is considered feasible reflecting the supplier's confidence in RBH's project management.

- 322 There are positive plans to address particular key issues facing both the ALMO and council. RBH and the council recognise that further environmental improvement is required to supplement decent homes programmes and seven estates will have environmental audits and intervention plans developed over the next 18 months. Remaining estate will have environmental audits before prioritising estate improvements. This work needs to complement decent homes investment to help complete area based improvement programmes and ensure longer term area sustainability. Without this some stock investment could be at risk. The council has 'ear marked' some £2.5 million from HRA surpluses and £200,000 from unallocated capital receipts. £750,000 from revenue contribution to capital outlay (RCCO) has been used in 2004/05. Further capital receipts could be used when the most appropriate form of local environmental upgrading is identified.
- 323 RBH has also responded to council, tenant and board concerns about performance in key areas to produce specific action plans to deal with void management, repair appointments and dealing with complaints on time. Tenants have had the opportunity to influence plans due to the strong tenant participation structure, particularly involvement on the special interest groups, a key vehicle for driving improvement. Staff are also effectively involved and frontline staff played a key role in developing and implementing the new IT plans.
- 324 Overall the quality of improvement plans is reasonable. Improvement plans are generally challenging and robust. They show clear responsibility for taking action and include realistic timescales. However targets are often not SMART and it is difficult to measure outcomes and what has been achieved. Similarly plans do not identify resources required to achieve individual targets. However, progress is closely monitored and the framework should enable the organisation to deliver clear improvements for customers. Additional resources were approved to support the plans for new IT implementation.
- 325 Where appropriate, plans are integrated with wider council and other relevant regional plans. For example stock investment plans are integrated with council and HMR broader long term strategies.
- 326 Plans are lacking in some key areas. Works to comply with the requirements of the DDA have not been fully approved, resourced and programmed. This was required by October 2004. The finance and VFM sub-committee has agreed that the 2005/06 requirements for housing offices and community bases will be funded from savings achieved on RBH's 2004/05 revenue budget, subject to council approval. DDA works to sheltered housing are being considered as part of the work programmes for the MIP works to sheltered schemes. The overall requirement is £229,000 for housing offices; sheltered £2.67 million and community centres £240,000.
- 327 The inspection has identified other things which could be included in improvement plans including, advising applicants of their general prospects for rehousing, better use of repair inspectors to carry out stock condition surveys during visits and sharing services with more local housing associations such as with local offices, and using their tenancy enforcement services. Although several other local organisations positively share services there is scope for developing this further. RBH has recognised the benefit of developing IT interfaces with construction partners and an ODPM e-innovations project has been approved that will address this.
- 328 Some board members of RBH feel that their ability to plan for the future and determine their long term plans is hampered by the expiry date on the agreement with the council of March 2007. This is considered in the following section.

## Will improvements be delivered?

- 329 In our previous inspection, we found that RBH set clear and challenging aims for these services, aims that could be easily related to specific targets that would demonstrate their achievement. However, we did find that below this level there was variation in the availability and quality of objectives that had then been set for the individual services to achieve, and that there had not been meaningful bottom-up tenant involvement in determining the organisations overall purpose and priorities (although RoFTRA had been consulted on the draft aims).
- 330 We also found some effective performance monitoring and reporting within RBH, with use made of benchmarking and external accreditation. There was a network of service level agreements with other council departments in place. RBH was using an extensive database of commitments to track progress, and the council had established its own clear monitoring criteria, performance incentives and intervention routes. RBH needed to sharpen the quality of some of its management information, integrating regular feedback from service users and utilising capacity in its restructured Policy and Performance Team to become more proactive in challenging performance. We also found that good progress was being made towards introducing risk management and project planning. We concluded overall RBH had a sound performance management framework.
- 331 In this inspection we found RBH demonstrates clear leadership to direct ALMO service and stock investment improvements through challenging aims and objectives. The board has a clear basis for agreeing priorities and plans. Performance management arrangements are very strong including financial management and risk management. The skills and capacity of RBH has increased and effective partnership working complements this capacity to improve services. Some weaknesses remain including the lack of formal staff appraisal systems and variable levels and quality of supervision of staff. There is a lack of local PIs for some services and performance reports for some council provided services. There is still a tendency for the board to monitor rather than strategically manage performance.
- 332 RBH's ambitions show a good understanding of local, regional and national priorities. RBH's mission was developed by board members and agreed with tenant representatives as recommended in the previous inspection. Organisation objectives are challenging and clearly understood throughout the organisation. The new strategic approach to achieving value for money makes this objective much clearer. There are clear opportunities for staff, tenants, partners and stakeholders to get involved in developing services as discussed in previous sections.
- 333 Following uncertainty about the future of RBH expressed to the inspection team the council has helpfully produced a clear statement that removes ambiguity. The agreement ends in April 2007 and the deadline for the council to confirm its intentions is October 2006. The statement sets out the basis for considering its options including, tenant satisfaction, RBH's performance delivering the decent homes programme and the potential for further improvements and efficiencies. The council will also consider the potential options available when the outcome of the government's ALMO review is published. The review timetable will begin in May 2005 concluding in March 2006 allowing sufficient time before the October 2006 deadline.

- 334 RBH's board effectively evaluates and challenges priorities when developing the annual business plan and service delivery plan. This is generally done at specific away days. They have robust methods to examine strengths, weaknesses, opportunities and threats (SWOT analysis). They have clearly prioritised and resourced stock investment programmes, maintaining frontline services during a period of change and IT implementation. New priorities are for environmental improvement, work to offices to comply with DDA requirements and more strategic plans for ensuring value for money.
- 335 RBH has strengthened its capacity to deliver improvement through effective human resource practices. We were impressed by staff, tenant and board member's commitment, enthusiasm and obvious passion for their work through the ALMO to improve services and stock investment.
- 336 Human resources management is strong. Leadership is clear, visible but unobtrusive. Managers, staff, stakeholders, partners and residents work collaboratively sharing commitment to joint agreed aims. Staff morale and working conditions have improved through the 'work life balance' system giving greater flexibility for individual working arrangements subject to service cover. However, RBH has not done a staff survey to identify key successes and areas for further improvement.
- 337 RBH's approach to change management is strong. All staff have attended training on change management and a forum has been established to allow staff to raise concerns and worries. Staff have the opportunity to challenge and influence change. The corporate management team (CMT) of RBH are each an organisational champion for different aspects of the ALMO's operation. Staff are encouraged to approach these champions with issues.
- 338 RBH has not introduced a comprehensive staff performance and development review (or appraisal) system. This is being agreed with staff groups and will be introduced by January 2006. Staff already have annual employee development meetings with their line managers to discuss development issues and their personal training needs. The effectiveness of these meetings varies, particularly with in-house repair operatives. The quality of general staff supervision is variable. There is a commitment to offer monthly supervision meetings but this is not monitored. We found that in practice the level and quality of supervision was inconsistent, particularly with repair operatives. However, individual housing management staff were given targets for their own performance and understand the contribution that they are making to the overall performance of the ALMO.
- 339 However, staff do not have individual targets or objectives linked to broader cross cutting organisational objectives such as diversity or VFM. Although it is considered that such objectives are part of the general culture and organisational ethos without individual targets staff will not know how they can individually contribute to organisational objectives. Furthermore, there is no way of measuring individual performance with respect to such cross cutting objectives.
- 340 RBH has significantly improved sickness management arrangements for staff in direct response to high absenteeism. An external contractor handles all reports of sickness from staff through a call centre staffed by nurses. As noted previously absenteeism has reduced by 30 per cent.

- 341 RBH works effectively with a range of partners to maximise the capacity of service delivery and improvement. For example, RBH is a key partner in broader regeneration objectives. It is a member of the Rochdale Housing Initiative. It also plays a key role in community safety and environmental plans. RBH, the council and the HMR pathfinder increasingly work in partnership as previously described. The council has positively funded a regeneration post seconded to work in RBH developing partnerships and integration of RBH investment programmes with neighbourhood renewal and housing market renewal programmes. External partners we met were very positive about the nature and effectiveness of their work with RBH. They are respected and treated as equals by RBH.
- 342 There is a strong performance management culture within RBH which is embedded across all services and is well understood by staff and board members. Performance management systems have improved further since the last inspection. For example performance reports now use a traffic light system to focus attention on key issues.
- 343 The council's performance management arrangements for RBH have been strengthened and provide an effective framework. Quarterly reports to overview and scrutiny committee build on the senior officer quarterly meetings and monthly meetings between service heads and the housing strategy team. The overview and scrutiny committee have developed, and agreed with RBH, a reduced number of core PIs. In addition overview and scrutiny committee consider an annual report comparing RBH's performance with other regional ALMOs. RBH and the council also work together to agree performance targets. This ensures ALMO objectives have clear links to council and wider community plan objectives.
- 344 A wide range of local PIs have been developed in conjunction with tenants covering a broad range of areas. However, local PIs are lacking for key areas such as grounds maintenance and caretaking. RBH has recognised this and following a visit to another ALMO will agree with tenant representatives appropriate PIs for 2005/06.
- 345 RBH does not receive performance management reports for many services provided to tenants by the council. For example the warden sheltered housing service, adaptations and grounds maintenance. RBH has not been proactive to ensure that performance levels, and quality of services provided by the council integrates with its own service standards and approach to customer care and diversity. Tenants, and other service users, may not distinguish between elements of a service provided by RBH and other aspects by the council.
- 346 Financial reporting has also improved. RBH's external audit report in August 2004 found that budget management systems were timely and they anticipated giving an 'unqualified opinion'. RBH managers are effectively involved in budget monitoring and are increasingly involved in developing budgets. Managers' proposed annual budget savings are considered annually by the Board and finance sub committee. Each budget holder is supported by a financial officer.
- 347 The HRA is in a healthy position producing annual surpluses until 2010. The latest forecast for end of year is a surplus of £977,000 which, along with the surplus of £13,900 from 2003/04 will mean that RBH will have a revenue balance of £990,900 and this would be available to invest in services. RBH has agreed that its priority for the projected surplus for 2004/05 was to carry out the second phase of DDA works to RBH offices and community bases and for the balance to be invested in environmental improvements following the environmental audit.

- 348 RBH has a robust approach to risk management. The board has a good understanding of risk and regular reports are provided to the board on the risk register. The register clearly identifies financial, operational, and other risks to the organisation.
- 349 There are still some weaknesses with performance management. For example there is a tendency to focus on detail and miss a strategic overview. For example, area boards have limited understanding about how the gas contractor is performing by focusing on a simple percentage of the extent of the annual programme completed on time, without any analysis of the quality of work and whether action to deal with outstanding cases is effective.
- 350 The board needs to be clearer about how it monitors and manages performance. Reports are often for information highlighting progress against key targets. More detailed reports are correctly considered by sub committees, for example the staffing sub committee. The main board need to more clearly consider key issues and achievements referred from sub committees and drive improvement.

### **ALMO governance arrangements**

- 351 In our previous inspection, we found a positive and well regulated relationship and the council had put the necessary formal controls in place. We did find some confusion around the respective responsibilities for business planning. The RBH delivery plan said that it 'will be commissioned by the council' to produce the housing revenue account business plan each year, with its board approving the plan prior to its submission to the council and government. We were told, however, that preparation of the housing revenue account business plan is part of the remit of the council's strategic housing service which is to model and interpret the data, using information provided by RBH. We found that the strategic management of the ALMO was sound and we were impressed with the enthusiasm, commitment and mutual respect shown by RBH board members.
- 352 In this inspection, we found that governance arrangements between the council and RBH had generally become more effective. The relationship between the council and ALMO is generally positive, clearly laid down in formal agreements, understood by all parties. However there are currently tensions regarding the extent of delegation and the future role of the ALMO when the current agreement ends in 2007. RBH accepts that local boards are not as effective as the main board and has plans to address this.
- 353 There is support at senior level in the council of the role and value of the ALMO. Its 'arms length' status, although difficult to measure, is recognised and respected. There are close working arrangements between officers and a partnership to deliver shared objectives, particularly regarding sustainable neighbourhoods.
- 354 The council effectively monitors ALMO performance as confirmed above. The council formally records both recognition of success and areas for action. The council have used performance monitoring arrangements to require corrective action by the ALMO.
- 355 RBH's governance arrangements are generally working well although area boards are not as developed as the main board and there is some uncertainty about their role. Board members and area boards members we met demonstrated commitment and enthusiasm. Through effective team building events they are now working with a common purpose rather than representing their particular sectional interest. Board members have a broad range of experience and skills. Extensive training has been provided for all board directors and more recently area board members. Each board member is responsible for a particular issue or area of service.

They are supported by an officer acting as mentor. This effectively shares the board's workload while developing individual expertise. All board members and senior staff have completed the register of interest.

- 356 In terms of diversity the board recognises that it, and local boards, are not fully representative of local communities. As mentioned previously it has addressed this by appointing specific advisors to the board.
- 357 The board has addressed some difficult issues. There is evidence of them challenging reports and recommendations such as the methodology for selecting a new IT supplier, sickness management proposals and refusing a proposal to revert to generic housing management for a year until there had been a longer period of evaluation.
- 358 The board has required shorter reports to enable them to focus on strategic issues rather than detail. In practice this relies on officers highlighting the key issues. However, the board do not yet drive the strategic agenda and still rely on officers' recommendations. Better use could be made of individual board members areas of responsibility to ensure they increasingly introduce reports and respond to queries.
- 359 RBH accepts that area boards vary in their role and effectiveness. They have limited responsibilities, largely restricted to monitoring performance and agreeing local environmental improvement priorities. They have not developed as originally intended and there have been membership difficulties in one area. RBH are tackling this through away days to review the role of area boards and increasing capacity building and training. Although RBH are not required to have area boards it believes they have a valuable role to play.

## Summary

- 360 In summary, prospects for improvement are 'promising'. There is a strong track record of delivering significant, customer focused improvements since the previous inspection. In particular RBH is delivering a decent homes investment programme ahead of original programme through effective investment partners. It has managed to improve the quality and performance of services during a period of great change through effective leadership and change management processes. Performance management arrangements are generally strong and ALMO governance arrangements are working satisfactorily.
- 361 However, insufficient progress has been made ensuring that all services are cost effective and giving value for money. There is tension and uncertainty regarding proposals to market test key services such as the response repair service and council grounds maintenance service.
- 362 RBH has focused on improving delegated services that it is responsible for and has not proactively influenced improvement in other services such as adaptations, grounds maintenance and sheltered housing support provided by the council.

## Appendices

The purpose of an inspection is to make two judgements. The first is how good is the service being inspected? The second is what are the prospects for improvement? We carried out a range of activities to enable us to reach our judgements.

### RBH - Performance indicators

Performance Indicator	Metropolitan top quartile 2002/03	RBH 2001/02	RBH 2002/03	RBH 2003/04*	RBH – (Q3 2004/05*
BVPI 63 Average SAP rating	60.5	48	51	56(√)	59 (√)
BVPI 66a Percentage rent collected	97.2	96.8	97.2	97.2	98 (√)
BVPI 68 Average re-let time (days)	n/a	39	41	43 (X)	46(X)
BVPI 69% rent lost through homes becoming empty	n/a	2.2	2.3	2.4(X)	2.6(X)
BVPI 72% urgent repairs completed specified time	n/a	96	94.6	97.3 (√)	98.2 (√)
BVPI 73 Average days to complete other repairs	n/a	18	18	10.1 (√)	9.5 (√)
BVPI 74 Percentage tenants satisfied with overall service	n/a	74.4	74.4	74.6 (√)	74.6
BVPI 75 Percentage tenants satisfied with TP	n/a	46.6	n/a	62.4 (√)	62.4
BV184a LA homes which were non-decent at start of year	40	n/a	66.3	60 (√)	43 (√)
BV184b Change in proportion of non-decent homes	15.45	n/a	12.7	29.9 (√)	n/a
BV185 Percentage repairs appointments made and kept	67.7	n/a	26.8	18.9 (√)	63.9 (√)

#### Key:

(\*) unaudited / not published

(n/a) not available

(√) improving performance

(X) deteriorating performance

## Progress against previous report recommendations

Previous Report recommendations – (inspected October 2002)	Audit Commission Assessment
<b>Rochdale Boroughwide Housing Ltd (RBH) should:</b>	
consult with tenants on the aims and future priorities for RBH;	<b>Achieved</b>
introduce regular collection of customer satisfaction information to inform service development;	<b>Significant Progress</b>
improve the choice available to tenants whose homes are included in future major investment schemes;	<b>Achieved</b>
prioritise the planned move to a full choice based lettings scheme for the Borough, within target deadlines agreed by the Housing Inspectorate;	<b>Achieved</b>
produce a plan and timetable for linking the Major Investment Programme into the emerging Lettings Plan, and a Borough-wide assessment of estate sustainability (to include <i>all</i> criteria recommended in the 2001 Housing Needs and Demand Study);	<b>Achieved</b>
track the impact of investment made;	<b>Limited Progress</b>
improve its focus on energy efficiency and national fuel poverty targets within its future investment strategies;	<b>Significant Progress</b>
carry out a specific review of how empty properties are dealt with, to examine value-for-money achieved (including repair costs, and the possibility of outsourcing this work through call-down contracts; the use of metal screening; fast-tracking voids in high-demand areas; and developing a lettable standard with customers that balances quality/tenancy sustainability with speed of turnaround);	<b>Significant Progress</b>
reduce the number of reactive repairs by doing more proactive maintenance work to tenants homes, and setting stepped targets to reach good practice ratios (including for emergency/urgent repairs) within three years;	<b>Little Progress</b>
in partnership with customers, review the use of new tenant visits to make them more useful and effective; issue tenants with regular rent statements, in line with good practice; consider the use of tenant reward schemes to complement tenancy enforcement, and regularly advertise the financial and neighbour nuisance support services that are available;	<b>Some Progress</b>
ensure an appropriate service level agreement is put in place between RBH and the Councils Information Services and, as part of its coming accommodation strategy, review service access hours for customers (taking account of corporate developments);	<b>Some Progress</b>
establish a complaints 'loop' that will feed back to tenants in general the improvements that are made to services as a result of their comments and complaints;	<b>Achieved</b>

Previous Report recommendations – (inspected October 2002)	Audit Commission Assessment
establish as part of its developing marketing strategy a ‘tenant approved’ logo for its new corporate literature, and use this as a means to involve tenants on Area Boards with considering RBHs range of services and policies;	Achieved
consider extending the current transience research to include the behaviour of frequent movers without children;	Achieved
monitor its performance against its family of similar Councils, as well as against that of its neighbours, aiming for a ‘best in class’ performance;	Achieved
ensure its new best value methodology substantially improves the approach taken to challenge, and also to competition (linking this to the production of a specific procurement policy for RBH);	Progress
ensure future service improvement plans are more customer focused, and better linked to the identification/reinvestment of resources and to specific (SMART) targets; and	Significant Progress
take action to address all other weaknesses identified in this report, producing a detailed action plan of proposals to be taken to the ALMO Boards.	Significant Progress
<b>Rochdale Metropolitan Borough Council should:</b>	
establish, as part of the proposals for the joint Housing Market Renewal Fund pilot, a clear view on the purpose of social housing within the Borough, and the amount that is sustainable for the future;	Significant Progress
require RBH to establish clear service costs, and demonstrate the relative value-for-money it is delivering for the Council and tenants;	Limited Progress
ensure clear links are established now between the enhanced RBH planned investment programmes and the actions recommended in its corporate best value review of sustainability;	Significant Progress
determine how the appropriate level of its contributions towards meeting consultation and participation costs for non-tenant residents living on its housing estates;	Not Done
clarify with RBH the recommendations Area Boards can and can not reject, and consider reflecting the structure/nature of the resulting service development splits within the tenant participation compact;	Significant Progress
ensure strategic responsibilities for dealing with local Tenant Management Organisations are clear within RBH, and that the right-to-manage is regularly promoted;	Achieved
clarify with its external auditor what responsibilities they will have for the regulation of RBH activities, to help RBH avoid paying for unnecessary advice;	Achieved

Previous Report recommendations – (inspected October 2002)	Audit Commission Assessment
agree a list of key strategies and documents that will need updating to include proper detail on the existence and responsibilities of RBH;	Significant Progress
ensure the best value methodology proposed by RBH will be adequate to drive and secure service improvements that customers will notice;	Achieved
ensure RBH has carried out, or has plans to carry out now, a fundamental service review of <i>all</i> of its housing management and other delegated functions; and	Progress
take action to address all other weaknesses identified in this report, producing a detailed action plan of proposals to be taken to the appropriate Executive.	Limited Progress

## Documents reviewed

Before going on site and during our visit, we reviewed various documents that the council provided for us. These included:

- ◆ Corporate strategies;
- ◆ Various housing policies and procedures;
- ◆ Performance management reports;
- ◆ Service Delivery Plans;
- ◆ BME Housing Strategy;
- ◆ Tenant Participation Compact, and
- ◆ Asset Management and Decent Homes Plans.

## Reality checks undertaken

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. We also followed up on issues relating to the management of the review and the improvements flowing from it. Our reality checks included:

- ◆ structured observation of local office reception areas and mystery shopping telephone calls;
- ◆ interviews;
- ◆ visits to capital schemes and estates;
- ◆ job shadowing repairs call centre, accompanied viewings, rent arrears monitoring; and
- ◆ focus groups with tenant representatives, frontline staff and community group partners.

## People interviewed

We met a range of people involved with the service including Board members and senior officers of the ALMO, councillors and senior officers of the council, managers and frontline staff of the ALMO, tenant representatives and partners.

## 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)*

### Tenant communication and choice with stock investment programmes

RBH has put in place comprehensive and effective tenant communication and consultation procedures for its stock investment programmes. A range of choices are available for kitchen units and layouts, bathroom fittings and for fires. In addition RBH has agreed with tenants an additional '500-point' choice scheme where tenants can choose from 17 improvements over and above the standard decent homes work to compensate them for the inconvenience of having internal works carried out.

RBH's extensive tenant communication and consultation processes were developed in partnership with tenants. The processes ensure that works are timetabled effectively, problems are identified at an early stage, tenants' individual tenant's needs are identified and addressed and that effective and timely two-way communication takes place before, during and after the stock investment works.

### Hand Held Computers for Gas CH Servicing

RBH use hand held computers to assist in the gas appliance servicing process. The specialist software allows on site engineers access to details about the appliance, the property and tenants, and to update these records after work is carried out. The computers also allow the on site production of Gas Installation Certificates to issue to the tenant following the servicing of the appliance. The system provides speed, flexibility and accuracy and has helped RBH to continue to improve its performance on gas servicing.

### Tenant inspections

Tenant Inspectors monitor performance against an agreed minimum letting standard through regular inspections, with outcomes from inspections being analysed and reported back to area boards twice a year.

The 'pool' of 30 tenant inspectors was established following a major consultation survey to find out what areas of service tenants were interested in getting involved in and their preferred method of participation, eg inspections, focus groups and 'mystery shopping' exercises. RBH, in partnership with a number of other local housing organisations, have now extended the tenant inspection process further through the use of Peer Reviews. This involves tenant representatives from a number of different organisations teaming up together and comparing various service standards across each participating organisation.

### Waste recycling methods

RBH has two separate schemes for recycling waste. The major investment programme (MIP) currently recycles 83 per cent of all waste produced on site. The MIP team use a local skip company who have a disposal and sorting facility. They recycle card, scrap, glass, soil, hardcore, timber, roof tiles, some plastic and paper. These items form most of the waste of the MIP.

Following the success of the MIP waste recycling scheme RBH now use the waste company to sort and dispose day to day repair waste. Operatives deposit all waste in skips that are located at a central depot. This scheme has not been in operation for very long but RBH are currently recycling 53 per cent of this waste.

### **Website**

RBH's website is a one-stop shop that provides a wealth of information about its services. On-line services provide an efficient and cost effective way for tenants to access a wide range of services such as making rent payments, checking rent account balances, using the benefit calculator, ordering repairs, making complaints and applying for, and choosing, accommodation.

The website's home page highlights events and current news and a visit to the news section or board reports and minutes pages provides visitors with up to date information. By following three easy steps tenants are able to find out how RBH's major investment programme is progressing on their estate and contact information for relevant staff.

Tenants are able to view the bathroom, fire and 500 point scheme options from the major investment programme and by selecting their choice of kitchen unit, worktop and floor/wall tiles and dropping them onto the kitchen template, tenants can see what their chosen colour scheme will look like.

The website caters for diverse needs. It contains signposting to information in alternative media and languages and is to be further developed to provide a standard information page translated into ten languages. The website complies with good practice to ensure the information is accessible for persons with disabilities.