

Aberdeenshire Housing Partnership
inspection report

MAY 2007



Ensuring decent housing
and strong communities across Scotland

Communities
Scotland 

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1. Introduction

About this re-inspection

1.1 This re-inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of Performance Standards*. Aberdeenshire Housing Partnership was awarded D grades in Housing Management, Property Maintenance and Governance and Finance following our inspection in June 2003. In line with our guidance and procedures we carried out this re-inspection to assess the Partnership's progress against its improvement plan. We have carried out a full inspection because of the poor grades in each of the main functions in our 2003 inspection.

How we assessed performance

1.2 Our inspectors asked two key questions:

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

1.3 In order to answer these questions inspectors:

- spoke to tenants, staff and members of the governing body;
- asked other partner organisations for their views;
- visited homes and local areas;
- saw and tested first hand how well services were being delivered;
- examined key policies, publications, information and the organisation's self-assessment submitted for this inspection; and
- analysed published performance and financial information.

1.4 Following a review of our inspection process, we continue to inspect governance and financial management but no longer award a grade to this function. We

* see glossary

have, however, awarded grades for housing management and property maintenance. This is what our grades mean:

A	Excellent	Major strengths.
B	Good	Many strengths and some areas where improvement is needed.
C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.

The inspection team

1.5 The inspection was managed by Ian Kerr, (Inspection Manager), supported by Jean Harper (Inspector), Scott Crossley (Inspector), Diane McKiernan (Inspection Officer), Murray Smith (Financial Analyst) and Fiona Samson and Isabell McLaughlan (Tenant Assessors)*. We were on site between 5 and 15 February 2007. We would like to thank everyone involved in the inspection for their time and co-operation.

Responding to this inspection

1.6 We expect all inspected bodies to make the summary of this report available to anyone that wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report.

* see glossary

2 (a). Context

About the organisation

- 2.1 Aberdeenshire Housing Partnership was registered with Scottish Homes (now Communities Scotland) in 1999. It is a company limited by guarantee and is a registered charity. The Partnership was established under a New Housing Partnership (NHP) agreement with Aberdeenshire Council. The agreement provided for NHP funding and a grant and loan from the Council. This allowed the Partnership to build new housing and to receive vacant houses from the Council through a trickle transfer* arrangement.
- 2.2 The Partnership acquired 300 properties from Aberdeenshire Council through the trickle transfer process. It built the remainder of its stock, 300 houses, over the last five years. It is planning to increase the houses within its ownership to 988 by 2010, largely through the Devanha bulk procurement initiative involving four other RSLs.
- 2.3 Following a revision of its Memorandum and Articles in 2005 to extend its area of operation, the Partnership's main objective is to secure new affordable social rented housing in Scotland. To date, the Partnership currently operates in the rural areas of the north east of Scotland. Its houses are scattered across the large geographical areas of Aberdeenshire and this presents a challenge to the organisation. A significant number of properties are located in the key towns of Fraserburgh, Peterhead, Banchory, Turriff, Oldmeldrum, Balmedie, Banff and Huntly. The Partnership provides all its services from an office located approximately two miles from the village of Kemnay.
- 2.4 A Board of up to 18 Directors governs the Partnership. The founding member organisation, Aberdeenshire Council, nominates one representative to the Board. The remaining 17 places may be filled by other or tenant representatives. It currently has 12 people on the Board, 2 of whom are Partnership tenants.

* see glossary

2.5 The Annual Performance and Statistical Return (APSR)^{*} asks Registered Social Landlords (RSLs)^{*} to select a peer group^{*} which best describes their organisation. The Partnership selected peer group six, described as larger rural RSLs. This is the group we use to compare the Partnership's performance.

Key facts

2.6 The table below presents summary information about the Partnership and shows trends over the last three years.

	2003-2004	2004-2005	2005-2006
Houses owned	483	551	585
Employees	10	12	11.2
Annual turnover (£'000)	£1,227	£1,379	£1,663
Total possible rental income (£'000)	£1,130	£1,356	£1,540
Rental income from housing benefit	40.0%	39.8%	38.8%
Average weekly rent	£42.02	£46.19	£49.54
Average rent increase	4.4%	5.6%	5.8%
Houses re-let	66	55	54
Responsive repairs carried out	930	1,341	1,419
Maintenance spend per house	£137.10	£202.30	£171
Right To Buy sales	0	0	0

Source: APSR

2 (b). Progress against improvement plan

2.7 The Partnership has reacted positively to the recommendations contained within the improvement plan and has achieved significant success in tackling the majority of the issues identified. Of the 60 recommendations made following the last inspection 31 have been fully achieved and 29, to a greater or lesser extent, partially achieved. Not all the recommendations appear within the body of the report as in 2 instances they covered areas we no longer inspect. However, progress against all the recommendations has been evaluated.

2.8 The Partnership has been particularly successful in tackling the recommendations relating to governance and finance and housing management. In governance and finance 13 out of a total of 14 recommendations have been fully achieved. The only area still requiring attention is the development of a

^{*} see glossary

training plan for Board members and the Partnership is planning to implement this during 2007/08. In housing management, 14 out of a total of 18 recommendations have been fully achieved. Considerable progress has been made towards achieving the outstanding recommendations however work is still required in the following areas:-

- increase tenant involvement in the work of the Board and development of its tenant participation strategy;
- obtain the views of tenants and service users and use feedback obtained to improve services;
- improve its performance monitoring and reporting; and
- develop a training plan for staff to help them deliver a good quality housing management service.

2.9 In property maintenance, only 4 out of a total of 26 recommendations have been fully achieved. Areas successfully addressed by the Partnership relate to:-

- equality and diversity;
- establishment of relative priority and production of guidelines for categorisation of response repairs;
- arrangements introduced for the recharging of tenants and owners; and
- the introduction of a transparent procurement policy and procedures, including the proper use of a tender register.

Although progress has been made in each of the remaining 22 recommendations, the work outstanding has contributed towards the grade awarded for property maintenance.

2.10 The Partnership has shown a commitment to tackle the areas of weakness identified at our last inspection. It prepared a work plan which brought together the contents of the improvement plan and a strategic risk map. In this way, it has ensured that it has been able to prioritise its workload. Its resources have therefore been directed at those areas of its operations of greater importance or

risk to the organisation. Regular monitoring of the work plan by the Board and senior staff has ensured that progress has been maintained.

3. Housing management

3.1 The grade awarded for housing management is:

B	Good	Many strengths and some areas where improvement is needed.
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We explain at the end of this section how the assessments and judgements we have made result in this grade.

How good is the service?

Access

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

3.2 Our last inspection report made one recommendation relating to applicants' access to the Partnership's housing. This was that:

- *AHP must satisfy itself that people are gaining fair and open access to the Council's waiting list.*

3.3 The Partnership advertises its housing on its web-site, in Aberdeenshire Council offices and doctors' surgeries and is listed on the Council's web-site. Its leaflets provide clear information about how to apply for its general needs and very sheltered housing. The Partnership does not have its own housing list* for its general needs housing and has a nominations agreement with Aberdeenshire Council for 50% of lets (net of transfers). When people enquire about its housing it advises them to apply to the Council and recently started to issue the Council's housing application forms from its office. It maintains a housing list for its very sheltered housing scheme and a transfer list.

3.4 The Partnership has signed up to the common housing register* (CHR) for Aberdeenshire and Moray Council areas. It is intended that the CHR will start

* see glossary

- operating in June 2007. The Partnership expects this will raise its profile and increase demand for its housing. It plans to maintain the nominations agreement with the Council, which includes a Section 5 protocol for housing homeless people.
- 3.5 The Partnership accepts applications and nominations from anyone aged 16 or over. During the inspection, the Partnership had 27 applicants on its transfer list, and 8 applicants on the list for its very sheltered housing scheme. It reviews transfer applications annually and none were cancelled inappropriately. The Partnership reviews its very sheltered housing list quarterly, with the Council's social work team, who assess applicants' care and support needs. The Partnership does not have a target for placing applicants on its lists but from case reviews we saw that it took an average of six days to process applications. It also took six days on average to deal with nominations and Section 5 referrals*, including carrying out home visits.
- 3.6 At the time of our inspection the Partnership had suspended six transfer applicants for arrears. It had informed these applicants of the reason for their suspension^{*} and of their right of appeal and was monitoring cases monthly. However, its policy is to suspend transfer applicants for any level of arrears and regardless of any repayment agreement. This does not follow good practice. The Partnership's guidance for staff on suspending transfer applicants for anti-social behaviour and the condition of their home is not clear and the Partnership accepts it needs to address this.
- 3.7 The Partnership collects information on the ethnicity and disability of people who apply for its houses and of its new tenants. It reports this information to the Board but otherwise has made limited use of it. The Partnership can arrange for the translation of leaflets and other material into community languages or other formats and provides access to interpreters.
- 3.8 Although the Partnership has not fully met the recommendation in our last inspection report, it has taken appropriate steps to improve access to its housing.

* see glossary

3.9 In summary, the Partnership is providing good access to its housing. However, its policy on suspending transfer applicants for arrears is not in line with good practice and its guidance for staff on suspensions for other tenancy breaches is unclear.

Meeting need and maximising choice

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

3.10 Our last inspection report made two recommendations relating to housing need and choice. These were that:

- *AHP should review its approach to allocations. As a first step, AHP should put in place information recording, monitoring and reporting systems to identify the outcomes of its allocations process;*

and that

- *As part of the development and implementation of the protocol, AHP should put in place monitoring and reporting arrangements to ensure and demonstrate it is complying with its statutory duties to homeless people.*

3.11 The Partnership prioritises allocations based on a range of housing needs that reflect the statutory reasonable preference categories^{*}; all of the allocations we reviewed were to people with one or more of these needs. During the period 1 April 2006 to 2 February 2007, the Partnership housed all six households referred to it by the Council under Section 5 of the Housing (Scotland) Act 2001. In addition, it housed 14 homeless people nominated by the Council. The Partnership has increased the number of lets it makes to homeless households year on year since 2004/05. In all the cases we reviewed the Partnership had met the timescales for re-housing referrals. Between 1 April 2006 to 2 February 2007 the Partnership allocated 75 houses, of these 22 were new lets and 53

^{*} see glossary

- were re-lets. The Partnership also allocated 4 of its very sheltered houses to applicants on its housing list for this type of accommodation.
- 3.12 It is the Partnership's policy to allocate 50% of empty houses to nominations from the Council and 50% to its own transfer applicants. It is aware that it does not achieve these quotas because it does not have transfer applicants for all its areas and it currently allocates the majority of its homes to Council nominations. Once the CHR is in operation the Partnership will manage its own housing list and allocate houses to applicants on the register.
- 3.13 The Partnership checks the details of all applicants and nominations before it makes the offer of a property. It also ensures that all decisions on applications and lets are checked by two members of staff. We found that the Partnership's records are clear and transparent.
- 3.14 The Partnership does not restrict applicants' choices and does not impose penalties for refusing offers. It provides transfer applicants with details of their points and position on the lists for the areas of their choice, but not of their right to appeal their points level. The Partnership provides applicants and nominations with good information and this will be expanded to include information about turnover* once it is managing its own housing list through the CHR.
- 3.15 The Partnership has manual systems for recording and monitoring allocations. It reports on allocations' outcomes monthly to its housing committee and quarterly to the Board. It breaks down this information into three categories in reports: nominations (from the Council's housing and transfer lists), internal transfers and homeless people. It only does this for re-lets and does not provide this analysis for new lets in its reports. However, once we had pointed this out the Partnership immediately took steps to include details of new lets in its recording, monitoring and reporting system. The Partnership monitors and reports on its allocations to homeless people and this is positive but it does not do this for any other type of housing need. However, we saw that the outcomes are good.

* see glossary

3.16 The Partnership has developed appropriate recording, monitoring and reporting systems for its allocations outcomes. We found some weaknesses in these systems during our inspection but it has acted promptly to address these. The Partnership has met the recommendations from the previous inspection on meeting housing need.

3.17 In summary, we found that the Partnership is meeting need and maximising choice for applicants. It is working with the Council to achieve good outcomes for homeless people. However, the Partnership does not report on how it is meeting all types of housing need through its allocations process.

Sustaining tenancies and preventing homelessness

Social landlords should maximise security of tenure for all residents of their accommodation, and should work to sustain tenancies and prevent homelessness through their delivery of housing management services.

3.18 Our last inspection report made two recommendations relating to sustaining tenancies and preventing homelessness. These were that:

- *AHP should make sign-up to the SST agreement by all of its tenants a strategic priority;*

and that

- *AHP should do all it can to prevent and reduce rent arrears and avoid evicting tenants for the non-payment of rent.*

3.19 The Partnership made the sign-up of all its tenants to an SST* a priority and had completed this by September 2004.

3.20 The Partnership currently leases accommodation to the Council for a refuge for women and children fleeing domestic violence and a respite care unit. It provides accommodation for people with learning difficulties. In addition, it owns one property that has been divided into two units of shared supported

* see glossary

accommodation and provides occupancy agreements which is appropriate in the circumstances.

- 3.21 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. The Partnership gives tenants a good range of information, including a tenant handbook, at sign-up. Our tenant assessors found the tenant handbook comprehensive, well organised and easy to read. However, the housing management section requires some updating. The Partnership also uses its regular newsletters to give advice and information to tenants in relation to arrears and anti-social behaviour.
- 3.22 The Partnership routinely carries out settling in visits and uses these to check if new tenants are having any difficulties with regard to their tenancy. In 2005 it introduced Welcome Meetings for tenants moving into new build schemes. These meetings are popular with new tenants and help explain the Partnership's and tenants' rights and responsibilities, particularly with regard to repairs and the payment of rent.
- 3.23 Housing staff visit their patches frequently and this maximises opportunities for making personal contact with tenants. Staff liaise with support agencies on an ad-hoc basis when problems are occurring with tenancies. The Partnership has recognised it does not have any formal means of identifying and addressing the support needs of its tenants. As a first step it has introduced routine annual visits to all of its tenants. It has been carrying these out since November 2006 and is monitoring the results. The Partnership is also developing a vulnerable tenants' policy on identifying needs and accessing support.
- 3.24 The Partnership provides tenants with clear advice and information about paying rent and offers help with claiming Housing Benefit. It includes details of organisations that can help with money, benefit or debt problems in letters and notices to tenants in arrears. However, it does not routinely make appointments or referrals to advice agencies. The Partnership gives tenants clear information about how to terminate their tenancy.

- 3.25 The Partnership has a low level of abandonments. There were three abandonments in 2004/05 and none in 2005/06. In the period April 2006 to January 2007 it has had one abandonment representing 0.16% of the Partnership's properties.
- 3.26 The Partnership issued 163 Notices of Proceedings (NOPs)* in 2005/06 and 132 NOPs in the period April 2006 to January 2007. With the exception of 1 case, all were in respect of rent arrears. It initiated court actions against 41, (7%) of its tenants in 2005/06 and against 21, (3.5%) of its tenants in the period April 2006 to January 2007.
- 3.27 The Partnership uses a high proportion of NOPs and court actions and this reflects past weaknesses in managing arrears. This issue was evident in our last inspection report and the Partnership has been successful in addressing it. It recognised that it needed to tackle its long-term arrears cases and be more proactive at preventing and reducing arrears. The number of arrears cases in excess of £1,000 has reduced from 36 (in 2004) to 10 in January 2007 and court actions have also reduced.
- 3.28 We found that the Partnership had developed a consistently fair and reasonable approach to managing its arrears. This includes:
- providing clear advice and information to tenants in arrears;
 - early intervention and sustained contact with tenants in arrears;
 - personal contact by phone and through home visits; and
 - offering proportionate and realistic repayment arrangements.
- 3.29 We looked at a range of arrears cases and found that the Partnership takes action in proportion to the level of arrears, and initiates legal action appropriately. There is clear guidance for staff and close monitoring at every stage of the process. However, we found no evidence that it had made early personal contact in all cases with a low level of arrears. The Partnership has had to give priority to

* see glossary

controlling its serious arrears cases. Now that these have reduced significantly it is reviewing its approach to give more emphasis to preventative measures

- 3.30 We found the Partnership is working to minimise evictions. It was awarded eight decrees for recovering possession in 2005/06 and carried out two evictions. In the period 1 April 2006 to 6 March 2007, it was awarded six decrees and carried out two evictions. One person terminated their tenancy in 2005/06 and there was one post-decree abandonment in 2006/07. The remaining tenants have all been granted new tenancy agreements. The Partnership produces reports to the Housing Manager for approval of the service of NOPs, court actions and evictions. This is a good way of ensuring a consistent approach, and checking that all possible courses of action have been taken. The Partnership notifies the Council's homeless team but only at the point before an eviction takes place.
- 3.31 The Partnership has successfully implemented the recommendations relating to this area from the previous inspection.
- 3.32 In summary, the Partnership is good at maximising security of tenure and is working well to sustain tenancies. It is aware it needs to develop its approach to preventing arrears to try and stop these from arising in the first place.

Quality of neighbourhoods

Social landlords should deliver services to ensure that neighbourhoods are attractive, well maintained and safe places to live. They should deal appropriately with antisocial behaviour.

- 3.33 Our last inspection report made one recommendation in relation to anti-social behaviour. This was:
- *AHP should develop its own policies on anti-social behaviour that cover prevention and the development of robust response mechanisms. AHP should work with the Council and participate in any future local strategy to tackle anti-social behaviour.*

- 3.34 The Partnership owns a combination of newly built homes and older properties located in 48 villages and towns over a wide geographical area. It has houses in mixed tenure areas that include properties owned by other RSLs and owner occupiers. Several of the Partnership's developments have "Secure by Design" awards and others include HomeZones*. The older properties that it acquired through trickle transfer from the Council, are all individual flats or houses within Council estates. The neighbourhoods that we visited were well-maintained and had no graffiti. However, we saw signs of vandalism and low levels of litter around two of the older blocks of flats.
- 3.35 In the Partnership's 2004 tenant satisfaction survey, 93% of respondents said their neighbourhood was a good place to live. However, 9% and 4% of respondents viewed anti-social behaviour and vandalism respectively as a serious problem. Also around 20% of respondents viewed these problems, and pets, as minor issues where they lived. The Partnership surveys all tenants in its new-build properties and uses the feedback it receives to shape its future developments. The feedback from new tenants has generally been positive but tenants of its Hill of Banchory estate expressed higher levels of dissatisfaction with the planned environment. The Partnership had no involvement in the design of this development but is starting to tackle some of the problems by introducing environmental improvements.
- 3.36 Housing officers carry out monthly estate inspections and record any problems they find along with the action they have taken. The Partnership regularly checks the quality of the work carried out by its contractor for grounds maintenance and a tenant at each location signs off the contractor's work. The Partnership does not report on its performance in this area to the housing sub-committee or Board.
- 3.37 The Partnership dealt with 33 complaints of neighbour nuisance or anti-social behaviour in 2005/06 and 24 in the period between April 2006 and January 2007. The majority of these concerned loud noise and arguments and children playing and a number were serious. The Partnership gives tenants advice and information about nuisance and anti-social behaviour at Welcome Meetings, in its

* see glossary

Good Neighbour Guide and in its newsletter. When it receives a complaint it issues an Anti-Social Behaviour pack which includes key points of the Partnership's policy, a complaints form, an incident log sheet and a copy of its Good Neighbour guide. When it receives a report of anti-social behaviour it considers different ways of resolving this. Where necessary, the Partnership will use Aberdeenshire Community Mediation and liaise with the Police and Social Services. The Partnership will also use acceptable behaviour contracts (ABCs)* and has considered eviction in one very serious case, as a last resort. It is a member of local strategic groups such as the Aberdeenshire Community Safety Partnership. It also has a separate policy on dealing with racial harassment.

- 3.38 The Partnership recognises the need for flexibility in its approach to tackling anti-social behaviour. Nevertheless, our case reviews showed that the Partnership had an inconsistent approach to dealing with anti-social behaviour and neighbour nuisance complaints. Whereas some cases were dealt with effectively others were not tackled quickly enough or appropriately. These cases subsequently escalated and have required extra resources. The Partnership is aware of where it needs to improve its approach to dealing with anti-social behaviour. It has plans in place to develop its procedures, provide more guidance and ensure all staff are adequately trained. This would ensure that there is consistency within an adopted policy and procedural framework. We also found that staff were not keeping up to date the log used to record and monitor progress on anti-social behaviour complaints. This was despite this issue having already been highlighted during an internal audit carried out earlier in 2006. However, we saw that serious cases were being monitored at the weekly housing team meetings. The Partnership does not report on its performance in this area to the housing sub-committee or Board.
- 3.39 The Partnership has met the recommendation made in our last inspection report.
- 3.40 In summary, the Partnership largely provides homes in attractive and well-maintained areas. It has a range of methods for tackling anti-social behaviour but is inconsistent in how it applies these. However, it has plans in place for

* see glossary

improving how it delivers this service. It does not monitor fully or report on its performance in this area.

Responsiveness to tenants

Social landlords should place the people they serve at the heart of their work, treat them with respect and be responsive to their views and priorities. They should ensure that tenants are informed of and involved in decisions that affect the service they receive.

3.41 Our last inspection report made five recommendations in relation to responsiveness to tenants. These were that:

- *AHP should consider ways to increase tenant involvement in the work of the Board, and should review its tenant participation strategy to provide a stronger management and operational framework.*
- *AHP should put in place a range of ways in which tenants and service users can comment on its services, and seek redress for service failures. Staff should report feedback to the Board and tenants, and use this to improve service;*
- *The Board must ensure that tenants are consulted about rent increases, in line with the requirements of the Housing (Scotland) Act 2001;*
- *AHP should consider making services easier to access by tenants and service users, for example by holding surgeries in the areas where it has tenants, but that are located far from its office;*

and that

- *AHP should take steps to build on its planned training on disability discrimination legislation to ensure compliance with legal requirements on physical access to its offices.*

3.42 The Partnership completed its first tenant satisfaction survey in 2004. It achieved a very good response rate representing 43% of its tenants. Of those responding,

89% were satisfied with the Partnership as a landlord. The Partnership plans to carry out a further survey later this year.

- 3.43 The Partnership is required by the Housing (Scotland) Act 2001 to publish a tenant consultation strategy. It has introduced a tenant consultation policy and is working with its tenants to develop a tenant participation strategy.
- 3.44 The Partnership is very good at consulting its tenants on rent and service charge increases. It sets out a range of options that are clearly explained and invites tenants to vote for their preferred option. The Board takes tenants' preferences into account, as well as considerations of affordability* before it decides on rent and service charge increases. The Partnership reports back to tenants on the results of its rent consultation through its newsletter and on its web-site.
- 3.45 The Partnership has a fair approach to gathering service users' views on other aspects of its housing management service. It uses its newsletter to inform tenants about policies and strategies it is developing and reviewing. Tenants can then request the policies they are interested in and return their comments in a pre-paid envelope. The Partnership reports to the Board on the responses it has received from tenants. However, it does not feedback to tenants how it has used their responses and it could not show us where tenants' views have led to improvements in service delivery. It has recently started to use sign-ups, settling-in and routine visits to collect feedback from its tenants on the quality of its housing management services. However, it has not yet made use of this information. This is a weakness.
- 3.46 The Partnership is committed to tenant participation and is working to develop ways in which its tenants can participate in a meaningful way. It has held initial meetings to set up a tenants' panel and 18 tenants have expressed an interest in this. The Partnership is funding support and training for panel members. It intends involving the panel in developing its tenant participation strategy and new rent setting policy. In addition, it wants the panel to be involved in the planning of the next tenant satisfaction survey as well as the development of its web-site.

* see glossary

The Partnership holds a tenant event each year however the turnout has always been low. It is supporting the possible development of a residents' association or neighbourhood watch scheme for residents in the Hill of Banchory area.

3.47 The Partnership has a fair approach to responding to complaints about services. All complaints are dealt with corporately and there are good procedures in place to monitor complaints including:

- regular reports to the Board;
- all complaints are reviewed before being formally signed off by the Chief Executive; and
- a published Customer Care Charter.

3.48 At the time of our inspection no complaints had been made to the Scottish Public Services Ombudsman* during 2006/07. We found that the Partnership responds effectively to complaints about its services and uses feedback from its complaints to improve services. However, we saw that the Partnership did not always meet its targets for responding to complaints. The Partnership does not widely advertise the appeals process, through which complainants can get assistance, or the services of the Scottish Public Services Ombudsman. We also found that the Partnership does not always advise complainants of the action it is taking. This is a weakness.

3.49 The Partnership's office has been adapted to improve its accessibility to people with physical disabilities and it provides a hearing loop in its interview room. It can make information available in alternative formats, although it does not publicise this routinely in its newsletters or on its website. The Partnership publishes all its information for service users in a larger font size. It made a positive effort to involve its more vulnerable tenants in its last tenant satisfaction survey by holding face-to-face interviews and contacting family and support workers. The Partnership's office is not easy to reach for most of its tenants because its stock is so widely dispersed, however all tenants are able to have home visits. The Partnership holds surgeries in its very sheltered scheme and is

* see glossary

also piloting a surgery for its tenants living in Deeside. The vast majority of tenants contact the Partnership by phone and 88% of respondents to its 2004 tenant survey were satisfied with this method of contact. The Partnership has further improved its phone system in response to feedback it has received from its tenants.

3.50 The Partnership has largely met the recommendations on responsiveness to tenants from our previous inspection.

3.51 In summary, the Partnership is striving to be a responsive landlord and we saw evidence of its commitment to involve tenants in all areas of its operations. It has a particularly good approach to consulting tenants on its rent proposals. However, there is little evidence of tenants views affecting changes to the housing management service as a result of its other consultations. It has dedicated resources to developing tenant participation and this is positive. The Partnership has a good process for dealing with complaints. However, it does not always meet its target time-scales or advise people fully about their right of appeal.

Is the service managed for improvement?

Resource management and efficiency

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

3.52 Our last inspection made four recommendations on the management of resources: These were that:

- *AHP should resolve the issue of bank transfers of rent payments from tenants;*
- *AHP should carry out a fundamental review of its management of rent arrears and should improve its performance reporting;*
- *AHP should take early action to improve its management of vacant houses and to minimise risk;*

and that

- *AHP should establish the reasons behind the time taken to fill vacant houses in its very sheltered housing scheme.*

3.53 In the 2004 tenant survey 80% of respondents confirmed that the rental payment options offered by the Partnership were convenient. Options include AllPay, standing order, cash or cheque with the majority of tenants using AllPay. The Partnership changed from Girobank to AllPay and this resolved the bank transfer issue raised in our last inspection report.

3.54 The Partnership's performance is shown in the table below.

	At March 2005	At March 2006			At February 2007
	Landlord	Landlord	Peer group	National median	Landlord
Total arrears as % of total gross rental income	10.07	6.80	4.9	5.2	6.06
Total current arrears as % of total gross rental income	7.88	4.30	3.5	4.0	3.86
Current arrears (non technical) as % of total gross rental income	7.02	3.91	2.5	2.8	3.66
Current arrears (technical) as % of total gross rental income	0.86	0.39	1.0	0.8	0.20
% of current tenants in serious arrears**	21.8	8.24	4.3	3.9	8.84
Total former tenant arrears	£29,616	£38,420	-	-	£37,698
As % of total gross rental income	2.18	2.50	1.4	1.0	2.21
Rent arrears written off	£4,086	£13,190	-	-	£8,670

**Owing more than 13 weeks rent and >£250

Source: APSR and the Partnership's figures from April 2006 to February 2007.

3.55 The Partnership's total arrears as a percentage of its total rental income reduced from 10.07% in 2003/04 to 6.80% in 2005/06. The 2005/06 figure was the 15th highest of the 17 RSLs in its peer group. The figure for the period from April 2006 to Feb 2007 continued to reduce to 6.09 %.

- 3.56 The Partnership's current non technical arrears* have shown a marked improvement having reduced from 7.02% in 2004/05, to 3.91% in 2005/06. This figure was the 14th highest in the Partnership's peer group in 2005/06. Its current non technical arrears for the period from April 2006 to February 2007 continued to reduce to 3.66 %.
- 3.57 The proportion of the Partnership's tenants owing more than thirteen weeks' rent has also significantly reduced from 21.8% in 2004/05 to 8.24% in 2005/06. However, there was a slight increase to 8.84% by February 2007. Former tenant arrears increased from 2.18% in 2004/05 to 2.50% in 2005/06 but decreased to 2.21 % between April 2006 and February 2007. These levels of arrears are higher than both the peer and national figures.
- 3.58 The Partnership made tackling its poor performance in arrears and voids a priority following our last inspection. It completely reviewed its approach, developed new policies and procedures and arranged training for staff, particularly on taking legal action. Staff have good links with Council Housing Benefit staff and offer tenants help with housing benefit claims. The Partnership sets targets and closely monitors these key areas of performance. It reports monthly to the housing sub-committee and quarterly to the Board and gives a detailed breakdown of its performance. However, it does not make comparisons with its peers or the national median. The Partnership has significantly improved its management of arrears but needs to improve further to do as well as its peers or the national median.
- 3.59 The Partnership has developed a good strategy for the management of its current arrears. However, this is focused on legal action in order to deal with historically high arrears. Now that the level of serious arrears cases, and arrears in general has reduced it is reviewing its strategy and plans to concentrate more on early intervention.
- 3.60 The Partnership has a good approach to recovering former tenants' arrears and is continuing to improve this. Its former tenants' arrears stood at £37,698 at

* see glossary

February 2007 or 2.21% of its total rental income. The Partnership has had a policy and procedures for recovering former tenants' arrears in place since 2005. It follows up all debts and uses a debt collector for debts over £100. From our case reviews we found that the Partnership makes fair and reasonable repayment arrangements with former tenants to clear their debts. It monitors cases and reports regularly to the housing sub-committee and Board on its performance. It has recently started to separate rent arrears from re-chargeable repairs, but it does not identify legal costs separately, in its reports. The housing sub-committee approves the write-off of arrears if the recovery process is fully exhausted.

3.61 The table below summarises the Partnership's performance in letting houses that have become empty.

	2004-05	2005-06			2006-07*
		Landlord	Peer Group	National Median	Landlord
Rental income lost due to empty houses	£7,547	£11,242			£11,800.76
As % of total rental income	0.56	0.73	1.0	0.8	0.69
Total no. of re-lets	55	54			70
% re-let in <2 weeks	50.9	57.4	38.6	36.5	54
% re-let in 2-4 weeks	36.4	31.5	25.4	27.0	27.50
% re-let in >4 weeks	12.7	11.1	36.0	37.1	18.50
Average time to relet (days)	15	16	36.8	25.0	13.4

Source: APSR 2004/06

*The Partnership's figures from April 2006 to February 2007

3.62 In 2005/06 the Partnership lost 0.73% of its rental income due to empty houses. This is better than both its peer group average* of 1.0% and the national median* of 0.85%. The average time to re-let empty houses in 2005/06 was 16 days and this has improved in the year to date to 13.4 days.

3.63 This was shorter than the national median re-let time of 25 days in 2005/06. The Partnership performs very well in letting empty properties. Its approach is focused and is supported by excellent internal procedures and detailed monitoring and reporting information.

* see glossary

- 3.64 The Partnership considers that its properties are easy to let because they are mostly located in popular areas and many of its properties are new. It has had one difficult-to-let property recently because it is situated next to empty houses that are due to be demolished as part of the regeneration of the area.
- 3.65 We found many positive elements in the Partnership's approach to managing its voids and these include:
- giving clear advice and information to tenants about terminating their tenancy;
 - carrying out pre- and post-termination inspections;
 - identifying prospective new tenants early and pre-allocating where possible;
 - having a good and comprehensive written re-let standard; and,
 - setting targets for each stage of the process and closely monitoring performance.
- 3.66 The Partnership has set a target of 15 days to turnaround its empty houses; 10 for repairs and 5 for allocations. It turns around the majority of its properties in shorter timescales, and it is particularly quick at re-letting properties. However, in the current year it has had a few very long term voids that have meant it has not been able to improve on its average time-scales significantly.
- 3.67 The Partnership has a good approach to minimising void times in its very sheltered housing. It provides applicants with detailed information about its sheltered housing and holds regular meetings with the Council's social work department to discuss applications and keep its housing list up-to-date.
- 3.68 The Partnership's costs for delivering its housing management services were £788 in 2005/06 and it estimates this to be £742 for 2006/07. This is higher than the peer average for 2005/06 of £600. The Partnership has high housing management costs because it has a higher complement of staff to cover its widely dispersed stock.
- 3.69 The Partnership has met the recommendations on managing resources in our last inspection report.

3.70 The Partnership has markedly improved its performance since the last inspection in letting houses quickly and minimising rent loss through empty houses and arrears. In particular, its voids management is now an area of strength. The Partnership's costs for delivering its housing management service is high.

Performance management

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

3.71 Our last inspection report made three recommendations on performance management

- *AHP should continue work in order to establish a comprehensive performance planning and management system for the housing management service;*
- *AHP should develop a set of accessible operational procedures for staff, with priority given to high risk activities and areas of weaker performance;*

and that

- *AHP should carry out a TNA* of its staff, and put in place a training plan that will support staff to manage and deliver quality services*

3.72 The Partnership sets out its objectives in its strategic plan for 2005 to 2009 and its internal management plan (IMP)* for 2006/07. Since November 2006 it has also had a housing management strategy and this sets out detailed plans for the service as well as targets in key performance areas and service standards. These plans form the basis for planning service delivery and incorporate some SMART* objectives for housing management services. The Partnership has carried out internal audits into aspects of its housing management service. It has implemented most of the auditor's recommendations except for those on its anti-social behaviour procedures.

3.73 The housing management team meet together fortnightly and with the property maintenance team monthly. These meetings are used to discuss current

* see glossary

workloads and service improvements, to monitor performance, to give feedback from internal and external meetings, and as a planning tool. The meetings are clearly linked to the service objectives and targets that staff are working to achieve. The Partnership has rarely carried out one-to-ones and appraisals with housing management staff but these have recently started to take place on a more regular basis. It ensures that housing management staff have opportunities to feed into the decision-making process through its housing team meetings, staff meetings and attendance at the annual away days to agree the IMP. Housing staff attend both the housing sub-committee and Board meetings.

- 3.74 The Partnership has developed a comprehensive set of policies and procedures to support service delivery. It is developing a new policy on vulnerable tenants' needs and is reviewing its rent setting and arrears policies in consultation with its tenants. It also has plans to develop a procedural manual. However, its procedure for dealing with neighbour nuisance and anti-social behaviour should be expanded to give staff much more detailed guidance. The Partnership has carried out a training needs assessment of its staff. It supports staff to gain a professional housing qualification and has provided training on arrears and repairs but not on other areas such as allocations. It is proposing to provide training for all staff on tackling anti-social behaviour.
- 3.75 Monthly reports to the housing sub-committee and quarterly reports to the Board give a realistic overview of performance in key areas of housing management. These reports could be more detailed and we saw that the Partnership was aware of this. They do not cover all areas of housing management and do not always include comparisons with peers or the national median. It was not reporting to the housing sub-committee and Board on who it let its new build houses to, though undertook to do this after we pointed this out. The Partnership reports annually on its arrears and voids performance in its newsletter and on its website.
- 3.76 The Partnership has largely met the recommendations on performance management in our last inspection report. However, it still has some work to do for the recommendations to be met in full.

3.77 The Partnership is committed to improving its service delivery and generally has a good awareness of its strengths and weaknesses and where improvement is needed. It has shown great capacity for improvement as is evidenced in its success in arrears and voids management. However, the lack of regular staff supervision and clear guidance has led to a few inconsistencies in approach. There are also some weaknesses in its performance monitoring and reporting.

Grade and overall assessment of housing management

3.78 The Partnership has worked hard to improve its housing management service since our last inspection. We found it had improved greatly in recognising its own weaknesses and had dealt with these or had plans in place to do this. It has also shown a willingness to tackle the weaknesses that we identified during this inspection.

3.79 Our overall assessment of the Partnership is that its housing management service is good. It has many strengths and some areas where improvement is needed. It has a good understanding of its strengths and weaknesses and has demonstrated an ability to carry out improvements. We set out below the key factors we have taken into account in coming to our overall assessment.

3.80 The Partnership's key strengths are:

- meeting need and maximising choice in its allocations;
- maximising security of tenure and sustaining tenancies;
- a good approach to consulting tenants on its rent proposals;
- very good performance in reducing arrears and voids; and
- the planning framework for its housing management service.

3.81 Along with these strengths we found some areas for improvement in the Partnership's housing management service including:

- there are gaps in its guidance on suspensions for staff;

- it has an inconsistent approach to anti-social behaviour and neighbour nuisance;
- there is little evidence that service users are involved in the planning and delivery of services;
- it does not advise complainants of their right of appeal at an early stage; and
- there are gaps in its performance framework for the housing management service.

4. Property maintenance

4.1 The grade awarded for property maintenance is

C	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
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We explain at the end of this section how the assessments and judgements we have made result in this grade.

Access to the repairs service

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

4.2 Our last inspection report made three recommendations relating to how tenants can access the Partnership's response repairs service. This was that:

- *The tenant handbook could be improved further by outlining the sorts of repair that fall within each category, and by making AHP contact details for reporting repairs more prominent.*
- *AHP should improve the quality of information to tenants generally. In particular, it should make the style and format of its tenants' handbook more user friendly and should ensure that all tenants receive a copy.*

and that

- *The Partnership should ensure that it actively addresses equality and diversity throughout its operations.*

4.3 The Partnership's tenants can report repairs by telephone, in person, by e-mail, through its website, by letter, or to the out of hours service. Due to the widespread location of its houses the majority of tenants contact the Partnership by phone with an increasing number doing so by email. In its 2004 tenant satisfaction survey, 95% of respondents said they found reporting repairs easy to do. The results of the survey also indicated that 84% of respondents were

satisfied or fairly satisfied with the ease of reporting repairs to the out of hours service.

- 4.4 The Partnership does not currently collect information in its tenant satisfaction questionnaire on how easy it is for tenants to report repairs. Therefore, it cannot be confident that the high levels of satisfaction recorded in its survey have been maintained. However, tenants we spoke to confirmed that there were no difficulties reporting repairs.
- 4.5 The Partnership publicises details of its repairs service and how to report a repair in its office, leaflets, newsletters, tenant handbook, on its website, at tenancy sign-up and during new tenant welcome visits. Our tenant assessors found the handbook useful and easy to read. However, the handbook contains out of date information on the target completion times for some categories of repairs. We found that staff are willing and able to provide tenants with useful advice and information on the repairs service. The Partnership has a good approach to making information available in other formats and languages. This includes translations for tenants from the new European Union countries, although the Partnership has only a small number of tenants from these countries. The Partnership has carried out a disability access audit of its office and completed alterations as a result. Works included:
- widening doors;
 - improving lighting;
 - providing ramped access;
 - improving the office entrance; and
 - installing a mobile hearing loop system.
- 4.6 The Partnership provides good information to tenants who report a repair. This includes a repair receipt which incorporates a questionnaire on satisfaction with the repairs service.

- 4.7 The Partnership does not operate a formal appointments system for response repairs^{*}. It provides the contractor with details of the tenant's preferred access times and requires the contractor's staff to liaise with the tenant to arrange a suitable time for carrying out the repair. The Partnership does not formally monitor these arrangements and cannot be certain that they are being maintained. Tenants we spoke to advised us that they had problems with contractors calling at unsuitable times. This is a weakness.
- 4.8 The Partnership has made some progress towards meeting the recommendations from our last inspection report but it still has some work to do to fully achieve them.
- 4.9 In summary, the Partnership's performance in providing access to its repairs service is fair. There are some strengths with tenants advising that it is easy to report a repair and we found a good approach to addressing equality and diversity issues. However, there are also some weaknesses. The tenant handbook is out of date. In addition, by not formally monitoring the contractor's approach to obtaining access, the Partnership cannot be certain that tenants get good access to the response repairs service.

Speed and quality of response repairs service

Social landlords should set challenging targets for completing repairs, strive to achieve them and ensure repairs are completed to a high quality.

- 4.10 Our last inspection report made four recommendations relating to the speed and quality of the response repairs service. These were that:
- *The Partnership needs to begin recording and monitoring basic information on performance to enable it to manage its contractor effectively and ensure a good quality service to tenants;*
 - *AHP should introduce a targeted system of post repair inspections;*

^{*} see glossary

- *AHP must ensure that records are detailed and accurate to show how time taken for each part of the process affects total time taken to complete a repair. This should allow AHP to address any weaknesses in the process and ensure a good service overall to tenants;*

and that

- *For internal consistency, and to ensure tenants and contractors understand the system, AHP should decide on the relative priority and produce guidelines for categorising response repairs.*

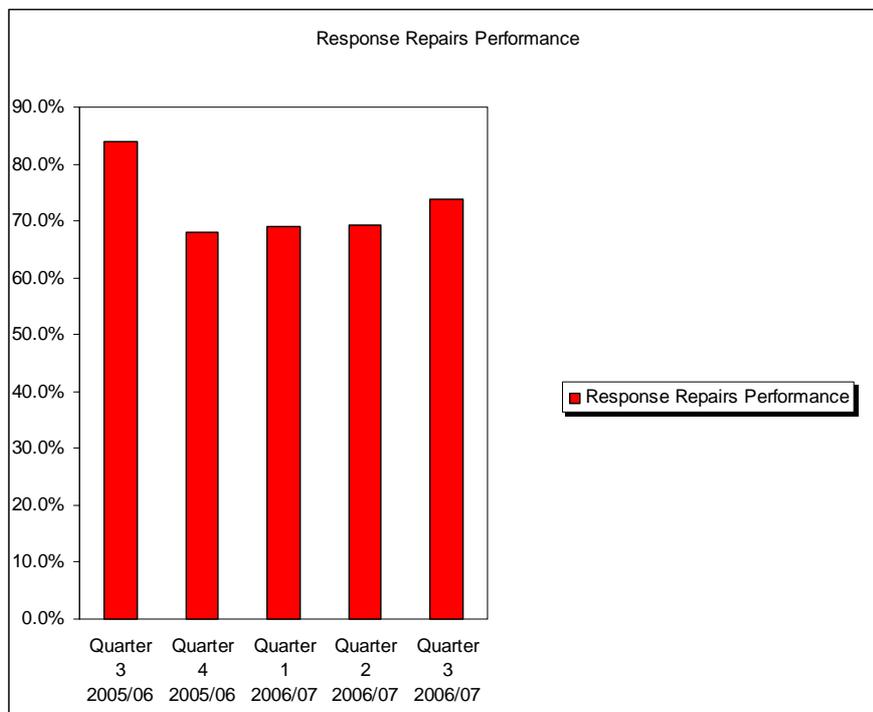
4.11 The Partnership's target for emergency repairs is to attend within 4 hours and complete within 24 hours. This compares with the national median target of six hours for completion. The Partnership also has a category for completing high priority repairs in 24 hours. Its target for the completion of urgent repairs is in line with the national median of 3 working days, however the target for routine repairs of 20 working days is less challenging than the national median of 10 working days. The Partnership has an additional repairs category for essential repairs of 10 working days. Repairs carried out under this category include some that would normally be done as routine. These are:

- internal joinery;
- building work; and
- roof repairs

4.12 At its December 2006 Board meeting, the Partnership agreed to the times for completion of essential and routine repairs being increased from 10 and 20 days to 20 and 30 days respectively. It decided to take this action as part of a number of measures to deal with an overspend on the response repairs budget. These targets are considerably less challenging than both peer averages and national medians. The table below details reported performance against target response times.

AHP Target for Completion		Performance				
		Aberdeen Housing Partnership			National median 2005/06	RSL peer group 2005/06
		20004/05	2005/06	As at Nov 2006/07		
Emergency	4 Hours	92.5%	74.2%	83.0%	98.8%	92.4%
24 Hours	24 Hours	Na	50.0%	78.5%	Na	Na
Urgent	3 Work Days	90.8%	68.2%	72.5%	95.7%	89.7%
Essential	10 Work Days	Na	78.0%	86.4%	Na	Na
Routine	20 Work Days	94.6%	80.8%	87.5%	95.5%	88.7%

4.13 In October 2005, the Partnership entered into a new response repairs contract. The graph below details the Partnership's reported performance for completion of response repairs within target times. While there was an improving trend as shown in the graph, it is not sufficiently strong to give confidence that a significant improvement in performance will be achieved.. The Partnership is aware that it has not been successful in increasing the number of response repairs completed on time. This is a significant weakness.



- 4.14 We spoke to 12 tenants who had used the response repairs service in the last year. Whilst some were satisfied with the service, the majority felt it was poor. They advised that the main issue was delays in the contractor making initial contact. In addition, works were generally not completed in a single visit resulting in multiple visits being required. This does not reflect feedback from the Partnership's own regular tenant satisfaction questionnaires and we comment on this in paragraph 4.40.
- 4.15 Pre- and post-inspections* are important tools for ensuring repairs are targeted accurately and carried out to a high standard. The Partnership does not have a target for pre-inspections, however it provides staff with clear criteria for selecting those repairs to be pre-inspected. In 2005/06 it pre-inspected 8.2% repairs and in the period from April 2006 to the beginning of December 2006 it had pre-inspected 6.4% of repairs.
- 4.16 Prior to April 2006 the Partnership did not formally record post inspections. It has a target to post-inspect 10% of completed repairs. In the period April 2006 to January 2007 it post-inspected 10.5% of completed repairs.
- 4.17 The Partnership operates the Right to Repair* scheme, but only started to formally monitor Right to Repair in November 2006. It advertises Right to Repair annually and provides information on the scheme in the tenant handbook.. The Partnership largely operates the scheme well. However, it does not provide tenants with information on details of alternative contractors. The Board receives regular updates on Right to Repair.
- 4.18 Although the Partnership has made some progress towards achieving the recommendations in our last inspection report, key aspects of its approach to response repairs need to be improved.
- 4.19 In summary, the Partnership's overall performance on the speed and quality of the response repairs service is poor. The Partnership has a good approach to the selection of pre and post-inspections. However, there are a number of

* see glossary

weaknesses around its performance for completing response repairs on time. Its response repair target times have been relaxed and are not challenging although this is in an attempt to tackle issues with its repairs budget.. The Partnership has also not fully met its statutory duty around Right to Repair.

Physical quality of houses

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

4.20 Our last inspection report made four recommendations relating to the physical quality of houses. These were that:

- *AHP must, as a matter of urgency, arrange for gas safety checks to be carried out on properties where no valid certificate is in place. It must also ensure that it acts on notification from its contractor to pursue access.*
- *An assessment to confirm Secure by Design status by an external body could be considered by AHP for its new build developments, as this would provide a view of security issues faced by tenants.*
- *AHP should continue to work towards establishing detailed and costed cyclical maintenance programmes, as a matter of urgency. In the meantime, staff should pay particular attention to the cyclical maintenance needs of the trickle transfer stock.*

and that

- *The financial projections should be revised as planned to reflect the costed plans as soon as these are available.*

4.21 Approximately 50% of the Partnership's houses were built after 2001, with the others being of varying age and in different rural communities. This includes 12 communities where the Partnership has less than 3 properties. All of the older

properties are debit funded* and the Partnership has only limited reserves*. This presents the organisation with challenges in maintaining and improving its houses, particularly with regard to energy efficiency. We found that the Partnership's houses are generally in good condition:

- all of its houses have hard wired smoke detectors;
- the Partnership has identified there is no lead piping; and
- the six properties with a common entrance have a door entry system.

4.22 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS)* by 2015. Social landlords were required to prepare a plan for submission to Communities Scotland by April 2005, showing how they would achieve this. The Partnership achieved this target and is confident that its proposed future investment programme will ensure that all its houses will comply with the SHQS by 2015. Over the last year the Partnership increased its spend on a number of its empty houses to include aspects of the standard in its empty house repairs. In this way, the Partnership is working to ensure that these properties meet the requirements of the SHQS. The Partnership has received confirmation from Communities Scotland that it has no concerns over its ability to meet the requirements of the SHQS by 2015.

4.23 The Partnership has good information on the condition of its properties. At the time of our inspection it had completed a survey on the physical condition of 85% of its houses. It is currently updating its information and proposes to have a 100% stock condition survey by April 2007. It uses this information in the preparation of its planned and cyclical maintenance* programmes. The Partnership's financial planning framework draws effectively on its house condition and life cycle costing* information. This means that the Partnership is aware of how much it needs to spend, and within what timescales, to maintain its houses effectively.

* see glossary
* see glossary

4.24 The Partnership has put in place programmes for both planned maintenance and cyclical works. In 2006/07 it completed painting contracts for its houses in Fraserburgh and Peterhead. It intends to carry out similar works in Stonehaven and Deeside in 2007/08. In the last three years the Partnership has:

- carried out 25 window replacements;
- renewed 48 main doors;
- fitted 17 central heating systems; and
- replaced 3 bathrooms.

4.25 Since 2001 the Partnership has completed 304 new build properties. These new homes have been designed to good standards and:

- achieve good levels of energy efficiency; and
- are designed to Housing for Varying Needs standard to accommodate the range of housing needs that people may have throughout their lifetime.

4.26 In our last inspection report we made a recommendation about Secure by Design status. Since 2005, a total of 59 of the Partnership's 84 new build houses have achieved Secure by Design status to create safe homes that help minimise the risk of crime and antisocial behaviour. The remaining 25 houses are awaiting assessment.

4.27 Social landlords are required to carry out safety checks every 12 months on all gas appliances and flues they provide for tenants' use. The table on the following page summarises the Partnership's performance in this area.

	January 2007	
	No of houses	%
Houses with gas appliances	342	100%
Houses with current gas safety certificates	342	100%
Houses where safety check was carried out within 12 months of previous check	339	99.11%
Houses where safety check was up to 1 month late	3	0.89%
Houses where safety check was between 1 and 3 months late	-	-
Houses where safety check was more than 3 months late	-	-

- 4.28 In our last inspection report we found that the Partnership had not consistently monitored its contractor's performance. As a result there were weaknesses in key elements of its approach to managing gas safety.
- 4.29 The Partnership has revised its procedures and in 2005 included gas safety in its internal audit programme. The Partnership has good information on its houses with gas and we were able to review its entire database. We found three cases where the gas safety certificate was obtained late. However, of these two were less than a week overdue whilst the other case was over three months late.
- 4.30 The Partnership also has 84 properties with oil central heating. It services these in line with the procedures used for the gas systems. The Partnership also carries out an annual chimney sweep of the houses with solid fuel heating. All of its houses with gas, oil or solid fuel heating systems have a carbon monoxide detector. In December 2005 the Partnership introduced new policies and procedures in line with best practice for the control of legionella bacteria in water systems. This is an excellent approach to tenant safety.
- 4.31 From May 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. The Board approved an asbestos management action plan in December 2005. The Partnership now has comprehensive information on the presence of asbestos in all of its houses and common areas. A register of suspected asbestos containing material is available to all staff and the reactive and cyclical maintenance contractors. The Partnership submits the updated register to the reactive maintenance contractor annually. In addition, the Partnership reports any significant findings or changes immediately to the contractor as they arise. The Board receives regular updates on asbestos. From December 2006 the Partnership started to update its ICT* system to allow it to identify asbestos when raising a repair works order.
- 4.32 The Partnership has a clear, written re-let standard which aims to ensure that the houses it lets are safe and in a good condition. Our tenant assessors were impressed by its quality and commented that this was a useful tool to ensure that

* see glossary

houses are let quickly. The Partnership asks new tenants how satisfied they are with their new homes although it does not formally monitor the responses. Tenants we spoke to were generally satisfied with their new homes.

- 4.33 The Partnership has made considerable progress towards achieving the recommendations in the previous inspection report. Its gas safety record ranks it as the third best performer of landlords inspected by us. It has established a detailed and costed cyclical maintenance programme which it plans to review regularly. It has also increased the number of houses achieving Secure by Design status.
- 4.34 In summary, the Partnership's performance in maintaining the physical quality of its housing stock has major strengths. Its properties are in good condition and there is an effective approach to developing and implementing its planned and cyclical maintenance programmes. The Partnership also has good procedures in place to manage its gas maintenance and asbestos management responsibilities. It deals well with other tenant safety issues. The Partnership has a good approach to ensuring its empty houses are re-let to a consistently high standard.

Responsiveness to tenants

Social landlords should place the people they serve at the heart of their work, treat them with respect and be responsive to their views and priorities.

- 4.35 Our last inspection report made four recommendations relating to the Partnership's responsiveness to its tenants. These were that:
- *AHP should analyse tenant feedback and use it to develop the service and should consider adopting a wider range of methods for seeking tenants' views;*
 - *AHP should put in place a range of ways in which tenants and service users can comment on the Partnership's services, and seek redress for service failures. Staff should report feedback to the Board and tenants, and use it to improve services;*

- *As repairs are an important core service to tenants, AHP should take a more active approach to involving tenants in reviewing and improving the service, and include this in its tenant participation strategy;*

and that

- *The Partnership should seek the views of a wider range of tenants on physical quality and consider tenants' requirements and preferences in relation to design issues. AHP should do more to involve tenants in the development process, in influencing overall development strategy and priorities, as well as at project level.*

4.36 The Partnership's last full tenant satisfaction survey was carried out in October 2004. At that time 70% of respondents indicated their satisfaction with the repairs service overall. It carried out further analysis and found that satisfaction levels were higher from tenants in its new houses at 75% and lower at 66% from tenants in its older houses. The Partnership intends to carry out a further survey in 2007.

4.37 The Partnership uses a questionnaire to collect feedback from tenants on each completed repair. Staff phone tenants who have not returned the satisfaction slips or who have expressed dissatisfaction with the repairs service. The questionnaires indicate high levels of satisfaction, in excess of 98%, with the response repairs service. The results are reported to the development and property sub-committee on a bimonthly basis.

4.38 However, feedback from the recent rent increase consultation exercise showed that more than 30 responses expressed some form of dissatisfaction with the response repairs service. This represents more than 75% of people who responded and around 5% of the Partnership's tenants overall. While we were on site the Partnership took early action to respond to this by writing to all of those who had complained.

- 4.39 We spoke to a number of tenants who had recently had repair works carried out. While they were generally happy with the finished work they were dissatisfied with the time it took for work to be completed. These levels of dissatisfaction contradict the outcome from its regular repairs satisfaction questionnaires. This means that the Partnership cannot be confident that it has an accurate picture of tenants' experience of the repairs service.
- 4.40 The Partnership carries out satisfaction surveys of tenants of its new houses and uses the information obtained to feed into its development programme. To date, it has not consulted with tenants who have had planned maintenance works carried out and this is a weakness. When we raised this with the Partnership it told us that it would be carrying out satisfaction surveys for future planned maintenance works in 2007/08.
- 4.41 We attended the second meeting of the Partnership's recently established Tenants Panel. While on site our tenant assessors commented positively on the Partnership's commitment to working with tenants. At this stage it is too early to make an assessment of its work with the panel, although the initial signs are encouraging.
- 4.42 The Partnership has a good approach to seeking tenants' views on revisions to maintenance policies. However, it did not consult its tenants on the revised completion times for response repairs and at the time of inspection had not formally advised them of the changes. This is a significant weakness.
- 4.43 We report on the quality and responsiveness of the Partnership's approach to formal complaints and appeals in paragraph 3.48.
- 4.44 The Partnership is committed to, and is working towards, achieving the recommendations from our last inspection report. However, it still has some work to do before the recommendations are fully implemented.
- 4.45 In summary, the Partnership has a fair approach to responding to its tenants' views and priorities. It has some strengths particularly around its approach to

obtaining tenants' views on most of its changes to maintenance policies and satisfaction with its new houses. However, there remain a number of key areas where improvement is required. It did not consult with tenants on changes to response repairs timescales and the Partnership cannot be confident that reported tenant satisfaction levels are reliable.

Is the service managed for improvement?

Resource management and efficiency

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

4.46 Our last inspection report made seven recommendations relating to how the Partnership manages the cost of its maintenance service. These were that:

- *AHP needs to understand why expenditure has risen so dramatically and address the cause(s) of the increase;*
- *AHP should take a planned approach to staff training and to maximising the new ICT system's potential;*
- *Clear monitoring and performance management arrangements and regular formal review of contractors should underpin the new responsive repairs contract;*
- *For internal consistency, and to ensure tenants and contractors understand the system, AHP should decide on the relative priority and produce guidelines for categorising common repairs;*
- *AHP should put arrangements in place to recharge tenants and owners where appropriate in order to maximise income;*
- *AHP should now put in place a transparent procurement policy and procedures, including the proper use of a tender register;*

and that

- *The procurement* and any re-appointment of project team members including the project manager, should be based on clear procurement policies and procedures and should address the need to show that value for money is being achieved.*

4.47 The Partnership's reported management costs for delivering its property maintenance service decreased from £202.30 per unit in 2004/05 to £171 in 2005/06. This is a decrease of 15.5% on the figure for 2004/05. This figure is below both the 2004/05 national average of £234 and its peer group average of £253. However, at the time of our inspection management costs had increased to around £254 per unit.

4.48 The Partnership estimates that if current levels of spend continue the responsive repairs budget for 2006/07 would be overspent by more than £85,000. This represents an overspend of 65%. The Partnership is aware of the main reasons for the overspend;

- the number of repairs has increased by 14%;
- replacement of a number of failed boilers; and
- works carried out to empty houses to achieve the SHQS.

4.49 In October 2006 the Board did well in reviewing the situation and took some initial steps to monitor expenditure although the Partnership acknowledges that it should have taken action earlier. However, the predicted end of year costs had only reduced by £14,000 by the end of November. At its December Board meeting the Partnership approved an action plan to deal with the issues highlighted. This included an in depth analysis of works orders, and weekly monitoring of the budget by the management team. It has also recognised that in future it should capitalise expenditure on empty houses to achieve the SHQS. The Partnership relaxed the target for completion times, to allow the contractor to

* see glossary

batch jobs and reduce travelling costs. It also transferred monies from the under spent capital budget to cover the costs of the empty house work.

- 4.50 We saw that in August 2006 the Partnership's main repairs contractor was late in submitting a large number of invoices. The Partnership has recognised that it needs to improve its management of the receipt of invoices in order that it can more effectively manage its budget. Whilst it has taken action to address this issue there is still a delay in receiving invoices from the contractor. The Partnership has not fully dealt with this issue and this is a weakness.
- 4.51 The Partnership plans to review its strategy by May 2007 and to include its repairs service in its internal audit programme for 2007/08.
- 4.52 The Partnership places its response repairs contract and carries out its improvement programme by using external contractors procured through competitive tendering. Contractors are invited to tender from the Partnership's approved list, which includes developers and technical consultants. We saw that contractors receive good information including details on customer care. At the time of our inspection the Partnership had not entered into any formal partnering* arrangements although it has plans to do so in the future.
- 4.53 Rechargeable repairs* are not a significant issue for the Partnership. In 2005/06 the Partnership only identified 26 rechargeable repairs with a total value of £2,853.16. It recovered 24.4% of these charges. This is an improvement on 2004/05 when it recovered only 15.7% of charges raised. The Partnership has stated that recoverable repairs had not been a main priority when recovering bad debts. Tenants are currently being consulted on a revised rechargeable repairs policy as the Partnership has identified this as an area for improvement. At the time of our inspection 15.4% of all recharges raised had been recovered.
- 4.54 The Partnership has made some progress towards achieving the seven recommendations from our last inspection report. It has achieved three and is

* see glossary

working towards achieving three more. Whilst the Partnership has worked towards achieving the final recommendation it is no longer as relevant as a result of its involvement with Devanha.

4.55 In summary, the Partnership's approach to managing its resources is fair. The budget for response repairs has not been managed well and it has still to demonstrate the effectiveness of the revised monitoring strategy. However, we saw good performance in the procurement of the contractors for the Partnership's response repairs contract.

Performance management

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

4.56 In our last inspection report we made four recommendations relating to the Partnership's performance management. These were that:

- *As a prerequisite for effective management of the service, AHP should establish a clear performance management and planning framework;*
- *AHP should develop a set of accessible operational procedures for staff, with priority given to high risk activities and areas of weaker performance;*
- *AHP should carry out a training needs assessment of its staff, and put in place a training plan that will support staff to manage and deliver quality services;*

and that

- *Alongside developing a more effective approach to performance management, staff should present reports regularly to the Board on key performance information.*

4.57 The Partnership has an effective approach to managing its property maintenance service, although some areas of its performance management framework are

- underdeveloped. The Partnership's strategic plan includes strategic objectives for property maintenance. In addition it has produced a property maintenance strategy which has SMART performance targets for the key operational areas of property maintenance.
- 4.58 The Partnership has a fair approach to performance monitoring and reporting. The Board receives a good range of reports on its property maintenance service including its performance on response repairs completion times, post inspections and gas safety servicing. Also included are details of any implications for its Business Plan, staff, the Partnership's tenants as well as statutory obligations and equality and diversity issues. However, the reports include only limited analysis and there is no comparison of performance with similar landlords.
- 4.59 The Partnership has a range of policies, including the management of risk, to assist staff delivering the property maintenance service. However, it did not carry out a formal risk assessment before involving its maintenance staff in work relating to Devanha. Whilst it records time spent on work for Devanha, it does not break this down for maintenance staff. As a result, the Partnership is unable to demonstrate how much of maintenance staff's time is spent on carrying out tasks that solely relate to Devanha. While its involvement in Devanha is positive, it must consider the consequent impact on its capability for managing the repairs service, particularly when the service is in need of further improvement. This has implications for the repairs service and is a weakness.
- 4.60 The Partnership has good induction training in place for introducing new staff to the organisation, including spending time in other departments. It is currently developing written procedures which will provide guidance on property maintenance for non-maintenance staff. We saw that staff at all levels have a role in this and this is a good approach.
- 4.61 The Partnership has made considerable progress towards achieving the recommendations made in our last inspection report.

4.62 In summary, the Partnership has a fair approach to performance management. There are a number of strengths around its strategic planning for the property maintenance service. It has a good awareness of its current performance and has plans in place for addressing its weaker performance in operational areas. However, its performance reports could contain more analysis and comparisons with similar organisations. In addition, the Partnership did not carry out a comprehensive risk assessment of the impact on its service provision of its maintenance staff's involvement with Devanha.

Grade and overall assessment of property maintenance

4.63 Our overall assessment of the Partnership is that its property maintenance service is fair. We found some strengths in the service as well as a small number of areas where significant improvement is needed.

4.64 In coming to our overall assessment we have taken account of the balance of the strengths and areas for improvement across the service. Areas of strength for the Partnership are:

- the good physical quality of its houses;
- it has good information and plans on how it will achieve the SHQS; and
- it has a good approach to tenants' safety.

4.65 Alongside these strengths, we found some areas for improvement in the Partnership's management of the property maintenance service. It has weaknesses in its performance on:

- completion of response repairs within target times;
- budget management;
- ensuring robust analysis of all sources of information on tenant satisfaction; and
- involving and informing tenants on changes to service standards.

5. Governance and financial management

Leadership and direction

A clear vision or purpose and an inclusive, well-informed planning process are key to effectively delivering the services that tenants want.

5.1 Our last inspection report made two recommendations relating to the Partnership's approach to leadership and direction. These were that:

- *AHP should develop and implement a comprehensive strategic planning framework which translates into meaningful service plans. It should also include comprehensive monitoring and review arrangements;*

and that

- *The Board should lead and take ownership of an appropriate policy review process.*

5.2 In response to these recommendations, the Partnership has introduced a strategic planning framework, which includes a number of key elements. It has produced a strategic plan covering the period 2005-2009. This is its main strategic document. The plan identifies six key objectives and details the actions it will take to achieve each objective. Key performance indicators (KPIs) and operational targets are also included to enable the Partnership to monitor its performance. The development of the objectives and KPIs involved both Board and staff at a strategic awayday in March 2005. The Partnership consulted with tenants and key stakeholders before agreeing the final strategic plan. An annual review, facilitated by external consultants, takes place each Spring and involves all Board members and staff. The review includes an assessment of performance, progress against the strategic objectives and an examination of the organisation's strengths and weaknesses. This approach is viewed positively by both Board and staff.

- 5.3 The Partnership produces an annual internal management plan (IMP) which incorporates the strategic objectives contained within the strategic plan, KPIs and annual targets. The IMP is reviewed throughout the year by the Partnership's audit sub-committee and its findings are reported to the Board.
- 5.4 The Partnership has introduced strategies for housing management and property maintenance. The documents link with corporate objectives and priorities and set out the management and performance standards and targets to be achieved. The Partnership's Management Team holds weekly briefing meetings to discuss a variety of issues relating to its key service delivery functions, including performance against its targets. The Partnership makes the outcome of these meetings available to all staff through its ICT system.
- 5.5 The Partnership is in the process of introducing a staff appraisal system and regular work review meetings with staff. It is aware that all staff should have clear objectives which contribute towards the achievement of the corporate objectives set out in its Strategic Plan. It also recognises the importance of ensuring that it meets the training needs of its staff and it is aware that identified needs have not always been met.
- 5.6 The Partnership has developed a comprehensive policy review process which has given priority to risk and meeting its statutory requirements. The process is regularly monitored and reported to the Board. Where appropriate, the Partnership seeks tenants' views on the review or development of policies. We saw examples of feedback from tenants which had been evaluated, acted upon and reported to the Board.
- 5.7 The Partnership has successfully implemented the recommendations we made in this section of our last inspection report.
- 5.8 In summary, the Partnership has developed a good approach to strategic planning and has a clear vision of the future direction of the organisation. Once it fully implements its appraisal system and training for staff, the Board and staff will be in a stronger position to take the organisation forward.

Clear functions and proper control

Social landlords should be clear about the functions of the governing body, and take informed, transparent decisions within a framework of controls

- 5.9 Our last inspection report made one recommendation relating to the Partnership's approach to clear functions and proper control. This was that:
- *The Board should work with staff to agree a broader framework of information to properly exercise control across all key service areas.*
- 5.10 The Partnership's Board of Directors meets six times each year. It is supported by an audit sub-committee which meets around five times each year and two operational sub-committees, housing and development and property. The operational sub-committees consider the organisation's performance in a more detailed way and meet six weekly and monthly respectively. The Board and its sub-committees have appropriate remits and clearly defined roles. The Partnership told us that its current structure is appropriate for the needs of the organisation.
- 5.11 The Partnership holds pre Board and sub-committee meetings where staff and the appropriate Chair and Vice Chair discuss the agenda items for the forthcoming meetings. This allows issues to be clarified prior to the meetings taking place and is highly valued by Board members.
- 5.12 The Partnership has a good performance monitoring and review system in place. Monthly reports are received by the appropriate sub-committee and the Board reviews performance at the end of each quarter. Board members are happy with the quality of the information they receive. We saw examples where action had been taken in response to concerns about performance. The reports include information on trends and targets however they do not compare performance with similar organisations. Whilst we were on site, the Partnership took steps to include comparison with similar organisations in subsequent reports.

5.13 The Partnership has successfully implemented the recommendation relating to this section of our last inspection report.

5.14 In summary, the Partnership has a good structure in place which allows it to exercise proper control over the organisation's activities. Staff provide the Board with good quality information, this enables it to make informed decisions.

Developing capacity

Social landlords should ensure their governing bodies have the skills and experience they need to perform well, develop their capacity and evaluate their performance.

5.15 Our last inspection report made two recommendations relating to the Partnership's approach to developing capacity. These were that

- *AHP should carry out a training needs assessment for the Board and, thereafter, develop a training plan to ensure that directors have the necessary skills and knowledge;*

and that

- *The Board must ensure that tenant directors are encouraged and supported to allow full participation in the management of the organisation*

5.16 We found that the Board of Directors provide a good mix of experience and knowledge. The Board and sub-committees undertake an annual self assessment, which helps to ensure that their knowledge and understanding of respective roles and responsibilities is clear. Tenant members are fully supported by the Partnership and play a significant role in the running of the organisation. The current Vice Chair of the Board is a Partnership tenant.

5.17 The Partnership has carried out a skills assessment exercise of its Board and the results were reported to the Board in February 2006. The Partnership keeps good records on the training its Directors undertake. However, despite the outcome of

the skills assessment exercise and Board members individually identifying training needs, courses have been attended largely on a reactive rather than a planned basis. The Partnership recognises this weakness and steps are being taken to prepare a Board training plan for 2007/08.

- 5.18 The Partnership has effective induction arrangements in place for new Board members. New members complete a self assessment form outlining their skills. Comprehensive briefings are carried out, over a period of two days, with contributions from the Chair and the management team. New members we talked to spoke highly of these arrangements.
- 5.19 The Partnership has implemented the recommendations relating to this section of our last inspection report, with the exception of the preparation of a Board training plan.
- 5.20 In summary, the Partnership performs well in this area. It has a strong Board and has effective arrangements in place to ensure that new Board members settle in quickly to their role. However, the lack of a training plan for Board members is a weakness.

Accountability

Engaging stakeholders, public reporting and making accountability real

- 5.21 Our last inspection report made two recommendations relating to the Partnership's approach to accountability. These were that:
- *AHP should provide regular information to tenants and service users on its activities and achievements in delivering services;*
- and that*
- *AHP must treat confidential and personal information sensitively, and reports to the Board should contain only information that is essential to decision making.*

- 5.22 A strong membership and good levels of participation at Annual General Meetings (AGMs) are important ways for landlords to demonstrate accountability. The Partnership's constitution allows a maximum number of 18 of its Board members to be members of the organisation. The 2004 Tenant Survey indicated that only 57% of respondents knew that they could stand for election to the Board. The Partnership has responded to this by including items relating to membership of the Board on its website and in its newsletters. Advertisements are also placed in the local press. Currently two Partnership tenants are on the Board and the Partnership is hopeful that this representation will increase once the tenants' panel, which we mention in greater detail in paragraph 5.24, becomes established.
- 5.23 The Partnership recognises that the dispersed nature of its properties poses a challenge in encouraging tenants to attend its AGM. In an attempt to address this, it has used various locations for the meeting. However, attendance continues to be poor. The Partnership is aware that it needs to do more to encourage attendance at its AGM.
- 5.24 Social landlords should place people they serve at the heart of their work and be responsive to their views and priorities. We found that the Partnership is committed to involving its tenants, but there is little evidence to show that tenants can routinely participate in the work of the organisation. In its October 2004 satisfaction survey, 55% of tenants responding indicated they did not wish to receive more information about the Partnership and its services. The Partnership does not have any registered tenants organisations. The Partnership is aware that it needs to develop its approach to tenant participation and it is optimistic that the recently established tenants' panel, comprising 18 individuals, will encourage tenants to become more involved in the running of the organisation.
- 5.25 Social landlords should give stakeholders* the information that they need about the organisation and its plans, services and performance. We found that the Partnership dealt sensitively with confidential and personal information. The

* see glossary

Partnership provides its tenants and partners with an annual report. This report details the organisation's performance across key indicators for the year. It also provides tenants with an informative newsletter on a quarterly basis. The Partnership has also developed a good quality website which was launched last year.

- 5.26 The 2004 Tenant Survey indicates that 87% of respondents consider that the Partnership is either very or fairly good at taking account of their views over matters which concern them. However, there is little evidence that these views have led to changes in the services provided.
- 5.27 The Partnership has successfully implemented the recommendations relating to this section of our last inspection report.
- 5.28 In summary, the Partnership is committed to involving its tenants in the running of the organisation. However, it has further work to do to ensure that tenants can participate more fully. In addition, it needs to confirm to tenants that it has taken account of their views in the provision of its services.

Ethical Standards

Staff and governing body members should promote values that underpin good governance and should act with honesty and integrity, focusing on the best interests of the organisation and its service users.

- 5.29 The previous inspection made no recommendations relating to the Partnership's approach to ethical standards.
- 5.30 We found that the Partnership is fully aware of the need for Board members to maintain the highest of ethical standards. It has adopted a comprehensive Code of Conduct for Board members and staff. Board members and staff annually declare any potential conflicts of interest. Following an issue which arose within one of its sub-committees, the Partnership responded quickly to introduce a more robust approach to this important area of its operations. The Partnership asks

Board members and staff to declare conflicts at the beginning of every meeting and to be aware of conflicts that may arise during meetings.

5.31 The Partnership is aware of the requirements of Part 1 of Schedule 7 of the Housing (Scotland) Act 2001^{*}. A senior member of staff advises Board members and staff on any potential issues as they arise. To date it has had no Schedule 7 issues to deal with. However, no training has been provided for Board members and staff and this is a weakness.

5.32 In summary, the Partnership has a good approach to ethical standards. However, it would be strengthened by the carrying out of training on this area.

Managing risk

Social landlords should be aware of all the risks they face and put in place robust arrangements to minimise these risks and to deal with them if they do occur.

5.33 Our last inspection report made two recommendations relating to the Partnership's approach to managing risk. These were that:

- *AHP should develop a comprehensive risk management strategy as a matter of priority;*

and that

- *AHP should initiate a strategic programme of internal audit. This programme should take account of the findings of the risk assessment recommended above.*

5.34 The Partnership has largely developed a good approach to risk management. A strategic risk map has been prepared and is reviewed annually at a strategic awayday involving Board members and staff. A good risk management strategy was introduced in October 2006 and as part of this work partners and service users were involved in the identification of risks.

^{*} see glossary

- 5.35 The Partnership has had a rolling programme of internal audit in place since 2004. The internal audit process has been effective in reducing the possibility of risks arising and has made a number of important recommendations. The Partnership has put in place an action plan which it reviews twice yearly. However, in a minority of instances there has been a delay in implementing the recommendations.
- 5.36 The Partnership benefits from having a strong audit sub-committee in place. We saw examples of instances, including the issue covered in the following paragraph, where the committee had identified areas of concern and had brought them to the attention of the Board.
- 5.37 The Partnership has had experience of procurement through its receipt of agency services and its earlier involvement in bulk procurement through the New Housing Partnership programme. In partnership with four other RSLs, the Partnership has entered into a bulk procurement initiative which will obtain funding for development in the Grampian area. Board members told us that they felt they had received insufficient information to allow them to properly assess the risks to the organisation. In addition, as we report in paragraph 4.59, considerable staff resources are drawn away from the management of the response repairs service to ensure the Partnership is playing its part in Devanha. Although we found that risks are being identified as the project progresses, a full risk assessment of the impact on the Partnership has not been carried out. However, a full risk assessment was planned to take place shortly after we came off site.
- 5.38 The Partnership has successfully implemented the recommendations relating to this section of our last inspection report.
- 5.39 Overall, the Partnership has a sound approach to managing risk. However, it has not adequately assessed the risk to the organisation from stretching staff across both development activities and managing its repairs service.

5.40 In summary, the Partnership's governance of the organisation is good. It has largely been successful in implementing the recommendations relating to governance in our last inspection report. The Partnership has developed a sound approach to strategic planning and has a structure in place which allows it to exercise proper control over its activities. It has a strong Board and is committed to involving its tenants and service users wherever possible. It has a largely good approach to risk assessment and is aware of the need to maintain the highest of ethical standards. However, the Partnership must ensure that the training needs, including awareness of Schedule 7, of its Board and staff are met. The risk to the organisation of senior staff capacity in managing its development activities and the repairs service must also be rigorously assessed.

Financial viability and management

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

5.41 Our last inspection report made five recommendations relating to the Partnership's approach to financial viability and management. These were that:

- *A timetable for review and implementation of financial regulations, policies and procedures should be put in place;*
- *AHP should support finance staff to build on progress to date by providing further access to training and guidance on financial issues relating to RSLs;*
- *AHP's Board should receive and review regular cashflow reports;*
- *AHP should put arrangements in place to recharge tenants and owners, where appropriate, in order to maximise income;*

and that

- *AHP should adopt a method of time recording to track staff activity, and allocate salaries and overheads appropriately across all of its activities.*

5.42 As mentioned in paragraph 5.6, the Partnership has introduced a timetable for review and implementation of policies and procedures. Financial regulations

were approved and implemented in December 2004. As detailed in the IMP, these are due for review in December 2007.

- 5.43 The Partnership has demonstrated a commitment to build on progress already made. A skills audit has been carried out and training logs are now in place. Its commitment is further evidenced through the ongoing support to staff currently studying for the HNC in Accounting and Finance.
- 5.44 The Partnership's financial projections demonstrate medium term viability and although it has some exposure to financial risk, this is largely as a result of its stock transfer status and current funding structure. It has a good financial management framework. The Partnership has highlighted the current level of response repairs activity and expressed its concern for future budget allocations should this trend continue for the foreseeable future.
- 5.45 The Partnership is delivering a satisfactory financial performance. Recent results and forecasts show continuing growth in turnover. Although increased debt to fund development will mean an increase in the cost of servicing that debt, it is still able to forecast increasing surpluses across the next five years.

Financial performance	2003/04 (Actual)	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Budget)
Turnover £000s	1,227	1,379	1,663	1,713
Operating Surplus/(Deficit) %	44.8	39.7	39.8	42.3
Net Surplus/(Deficit) %	16.6	10.7	9.3	10.5

- 5.46 As set out in its IMP, quarterly reports, as well as incorporating an income and expenditure account and balance sheet, now also include a cashflow and analysis of capital expenditure. This enhances the opportunity for regular monitoring of actual performance against budget.
- 5.47 The comprehensive quarterly reports show year to date variances on income and expenditure. The analysis does not extend to the balance sheet or cashflow, however there is a review of the forecast year end outturn that reports variances from the original budget.

- 5.48 The Partnership has introduced a policy on rechargeable repairs. Finance section raises the invoice and, like rent arrears, collection is the responsibility of housing management. There is still a tendency to concentrate on the collection of rent arrears. However, as an aid to income maximisation, there has been an increase in the number of payment options available to tenants.
- 5.49 An amended system of time recording was implemented in November 2003. This was necessary as a means of addressing the accuracy of the allocation of staff time to the appropriate chargeable activity.
- 5.50 The Partnership has recently added the preparation of annual five year financial projections to its financial management framework. As they are derived from the business plan, the Partnership recognises a strength of this process will be the transparency of the link between its business plan and the annual budgeting process.
- 5.51 The Partnership prepares thirty year financial plans incorporating the most up to date stock condition and life cycle costing information. It reviews the plans annually as part of an overall business planning review. The Partnership also incorporates expenditure necessary for meeting the SHQS.
- 5.52 The Partnership has successfully implemented the recommendations relating to this section of our last inspection report.
- 5.53 In summary, there are no concerns over the Partnership's viability in the short to medium term. It is delivering a satisfactory financial performance and has a good approach to its financial management.

6. Areas for improvement action

These are the key areas that need to be targeted for improvement action. They are broadly in order of priority within each of the key service areas.

In governance and financial management, the Partnership should:

- strengthen its approach to risk management with regard to its development activities;
and
- prepare and implement a training plan for both Board and staff.

In housing management, the Partnership should:

- ensure it has a consistent approach to neighbour nuisance and anti-social behaviour;
- create more opportunities for tenants to influence the planning and delivery of its services; and
- further develop its performance management framework.

In property maintenance, the Partnership should:

- improve its performance in the completion of response repairs within target times;
- develop a more robust approach to its budget management; and
- further develop its approach to gathering and analysing information on tenant satisfaction.

7. Next steps

- 7.1. This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments overall in their housing management, property maintenance or governance and financial management to submit an improvement plan to us within eight weeks of the publication of this report. The plan should show how the organisation intends to respond to our findings.
- 7.2. Aberdeenshire Housing Partnership should submit an improvement plan to us that shows how it intends to respond to our findings in property management. We will agree the plan with the Partnership and we will follow it up at regular intervals.
- 7.3. If you would like to see Aberdeenshire Housing Partnership's improvement plan you should contact:

Aberdeenshire Housing Partnership
Unit 8
Netherton Business Centre
Kenmay
By Inverurie
Aberdeenshire
AB51 5LX

Telephone: 01467 641200
E-mail: enquiries@a-h-p.org.uk
Website: www.a-h-p.org.uk

Appendix 1

Sources of evidence

Groups and third parties consulted

- Communities Scotland Area Team
- Communities Scotland Investment Team
- Communities Scotland Tenant Participation Team
- Aberdeenshire Council Housing and Social Work
- Devanha Limited
- Aberdeenshire Towns Partnership
- Towns Partnership- Fraserburgh
- Towns Partnership- Huntly
- Building Better Buchan
- Homepoint
- Scottish Public Services Ombudsman
- SCARF
- TIGHRA
- Grampian Women's Aid
- SACRO
- Grampian Police

Interviews / meetings

- Members of the Partnership's Board of Directors
- Former Chair of the Partnership
- Chief Executive
- Finance and Business Manager
- Housing Manager
- Property Services Manager
- Housing Officers
- Finance and Business Support Officer
- Personal Assistant
- Tenant Services Assistant

Reality checks

- Review of antisocial behaviour complaints
- Review of arrears cases
- Review of complaints
- Review of gas safety documents
- Review of housing applications, nominations and allocations
- Review of information for applicants and tenants
- Review of legal actions against tenants
- Review of responsive repairs
- Review of Section 5 referrals
- Review of void management records
- Estate visit

- Shadowing* of staff
- Observation of Board meeting
- Observation of Housing Sub-Committee
- Observation Of Tenants Panel
- Observation of Management Team Meeting

Key documents reviewed

- Inspection submission*
- Annual Accounts for year ending 2005/06
- Strategic Plan 2005-09
- Business Plan
- Internal Management Plan
- Equality and Diversity policy
- Arrears policy and procedures
- Allocations policy and procedures
- Nominations agreement and Section 5 protocol
- Complaints Policy
- Antisocial Behaviour policy and information pack
- Harassment of Minorities policy
- Estate management policy
- Newsletters
- Code of conduct
- Risk management strategy
- Internal audit reports
- Property Services Strategy
- Housing Management Strategy (Draft)
- Tenant consultation policy
- Tenant participation strategy (Draft)
- Tenant satisfaction survey
- Tenant participation documentation
- Performance monitoring reports for rent arrears, allocations, complaints, void management, and responsive repairs
- Responsive repairs policy and procedures
- Tenants' Handbook
- Void policy, procedures and re-let standard
- Rents and service charges consultation documentation

* see glossary

Appendix 2

Examples of positive practice

These are areas we would highlight as working particularly well, taking account of the organisation's operating context.

The Partnership has built around 300 properties over the last 6 years on a number of sites throughout Aberdeenshire. Prior to the handover of the properties by the contractor, the Partnership invites all prospective tenants to attend a Welcome Meeting.

The Welcome Meeting has a number of benefits to the new tenants and these include:

- an opportunity to hear about their responsibilities and those of the Partnership and to raise any questions they may have;
- an opportunity to meet their housing officer and senior staff and Board members; and
- the chance to meet their new neighbours and build new relationships over a cup of coffee at what can be a stressful time.

The Partnership's Board and three sub-committees carry out an annual self assessment to check progress against a number of set criteria including:

- a review of their role and terms of reference;
- their capacity and independence;
- their knowledge;
- performance; and
- the administrative arrangements surrounding the support provided to the Board and sub-committees.

Progress is measured against the outcomes of previous years.

Three members of the Partnership's staff participate in an inspection review group. The group is tasked with reviewing outcomes against issues raised by staff and reviewing inspection reports published by Regulation and Inspection. This latter aspect has provided the Partnership with an indication of issues raised during inspections. In addition, it has enabled the Partnership to benefit from examples of positive practice identified by inspectors.

Glossary

Acceptable Behaviour Contracts - ABCs	A voluntary agreement between the perpetrator of anti-social behaviour (and in the case of a young person, his or her parent or guardian) and one or more local agencies charges with preventing such behaviour. Examples of these are the police and social landlords.
Affordability	An assessment of what a tenant can pay towards rent or an arrear after living costs and other debts have been taken account off.
Annual Performance and Statistical Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Cyclical maintenance	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
Debit funded	An RSL which has had to borrow money to fund the purchase of the houses as part of a stock transfer.
Focus group	A group of people brought together to have a structured discussion on a specific subject or set of subjects.
Home Zones	Streets where people and vehicles share the road space safely and on equal terms; where quality of life takes precedence over ease of traffic movement.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
ICT	A landlord's information communication technology system.
Inspection submission	Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured.
Internal Management Plan (IMP)	Strategic plan which sets out what the organisation aims and objectives are as well as outlining how it will achieve them.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
National median	The central value of the ordered performance of all Scottish RSLs.
Non Technical Arrears	Rental charges owed to a landlord after any outstanding Housing Benefit claims or payments have been taken account of.
Notice of proceedings (NOP)	Documentation required to be served by a landlord advising the tenant(s) of the landlords intention to raise an action in the courts to end the tenancy.

Partnering	A structured contract management approach to improve efficiency and reduce confrontation between the RSL and its consultants and contractors. Partnering requires formalised objectives, agreed problem solving methods and an active search for continued measurable improvements.
Peer group	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs.
Performance indicator	A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Performance Standards Planned maintenance	Housing standards for all social landlords in Scotland. The planned renewal or maintenance of key property components.
Post Inspection	Inspection by a member of the landlords staff to check the on the quality or deal with a complaint concerning a response repair.
Pre inspection	Inspection by a member of the landlords staff to check the on the exact nature of the work required before ordering a response repair.
Procurement	The way an organisation obtains services or materials from other organisations or agents.
Quartile	The range represented by one quarter of the ordered performance of all Scottish RSLs. So for example, the upper quartile is the top 25% of RSLs.
Rechargeable repairs	Work that is the responsibility of the tenant but has been done by the landlord.
Registered social landlord (RSL) Re-lets	A landlord providing social rented housing that is registered and regulated by Communities Scotland. Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Reserves	Money put aside by an RSL to fund future planned maintenance works, developments etc
Response repairs	Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance.
Right to Repair	Statutory scheme which sets out timescales for some repairs and actions which can be taken if timescales exceeded.
Scottish Public Services Ombudsman	The independent body appointed to investigate individual complaints against public service bodies including Registered Social Landlords (RSL).
Scottish Housing Quality Standard (SHQS)	Was brought into to ensure minimum quality standards across all of Scotland's homes and is to be achieved by 2015.
Scottish Secure Tenancy (SST) Schedule 7 of the Housing (Scotland) Act 2001	The Housing (Scotland) Act 2001 establishes the as the tenancy for all tenants of social landlords in Scotland. Defines how those involved with RSLs (governing body members and staff) do not benefit in an inappropriate fashion.

Section 5 referral	Under Section 5 of the Housing (Scotland) Act 2001 a local authority can request a registered social landlord which has accommodation in its area to provide accommodation to homeless people. This request is known as a Section 5 referral.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
SMART	Performance management acronym for: Specific, Measurable, Achievable, Relevant and Timebound.
Stakeholder(s)	Any person organisation who obtains a service from the landlord or is effected by the landlords actions.
Statutory reasonable preference categories	People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
Suspension or Suspension Policy	Policy by which a landlord may temporarily suspend an applicant from receiving offers from its housing list as defined in the 1987 Housing (Scotland) Act and amended in the 2001 Housing (Scotland) Act.
Tenant Assessor	Tenant assessors are trained lay people (tenants) who are part of the inspection team. They are involved in the preparation for the inspection, reading landlord materials and on-site visits as well as talking to tenants.
TNA	Performance management acronym for: Training Needs Assessment
Trickle Transfer	A method of changing ownership of houses from one landlord to another, as houses become empty
Turnover (empty houses)	The number of houses that are vacated in a year expressed as a percentage of the landlords housing stock.

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