

Housing Association Inspection Report

August 2008



Housing Management Services

Ocean Housing Limited

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

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Housing Association Inspections

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

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

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

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

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

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

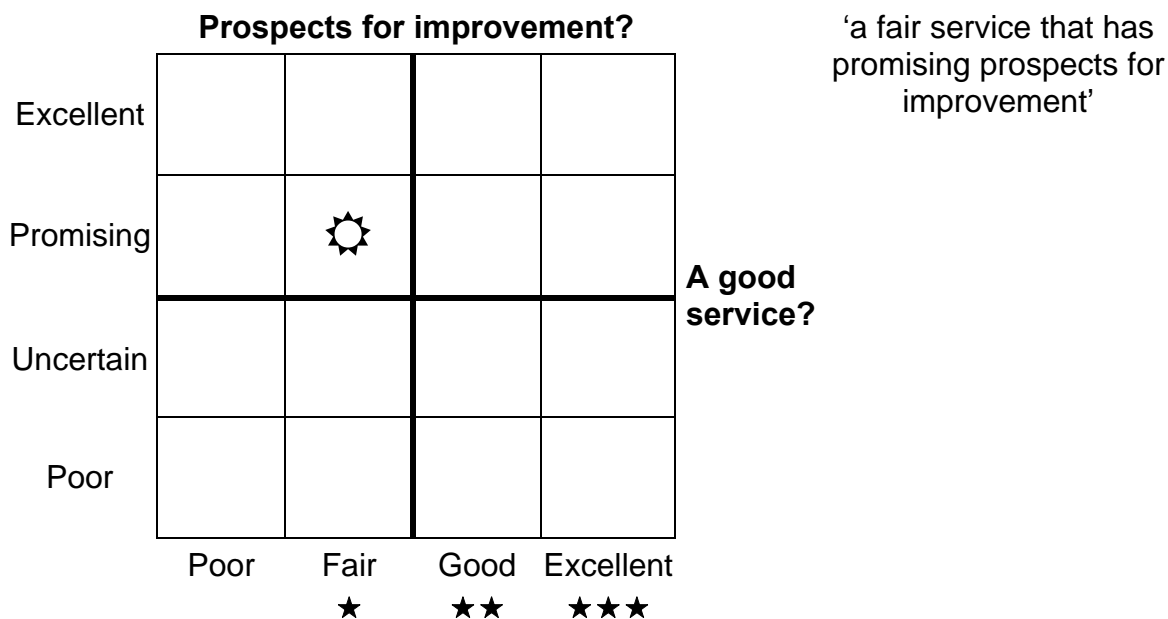
Summary

- 1 Ocean Housing Limited (OHL) provides a 'fair' housing management service that has promising prospects for improvement.
- 2 Satisfaction with the association is high. Stock investment and asset management is strong. Repairs and most minor adaptations are carried out quickly and performance in letting empty homes quickly and carrying out annual gas safety checks is good. Performance on rent arrears and recharges is strong and there is a reasonable approach to dealing with anti-social behaviour. Comparisons show that overall costs are below average and resources are focussed on frontline services. There is a high level of awareness about value for money across the organisation. Costs are understood, budgets are managed well and there are some good examples of reducing costs for example, through procurement. But the strategic management of value for money is relatively new and not yet embedded. Formal resident involvement can demonstrate some outcomes although it remains an area for further development.
- 3 The strategic approach to diversity is underdeveloped. The association's understanding of its residents is limited, improvement targets have not been set in key areas and equality impact assessments are incomplete. The strategic approach to customer access is also underdeveloped; the experience of accessing services in person and by phone is mixed. Service standards are not comprehensive and consistently challenging and customer feedback is not always sought to improve services.
- 4 Estates are not all managed well - grounds maintenance is sometimes poor and some communal areas are in an unsatisfactory condition. The association's approach to supporting tenancies through welfare advice and financial inclusion work is underdeveloped. Some tenants have to wait a long time for major adaptations.
- 5 OHL has a clear vision with realistic and robust ambitions. There is effective leadership to the service and arrangements for performance reporting, service planning and staff appraisals are generally sound although there are some weaknesses in application. The approach to learning from other organisations is good and capacity is strong. Financial capacity has been enhanced and staff are well trained and morale is high. Future plans demonstrate a high degree of self-awareness and there is a strong track record of delivering improvements in the areas that matter most to tenants.
- 6 However, there are some areas where improvements have not been implemented as quickly as in other housing organisations, for example estate management and the cross-cutting areas of equality and diversity and customer access. OHL is also missing opportunities to learn from customer feedback and is not maximising the capacity of its residents.

Scoring the service

- 7 We have assessed Ocean Housing Limited as providing a 'fair' one-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 8 We found the service to be fair because it has a range of strengths including:
- stock investment and asset management is strong. The association has a robust asset management plan based on up-to-date information on its stock. Planned works are well publicised and customer-focused and are delivering significant improvement to tenants' homes;
 - repairs are carried out quickly, usually by appointment. Minor adaptations are generally delivered quickly and performance in letting empty homes quickly and carrying out annual gas safety checks is good;
 - formal resident involvement can demonstrate some outcomes although it remains an area for further development;
 - performance on rent arrears and recharges is strong and there is a reasonable approach to dealing with anti-social behaviour;

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

- comparisons show that overall costs are below average and resources are focussed on frontline services; and
 - there is a high level of awareness about value for money across the organisation. Costs are understood, budgets are managed well and there are some good examples of reducing costs for example, through procurement.
- 9 However, there are some areas which require improvement. These include:
- the strategic approach to diversity is underdeveloped. The association's understanding of its residents is limited, equality impact assessments are incomplete and improvement targets have not been set in key areas such as having a representative workforce;
 - there are some aspects of the approach to customer care that are underdeveloped; the experience of accessing services in person and by phone is mixed. Service standards are not comprehensive and consistently challenging and customer feedback is not always sought to improve services;
 - estates are not all managed well - grounds maintenance is sometimes poor and some communal areas are in an unsatisfactory condition;
 - the association's approach to supporting tenancies through welfare advice and financial inclusion work is underdeveloped;
 - some tenants have to wait a long time for major adaptations; and
 - the strategic management of value for money is relatively new and achieving value for money has not yet been embedded in the organisation's performance management systems.
- 10 The service has promising prospects for improvement because:
- OHL has a clear vision with realistic and robust ambitions underpinned by clear and challenging aims and targets;
 - there is effective leadership to the service and the Board and Executive have demonstrated a willingness to take difficult decisions;
 - arrangements for performance reporting, service planning and staff appraisals are generally sound although there are some weaknesses in application;
 - the approach to learning from other organisations is good;
 - capacity is strong. Financial capacity has been enhanced and staff are well trained and morale is high;
 - future plans demonstrate a high degree of self-awareness about the strengths and weaknesses in the service; and
 - there is a strong track record of delivering improvements in the areas that matter most to tenants.

- 11 However, there are a number of factors which do not support improvement. These include:
- there are some areas where improvements have not been implemented as quickly as in other housing organisations, for example estate management and the cross-cutting areas of equality and diversity and customer access; and
 - OHL is missing opportunities to learn from customer feedback and is not maximising the capacity of its residents.

Recommendations

- 12 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs¹ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Association shares the findings of this report with tenants and board members, and addresses all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

Recommendation

- R1 Ensure that the service is more sensitive to the needs of all tenants, by:*
- *developing a robust understanding of the needs/requirements of all tenants and the housing services that they access;*
 - *reviewing the access arrangements for people with communication difficulties;*
 - *targeting services, including tenant participation, on those tenants whose take-up is relatively low;*
 - *review the approach to managing domestic violence and harassment;*
 - *taking positive steps to embed equality and diversity and a customer-focused culture across the service for example, through training, and by setting challenging targets and objectives for improving outcomes for the whole community;*
 - *working with partners to develop a robust plan to ensure that disabled adaptations are undertaken quickly and that tenants have sufficient information about the service; and*
 - *ensuring that all service delivery points meet the requirements of the Disability Discrimination Act.*

The expected benefits of this recommendation are a better ‘fit’ between the needs of local people and the service provided and easier access to tenants with different needs.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by January 2009.

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

Recommendation

R2 Improve the quality of access and customer service, by:

- *reviewing the quality and suitability of office arrangements with tenants;*
- *improving access to information for people visiting the main office;*
- *adopting service standards for each area of service;*
- *introducing proportionate customer feedback mechanisms across all services; and*
- *improving performance times for dealing with phone calls.*

The expected benefit of this recommendation is:

- improved customer care, with more consistent levels of service that are responsive to service users' needs.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December.

Recommendation

R3 Improve the quality of service for people living on estates, by:

- *improving the association's approach to estate inspections for example, by introducing a risk-based approach to inspections that are publicised well in advance to encourage tenant involvement;*
- *developing robust systems for proactively addressing health and safety issues on estates;*
- *consulting with residents on the provision of cleaning services in common areas;*
- *reviewing with residents future maintenance of external areas; and*
- *ensure that green areas are maintained according to the specification of the grounds maintenance service.*

The expected benefits of this recommendation are:

- improved health and safety for people living on estates;
- higher satisfaction with tenancy and estate management services; and
- a service better shaped around the needs of residents.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2008.

Recommendation

R4 Improve the customer focus of the income collection service, by:

- *reviewing the welfare advice routinely provided to residents;*
- *developing a strategic approach to financial inclusion; and*
- *reviewing the associations approach to service charges and ensure the association is meeting its legal obligations and best practice.*

The expected benefits of this recommendation are:

- a service better shaped around the needs of residents;
- a service which better balances the support and enforcement roles of the association; and
- ensure the association meets its legal obligations.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by December 2008.

- 13 We would like to thank the staff of Ocean Housing Limited who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 7 to 16 May 2008

Audit Commission

3-6 Blenheim Court

Lustleigh Close

Matford Business Park

Exeter, EX2 8PW

Tel: 01392 315657

Fax: 01392 427383

www.audit-commission.gov.uk

Report

Context

The locality

- 14 Ocean Housing Limited (OHL) operates principally in Restormel. Restormel is a district council in the south-west of England. It is located in the centre of Cornwall covering an area of 45,000 hectares (180 square miles). It has 50 miles of scenic coastline and both the north and south coasts are important tourist locations and include Newquay, Fowey and Mevagissey. The district has some very affluent areas and pockets of deprivation. Average income is below the regional and national averages and a third of the population live in areas ranked among the 25 per cent most deprived in England. Cornwall has been granted Convergence Funding status by the European Union and this qualifies the county for additional funding to help to improve the county's economy.
- 15 The resident population of 99,000 makes Restormel the most highly populated of Cornwall's district councils. St Austell, the largest town, has a population of 22,700 and Newquay has a resident population of 19,600. The population is growing at about two per cent a year which is faster than the rest of Cornwall and the national average - this is largely through inward migration of people mostly in the 35-59 age range. The proportion of the population who are from black and minority ethnic groups other than 'white British' is 2.5 per cent which is broadly consistent with the average for Cornwall overall.
- 16 Cornwall is the south-western peninsula of England and is characterised by small towns and villages separated by large tracts of protected open spaces. Cornwall is by far one of the poorest areas in the UK. On average earnings were 25 per cent below the UK national average in 2002. This in the context of higher than average cost of living, house prices and above average levels of unemployment. Unemployment was running at 4.8 per cent in 2001 putting Cornwall in the worst 20 counties in the UK.

The Association

- 17 Ocean Housing limited (OHL) is part of the Ocean Housing Group (OHG) which also includes Ocean Plus Limited (OPL), which provides some support and management services to the sheltered housing stock and Ocean Services (SW) Limited (OSL) which provides development, design, Homebuy agency, planned maintenance and responsive repair services for members of the group and other organisations. The Group also includes Gilbert and Goode Limited, which is a local building contractor which joined the group in January 2005 and undertakes work for private and public sector clients. It is planned to merge the services of OPL and OHL in 2008/09 and this report covers the activities of the two organisations.

- 18 OHL is a chiefly general needs housing association, formed in 2000 with the transfer of 3,502 homes from Restormel Borough Council (RBC). Ocean Housing Association provides general needs housing owns 3,453 homes which include 729 sheltered homes and 85 shared ownership properties. Over 98 per cent of the stock is still in the Borough of Restormel with the remaining homes located across all Cornwall.
- 19 The latest tenants' survey conducted in 2006 shows that 91 per cent of tenants are White British and 8 per cent are Irish. There are very few tenants from the other ethnic groups. Twenty two per cent of principal tenants are in work, while 45 per cent are now retired. Fifty seven per cent have a long-term illness or disability and 9 per cent of households include someone who uses a wheelchair.
- 20 There is currently a Board of 10, including 4 residents, and 6 independent members. The management team is led by the Chief Executive and comprises the Group Director of Resources and the Managing Directors of Ocean Housing and Ocean Services. OHL's office is situated in St Austell. There are no local offices, with telephone being the preferred method of contact with around 2,000 tenants contacting the association by phone via customer service centre per week. The Group currently comprises of approximately 300 staff including repairs subsidiary Ocean Services a large direct labour organisation which undertakes repairs and maintenance for OHL and several other organisations across Cornwall. The annual budget for the group's activities was £15.2 million in 2007/08. OHL also operates a choice based lettings service for 21 housing associations and councils operating across Cornwall.

How good is the service?

What has the service aimed to achieve?

- 21 OHL's Mission is to be 'an innovative and quality housing and service provider, responding to the needs of the 21st Century. To strive to be the leading provider of quality affordable rented housing in our operational area'. These objectives are set out in the Corporate Plan which covers the period 2008-2011.
- 22 This mission is underpinned by a series of eight values.
- We have and will, continue to strive for, quality, value for money, efficiency and equal opportunities/diversity in all of our activities.
 - The services and advice we provide have and will be driven by and be responsive to, the needs of our customers, who will remain at the heart of our governance, decisions, accountability and review processes.
 - We have and will continue to consult and be accountable with our customers, listened to their comments and observations and acted upon them wherever practicable.
 - We respect confidentiality.
 - We strive to establish and maintain a reputation for integrity and co-operation.
 - We have established a reputation as a good employer, an employer of choice and recognise the value and commitment of our staff.
 - We have created a strong public image and awareness of the objectives and identity of Ocean and the Ocean brand.
 - We will continue to create jobs, capacity and training opportunities for local residents in what is that poorest County in the UK and add to community cohesion.

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

Access and customer care

- 23 Weaknesses outweigh strengths in this area. The association does not have a clear strategic approach to improving access. Office access arrangements and contact by phone and the management of complaints are mixed and service standards are not comprehensive and consistently challenging. Formal resident involvement is reasonably effective. However, satisfaction is high and there is a reasonable range of information available. The association is investing in resident involvement and there have been some positive outcomes from work with residents associations on an area basis.

- 24 The association's strategic approach to access is underdeveloped. It has not developed an access strategy to guide the future development of access for its customers. It does not yet have a clear understanding of its customers and how they currently and in the future wish to access services. This means that it cannot be sure it is developing its services in a way to make them easy to access.
- 25 The arrangements for residents visiting the offices are mixed. The waiting area is small with limited seating and although toys are provided for children there is a lack of space to use them although a flat screen television does show a children's channel. There is a private interview room but this lacks facilities such as a computer or a phone. Opening hours which are displayed on the outside of the building restricted to traditional office hours (although this was agreed in consultation with residents). However, more positively there are four area based surgeries which provide access to services on a weekly basis and the association seeks to visit residents in their own homes if required.
- 26 Customer experience of contacting the association by phone is mixed. In 2007/08 only 80 per cent of calls were answered within the association's targets of 30 seconds and over 7 per cent waited more than a minute. Positively, telephone calls are dealt with in a customer-focused way. The association offers a free phone service during office hours; outside of these times, tenants' out-of-hours emergency service is charged at a local rate. However, there is no out-of-hours provision to report anti-social behaviour (ASB) or harassment. Given the wide dispersal of the housing stock and the rural nature of the area the telephone is the most common form of contact between OHL and its residents.
- 27 OHL produces a reasonable range of information about its housing services to keep tenants informed. All tenants receive a comprehensive resident's handbook, which includes information about the range of services available. An accessible, informative newsletter is also published four times a year with the input of residents' editorial panel. There are a reasonable range of leaflets. However, they are not fully comprehensive. For example, they do not cover a full range of service standards and most lack straplines in community languages. The information on display at the main office is limited. For example there are no leaflets on welfare benefits on display and there is no space to display posters or put up notice boards. Good quality information enables residents to access services and be aware of their rights and responsibilities.
- 28 The association's website provides some useful information and access to some services. It provides reasonable information about the association and includes some positive features such as language straplines and the ability to pay rent online. The website also gives the out-of-hours emergency phone number and provides some links to other useful websites such as the Citizens Advice Bureaux. However, it lacks some more advanced features such as the ability to access rent accounts and to report repairs online and the information on resident involvement activities is not regularly updated. The internet can provide an effective method for tenants to access information and services.

- 29** OHL has not developed a comprehensive range of service standards and where it has standards in place these are not sufficiently challenging. Most key services have no comprehensive service standards in place so it is difficult for residents to know what they can expect. Where measurable targets are included in the standards, they are not always challenging for example, respond to phone calls within six rings or 30 seconds. Other targets such as the average time to respond to correspondence is not measured while in other areas there are no defined standards for example the time taken to respond to e-mails. Challenging targets are important in driving improvements for customers.
- 30** The administration of complaints is mixed. Complaints are generally well handled in a customer-focused fashion and the four stage procedure is sound. However, there are no formal systems to record performance or share the lessons learnt and the satisfaction of residents with the process is not collected. The association may be missing opportunities to identify learning to help ensure services are customer focused.
- 31** Formal resident involvement is reasonably effective but remains an area for further development. While the Tenants and Residents Advisory Panel has seen a decline in the numbers of resident panels involved, it can still demonstrate some positive outcomes from its activities including: that fitting door entry security systems and an upgrade of communal areas in all blocks of flats should be a priority and that the central heating programme was brought forward for elderly tenants. It was a recommendation from the panel that there should be full reinstatement of non traditional housing and there should be a tenants' resource centre within the main office. These demonstrate that formal resident groups are influencing the shaping of services around tenants need.
- 32** The association is investing in resident involvement and there have been some positive outcomes from work with residents associations on an area basis. The association has begun to make some significant investments in improving its approach to communicating and consulting with residents including the provision of a dedicated tenants' resource centre in the main office and for example, through a growing number of panels such as an editorial panel to look at literature that the organisation produces. The association has also undertaken a range of surveys with residents including a group of tenants called 'virtual panel' who have agreed to act as a sounding board and issue-specific focus groups. Positively, problems of social exclusion on the St Blazey estate have been tackled by an effective partnership with residents associations.
- 33** Despite weaknesses resident satisfaction with the association is high. The 2006 STATUS¹ survey found 89 per cent are satisfied with the overall service provided by the association; although this shows a 2 per cent decrease since 2004. Just 4 per cent are dissatisfied. Ninety one per cent are satisfied with their home and 89 per cent feel it is in good condition. This performance places the association among the best performing 25 per cent of comparable associations.

¹ STATUS is a survey conducted independently using a standard format

Diversity

- 34** This is an area of weakness for the association with few significant strengths. The strategic approach to diversity is underdeveloped. The association does not have a comprehensive understanding of its residents and has not set targets to ensure its staff, board members and the tenants it works with are representative. The association has not carried out equality impact assessments of its key policies or procedures and the approach to domestic violence and harassment is weak. The association's approach to ensuring equality of access for residents is mixed. However, leadership and focus on equality and diversity is improving and there are examples of services being shaped around the needs of individual customers.
- 35** The strategic approach to diversity is underdeveloped. While the association has an equality and diversity policy the action plan that underpins it is weak. For example, it is not SMART¹ with most actions relating to improvements in the Homefinder service rather the wider association. OHL has carried out no assessment to consider if it complies with the Statutory Code of Practice on Racial Equality in Housing.
- 36** Leadership and focus on equality and diversity is improving. There is a diversity champion on the Board and on the Executive Management Team. The association's approach to diversity is being driven by a recently formed steering group that is chaired by the Chief Executive. This group is now reviewing the association's approach to diversity issues and is developing a new diversity policy. This has been a missed opportunity to put equality and diversity at the centre of key developments.
- 37** OHL does not have comprehensive systems in place to ensure that it understands the needs or requirements of all its residents. The association collects limited information about its residents when they start their tenancies, but this is not updated. OHL has started a more detailed and accurate survey of its residents updating information on ethnicity, disability and the age profiles of households. To date only 30 per cent of the information has been collected and the association has a target to increase this to 80 per cent by September 2008. Until this exercise is completed the lack of full information on individual tenant needs restricts the association's ability to be confident that it is delivering services in a fair and accessible way.

¹ Specific Measurable Achievable Realistic Timely

- 38 The association's approach to ensuring equality of access for residents is mixed. No comprehensive access audits have been undertaken at the offices and it cannot be sure if it complies with the requirements of the Disability Discrimination Act. Positively the office does include some features that aid accessibility such as electrically powered doors, lifts and a lowered counter. However, the office has no hearing loop fitted and has no signs in Braille. OHL has not yet undertaken audits of any of its other properties, for example, common areas in sheltered housing schemes. Key documents such as the tenants' handbook are available in Braille and audio. However, not all leaflets contain translation panels, and where strap lines are used about translation services these are in English. Also important letters such as those threatening legal action for rent arrears do not contain a strap line in community languages to tell residents that the letter is about them losing their home. The website can be viewed in alternative formats and in some community languages but it does not provide audio descriptions of information and so is not fully accessible. There is a subscription to a translation service and staff are trained in its use. This inconsistent approach is not fully promoting access to services and information to residents with different communication needs.
- 39 There is a weak approach to ensuring that staff and partners reflect the community. OHL does not set or measure any diversity targets for its staff, the Board, contractors or the tenants groups it works with. However, Board members and staff have received diversity training. This limits the organisation's ability to demonstrate commitment to equality and diversity and demonstrate a fair and equitable service.
- 40 The approach to managing domestic violence and harassment is underdeveloped. There is no separate policy for domestic violence or harassment and while the tenancy agreement contains clauses referring to domestic violence and harassment these have never been used and training for officers in this area has been limited. There is little published information on domestic violence and no out-of-hours service. Officers do not have information on local refuges and information on domestic violence and harassment is not reported separately to Board.
- 41 The association has not carried out formal equality impact assessments of its key policies or procedures. Reports to the Board do not contain formal equality and diversity statements on the impact of each proposal and there are no plans to introduce a process at this time. However, Board reports do contain a limited section on equality and diversity implications. The lack of a comprehensive formal analysis of the reports is a missed opportunity to put equality and diversity at the centre of key activities.

- 42 There are examples of services being shaped around the needs of individual customers. While the strategic approach to diversity is underdeveloped we found a number of examples where it has shaped services around the need of residents. These include installing aids and adaptations as part of the planned maintenance programme, providing individual support to tenants in income collection and gas servicing and consultation with sheltered housing residents which has led to improvements at some schemes such as addressing storage problems for mobility scooters. This shows that on an operational level services are responsive to the specific needs of residents.

Stock investment and asset management

- 43 This is an area of strength with few significant weaknesses. The association has a robust asset management plan based on up-to-date information on its stock. Planned works are well publicised and customer-focused and are delivering significant improvement to tenants' homes. Satisfaction levels are high and OHL is on target to ensure all homes meet the decent homes standard by 2010. There are effective cyclical maintenance programmes and asbestos and other health and safety issues are managed well.
- 44 Future investment is supported by an up-to-date and robust asset management plan. The association has good information about its housing stock and works with tenants to agree how improvements will be delivered. Asset management has focussed on delivering the ten-year promise to tenants and meeting the 2010 decent homes standard. The service is on track to deliver these targets fully. Base line information was achieved from a 15 per cent sample survey and this has been enhanced by an in-house rolling programme to achieve a full coverage with 67 per cent having been completed to date. The service has two fully qualified surveyors carrying out this work who are also qualified as domestic energy assessors and also provide energy efficiency information for inclusion in new tenants welcome packs. This gives a robust foundation to plan future investment in the association's homes.
- 45 The current asset management plan covers the period 2008-2013 (updated in 2008). It demonstrates that investment decisions take full account of demographic trends, sustainability, an up-to-date assessment of stock condition and available funding. An annual financial check is carried out jointly with consultants to verify costs and evaluate the balance of the programme. A financial profile shows the expenditure for the five-year period. The plan takes full account of specific issues such as asbestos, affordable warmth, sheltered housing and non-traditional stock. This means that spending on the housing stock and other investments is targeted effectively.

- 46 The capital programme is generally focussing areas of risk and improvements that are important to tenants. Current improvements include work to increase levels of energy efficiency and thermal comfort as well as new kitchens and bathrooms. This is important as the energy efficiency of the associations homes remains in the worst 25 per cent of benchmarked organisations. This investment in the housing stock is reflected in the 2006 STATUS survey which showed that 86 per cent of residents said that the general condition of their property was good.
- 47 There are effective arrangements to deal with properties of a non-traditional build. 24 per cent of OHL's properties have not been traditionally built, of these 732 are Cornish units, 258 of these have been reinstated with traditional cavity wall construction as part of the planned maintenance programme. There is a programme to address the remainder that has been agreed with residents that will deliver improved insulation and other improvements such as new kitchens and bathrooms. This is making the homes more comfortable for tenants and helping to improve energy efficiency.
- 48 Tenants are kept well informed about the planned maintenance programme. Before the start of the year the roll-forward five-year programme is published in Street Talk and on the Ocean website so that residents can see when their homes are likely to receive investment works. At the same time, all tenants who are in the new financial year's programme are advised in writing of the works proposed and what is entailed. Approximately four weeks before the works are due to commence they are advised again of the works to be carried out and by whom and this is followed up by visits. This enables tenants to make appropriate arrangements such as when to plan decorating or holidays.
- 49 OHL is investing appropriately in its planned maintenance programmes. There is a regular external maintenance programme carried out to all proprieties every five years - this comprises external painting if required and a programme of pressure washing and includes gutter clearing, cleaning fascia boards and PVC window frames, roof cleaning and repairs to communal fencing and estate lighting. This ensures properties are in good condition and reduces the need for reactive repairs.
- 50 The planned maintenance programme is well managed with projects completed generally on time and on budget. The split between planned and responsive works for 2006/07 is currently 64:26 planned to responsive which is consistent with the good practice as recommended by the Audit Commission; this performance has been consistently achieved over the last three years. This shows that investments in cyclical and planned repairs are reducing the need for more costly and inconvenient responsive repairs and financial resources are being used to deliver improvements.

- 51** There are some positive and customer-focused aspects to the planned maintenance service. Tenants can choose kitchen units, decorations and additional work and can have showers fitted in all new bathrooms and tenants we spoke to praised the customer focus of the workforce. However, in some instances the overall quality of the work is reduced by the use of mini trunking on electrical installations and unboxed pipe-work. Tenants are given the opportunity to pay for additional items to be fitted at the time that responsive works completed and be recharged. The service is also achieving high levels of tenants' satisfaction with 93.7 per cent based on a return rate of 45 per cent. This improves the responsiveness of the service.
- 52** OHL has an effective approach to cyclical maintenance and servicing and the management of asbestos. There is an asbestos strategy and register and an asbestos management plan which covers staff training, use of hazard warning labels, emergency arrangements and monitoring and review procedures. Contractors are told about the presence of asbestos via repairs orders and in instances where the risk is considered to be high and disturbance is likely, OHL arranges a programme of removal. There are contracts in place for the regular maintenance of fire safety equipment, lifts and water tanks. There is a ten-year planned programme to inspect and refurbish electrical components in tenant's homes and in November 2007 the service was awarded the National Home Improvement Council Gold award for Electrical Safety.
- 53** The association has been positive at promoting a range of environmentally friendly initiatives. Ocean participated in the 'Eco Homes XB'¹ project to inform its future approach to asset management however the pilot is still at the early assessment stage. The association has also piloted the use of ground source heating in a number of its homes away from mains gas. These initiatives increase the sustainability of homes and estates; they can also reduce the utility bills and service charges paid by residents.

Responsive repairs

- 54** We found that strengths outweigh weaknesses. Satisfaction with responsive repairs is high; works are carried out promptly mostly by appointment. Staff are multi-skilled and demonstrate a strong customer-focused approach and repairs are easy to report.
- 55** OHL is achieving strong performance with responsive repairs. For example its performance is in the best 25 per cent of associations in 2007/08 for the following: completion of emergency repairs within 24 hours at 99 per cent; completion of urgent repairs within seven days at 97 per cent; and number of jobs (where it is possible to make an appointment) where the appointment was made and kept 99 per cent. This provides a good level of service in what is an important aspect of the relationship between tenants and their landlord.

¹ Eco Homes XB is a system of assessing the energy efficiency of homes

- 56** A high number of repairs are being completed during the first visit to tenants. Generally operatives are multi-skilled so that the large majority of repairs 88.5 per cent in 2007/08 are completed at the first visit. The number of pre-inspections is also low at 7.7 per cent in last three months of 2007/08 which is helping to reduce the disruption to customers. Approximately 60 per cent of non-urgent repairs are appointed and means that only 2 per cent of visits cannot be completed because the tenant is out when the operative calls. This is reducing the inconvenience to tenants and improving efficiency for the association.
- 57** It is easy for tenants to report responsive repairs. Service standards are set out in the Tenants Handbook and Street Talk newsletter including out-of-hours arrangements. Repair requests can be made by telephone, in person, via the OHL website or more recently by text. Requests for service are handled in Ocean's own call centre which has access to a computerised ordering system and a diagnostic repair tool. This allows staff to accurately diagnose a repair and to offer an appointment there and then for both pre-inspections (where this is necessary) and all non-emergency repairs which require the tenant to give access. However, appointment slots are limited to weekday mornings or afternoons. This may make it more difficult for tenants who work office hours to access services.
- 58** Ocean Services responsive repairs service is well managed. Duplication between client and contract staff has been reduced, such as the low numbers of pre-inspections. Outcomes are closely monitored along side costs and levels of tenants' satisfaction. Regular monitoring between the client and contractor take place and reports provided through to the Executive team and Board. This has also been undertaken with two benchmarking clubs and by comparisons of repair costs to ensure that the contract is offering value for money and the costs of repairs are in the best 50 per cent of benchmarked organisations.
- 59** OHL notifies tenants of the repairs to be carried out and enables tenants to exercise the right to repair. Letters are sent to tenants to confirm both the appointment and the work that has been ordered. This reminds tenants of the appointment, the work that has been ordered giving an opportunity to query this and the information about the right to repair if the work is not carried out within statutory timescales.
- 60** The association is not benefiting from good levels of customer feedback. The robustness of data on levels of satisfaction with the repairs service is not strong due to the low number of returns - this is currently running at around 13 per cent although satisfaction levels reported are high. Apart from the postal survey the service does no follow up work to try to increase the number of tenants that are providing feedback on the service. Comprehensive feedback enables the association to identify areas for improvement.

Empty (void) property repairs

- 61** We found that strengths significantly outweigh weaknesses. Performance in reletting empty homes is strong and costs are reasonable. Properties are generally relet at an acceptable standard in line with published standards. Arrangements for new tenants are customer-focused. However, customer feedback is not collected consistently and used to drive improvement.
- 62** Performance with reletting empty homes is strong. In 2007/08 it took an average of 10.7 days to relet empty general needs housing and 11.6 days to relet supported housing. This puts Ocean among the top 25 per cent of associations in terms of performance. This performance is particularly strong as the average cost repairing an empty home is £1,230 which is also in the cheapest 25 per cent of benchmarked associations. This is providing new homes to people waiting in need and is reducing the rent lost to the association.
- 63** New homes are let at an acceptable standard in line with agreed and published standards. OHL has agreed a letting standard with tenants and prospective tenants and the homes ready for letting that we visited met this standard. This standard is supplied in a new tenants' pack for all prospective tenants. However it is quite basic and some details are missed for example giving information about what tiling can be expected in kitchens. OHL has an of appropriate decoration allowance of up to £340 per home that provides incoming tenants with decorating materials which can be obtained from a large DIY chain. Gas and electrical safety checks are carried out while the property is empty and certificates are sent to the new tenant. This is providing new tenants with good quality new homes.
- 64** The arrangements for new tenants are customer-focused. There are accompanied viewings for all offers of new accommodation. A useful welcome pack with a range of grocery items such as tea and coffee is provided in an ecologically friendly Ocean branded re-usable shopping bag which also contains several energy efficient light bulbs. All tenants receive a series of settling in visits at one, six and eleven months after they move into their new homes. This helps tenants to settle successfully into their new home.
- 65** Pre-termination inspections are effective in reaching agreement with the outgoing tenant on responsibility for any repairs. The voids inspector visits properties promptly on receipt of notice and identifies those repairs which are the tenant's responsibility. It also provides an opportunity to reach agreement on providing access to contractors prior to the end of tenancy. This speeds up the reletting process and gives tenants the opportunity to avoid recharges.
- 66** A pragmatic approach is taken to carrying out decent homes work when a property is void. It is not routine to bring an empty property up to the decent homes standard when it is empty however, each property is considered individually. The voids officer checks the programme to establish when work is due to be carried out and will liaise with the contractor to see if it is possible to bring the property forward in the programme without unnecessary delay in reletting.

- 67 The collection of information from new tenants is not used to drive service improvements. The association does not ask all new tenants about the lettings process. The limited surveys that have been conducted have shown conflicting information with tenants' satisfaction with their new homes varying from 49 to 67 per cent. There has been no work to understand this apparent variation or what it means for the service. As a result OHL can not be sure it is shaping the void repair service around its tenants.

Gas servicing

- 68 This is an area of strength. Almost all properties have valid gas safety certificates. There are robust procedures in place to gain access and good information for tenants.
- 69 OHL is achieving a high level of performance in gas servicing. At the time of the inspection 99.6 per cent of homes had an up-to-date gas safety certificate issued. The longest case where a certificate was out of date was five months (and in this case the supply had been capped). OHL is therefore taking the safety of residents seriously and ensuring this through effective arrangements with its contractor.
- 70 There are robust procedures in place to gain access. There is a well written escalation procedure that is sensitive to vulnerable residents; case files demonstrate effective working with support services, including the Community Mental Health team to resolve access issues. There is also the use of 'flags' on the IT system to alert staff when tenants contact OHL prompting staff to make gas servicing appointments. OHL also offers some late and weekend appointments however, this service is not routinely advertised. This is helping to ensure that gas appliances are in good repair and are working safely.
- 71 OHL provides a good level of information about gas safety. There are regular articles in the tenants' newsletter. Letters to arrange appointments are clear and set out the importance of providing access for the contractor. The tenants' handbook has also been amended and this also informs tenants of dangers from lack of gas servicing, the importance of providing access for the service to be carried out and the dangers of sleeping in rooms with fixed gas appliances.
- 72 However, OHL does not offer gas servicing to leaseholders and has not been successful in establishing if leaseholders are carrying out regular gas safety checks. This is an area of opportunity for the association but also there is a risk to tenants if a leaseholder's appliance is not safe.
- 73 Some aspects of the association's approach do not reflect national good practice. For example, there are no servicing arrangements in place to maintain the hard wired smoke detectors that are being installed as part of the electrical refurbishment programme. This limits the impact of gas servicing programme to improve the overall safety of tenants.

Aids and adaptations

- 74** This is an area where there is a balance of strengths and weaknesses. Minor adaptations are generally delivered quickly but while the approach to major adaptations is improving some tenants have to wait a long time for their needs to be met. The information provided to tenants about the adaptations service is limited.
- 75** Performance delivering minor adaptations (under a value of £500) is good. These are carried out quickly by OHL and without the need to go through the DFG application process. During 2007/08, 90 requests were received and 85 per cent of these were completed within the 20-day target as a result there is no waiting list for minor aids and adaptations. Satisfaction levels high with satisfaction reported at 100 per cent. This is improving the quality of life for some vulnerable residents.
- 76** OHL is improving its approach to the installation of larger aids and adaptations. Since 2008/09 OHL has installed all aids and adaptations for its residents including larger works which are eligible for a DFG. The target for this work is 40 days although this has only been achieved 57 per cent of the time. While this is a positive new approach. OHL records show that seven tenants have been waiting since 2006 for adaptations. While these delays are in part caused by blockages in external agencies the association have said that the backlog of work with larger aids and adaptations will not be completed until the end of 2008. Also it has taken up to six weeks for OHL to undertake the initial assessment visit to specify the work. This will enable residents with physical disabilities to live successfully in their homes.
- 77** There are appropriate budgets for the aids and adaptations service. Smaller aids and adaptations are carried out as part of the responsive repairs service. In 2007/08 127 such adaptations have been carried out at a cost of £17,000. Given that larger adaptations are normally eligible for a DFG from RBC, funding is appropriate. This allows work to be completed quickly.
- 78** There is a reasonable approach to partnership working to improve management of aids and adaptations. As well as the discussions with RBC there are now regular meetings with Occupational Therapist's and key partners in the process and discussions are taking place to see how blockages can be removed in the process during these meetings are also used to prioritise urgent need for example to allow hospital discharge. This is delivering a more customer-focused joined up service.
- 79** The service has some features that have helped to make the service more effective. Ocean services employ a dedicated team for such work and the staff have received external training on the assessment and delivery of minor aids and adaptations which means that for some work, tenants are not having to wait for an Occupational Therapist assessment. The service is also recycling aids and adaptations which have delivered savings of £16,000. These initiatives are helping to speed installation and reduce waste.

- 80 There is a lack of published information about the aids and adaptations. The service is not widely publicised although there has been some information provided in the tenants newsletter, and there are no service standards produced indicating what tenants can expect. There is also a lack of clarity in the published information about the role of councils in meeting tenants' needs and their right to apply for a disabled facilities grant from the council, this does not reflect national good practice.

Income management

- 81 This is an area where weaknesses outweigh strengths. The strategic approach to debt recovery is underdeveloped. The association's approach to providing both welfare advice and financial inclusion work is underdeveloped. There is a weak approach to service charge collection. Customer feedback is not consistently used to drive improvement, there are no published service standards and partnerships with councils and advice agencies are underdeveloped. However, performance on rent arrears and recharges is strong. There are effective procedures in place and OHL is promoting the most cost effective methods of rent collection.
- 82 The strategic approach to debt recovery is underdeveloped. The association has no corporate debt policy which sets out its approach to debt recovery. During 2008/09 a total of 15 tenants were evicted for rent arrears and the association can not demonstrate that it has provided effective support to residents to manage their rent accounts. This may mean that there is an inappropriate balance between enforcement and the support offered to tenants.
- 83 The approach to the provision of welfare advice is weak. While staff have had some training on welfare advice they do not have access to comprehensive information or specialist advice. While tenants are signposted to welfare advice services, OHL has no formal monitoring or funding arrangements in place with these agencies and as a result it can not be certain that residents are able to access good advice quickly. Without good quality advice tenants may miss out on money they are entitled to or may fall into rent arrears unnecessarily.
- 84 The association's approach to financial inclusion is underdeveloped. While there have been some limited discussions with local credit union this has not been formalised and as a result tenants are not signposted to its services. This means tenants may be poorly informed and borrow money from expensive sources, ultimately leaving them with less money to manage their household bills including the rent.
- 85 The association has not developed service standards and does not routinely monitor satisfaction with the income collection service. There are no clear service standards for rent and service charge collection. Additionally, feedback from customers is not being used to drive improvements, with no record of customer satisfaction with the income collection service. These gaps mean that tenants are not well-placed to judge the performance of the service and that the association cannot shape its services around the needs and aspirations of its residents.

- 86 The provision to leaseholders is underdeveloped. Until March 2008 the services to the association's 100 leaseholders were spread across the organisation. A specialist Leasehold Manager has been recruited to develop expertise and ensure leaseholders receive a consistent and high quality service and that the association meets its legal and financial obligations.
- 87 There is a weak approach to service charge collection. OHL does not separate service charges from rent income and does not record separate performance for its collection. Service charge income reflects the cost of providing services such as grounds maintenance although this is done on a pooled basis with virtually all tenants paying a fixed charge of 94 pence per week irrespective of the actual services they receive. However, the association has recently employed a new member of staff to address these issues. This lack of clarity makes it difficult for tenants to be sure that they are receiving value for money from the services they receive.
- 88 OHL does not use information proactively to minimise arrears. The association is not using tenant profile information at key stages such as at notice seeking possession and eviction stage to identify patterns of arrears and take preventative action. This means that the association is potentially missing out on opportunities to minimise debt.
- 89 Partnership working with housing benefit departments is underdeveloped. OHL does not have service level agreements with all the housing benefit departments where it holds significant stock and does not have arrangements in place for undertaking housing benefit verification. However, the association meets regularly with housing benefit departments to discuss performance and issues of mutual concern and there are some examples of fast tracking of housing benefit claims and joint training between OHL and Restormel Borough Council. An effective partnership with Housing Benefits departments helps residents to access benefits and reduces the debts to the association.
- 90 There is a broad range of payment methods and OHL is effectively promoting more cost-effective methods of rent collection. Tenants can pay rent by cheque or electronically by debit card at area offices, shops and at post offices. The cheapest method of payment, which is direct debit at two pence a transaction is promoted, at sign up and in newsletters. These actions have resulted in an additional eight per cent of tenants opting to pay by direct debit since September 2007. This increases the cost effectiveness and customer focus of the rent collection process.
- 91 To maximise the cost effectiveness of the service and to reduce the costs charged to tenants, OHL carries out all legal work in-house using its housing staff rather than specialist legal staff. The association is introducing rent payment incentive schemes to increase rent collection and reduce arrears. As a result OHL is helping to increase the rent collection and reduce arrears.

- 92 Performance with the collection of rent and arrears is strong. At the end of 2007/08, the amount of rent collected was 99.9 per cent which is in the best 25 per cent of housing organisations in the benchmark group while total arrears stood at 1.9 per cent of the total rent debit and the total which also placed OHL in the best 25 per cent of benchmarked organisations. The collection of rent gives the association the resources it needs to deliver services to residents.
- 93 The collection of income other than current rent is reasonable. During 2007/08, 20 per cent of the recharges raised were collected, and in the first three months of 2008/09, 17 per cent of former tenancy arrears were collected. Maximising all income enables the association to focus on its strategic priorities.
- 94 The service has effective procedures in place but the IT system does not support efficient working. There are clear procedures for income management. The rent arrears policy for current tenants is supported by effective working procedures which are clear and accessible to staff. However, the IT system does not fully support the rent arrears processes and currently will not automatically prompt staff to take action, this will be addressed when a new IT system is introduced in 2009. This adds to administrative burdens and potentially allows an inconsistent approach arrears recovery action.
- 95 The information provided to tenants about their rent and service charges is mixed. The rent statements are issued quarterly and rent arrears letters have useful information about sources of welfare advice printed on the rear. However, tenants do not receive clear leaflets about their rents and service charges, leaflets do not contain strap-lines in community languages and there is no automatic production of letters in larger print or alternative formats. This is not helping residents to understand their rent payments and sources of welfare advice.
- 96 Some aspects of the income collection services are being shaped around the needs of vulnerable residents. The association refers tenants to social services, the Housing Options Team at RBC and the Community Mental Health Team as appropriate before eviction. In addition, all escalation of the arrears process subject to managerial approval. Visits are emphasised within the rent collection policy to replace letters where sight or literacy is a problem and letters. Effective and fair income collection services need to ensure that they respond to the needs of all residents.

Tenancy and estate management

Tenancy management

- 97 There is a balance of strengths and weaknesses in this area. Clear procedures are in place for dealing with anti-social behaviour (ASB). A broad range of remedies are used to tackle problems and partnership working is effective. However, performance management is underdeveloped and the use of service standards, monitoring customer satisfaction and promoting the outcomes of its work are all areas for improvement. In addition, the association has not reviewed its tenancies to ensure that they reflect changes in legislation.

- 98 There are detailed and comprehensive policies and procedures for dealing with ASB. There is a clear and up-to-date policy around anti-social behaviour, setting out how cases will be handled. The policy reflects the needs of the association's more vulnerable residents and underlines the need to identify support for vulnerable individuals responsible for ASB. The policy follows a victim-centred approach to dealing with incidents and allows staff access to a wide range of remedies. These procedures include good guidance for staff in dealing with ASB and ensure a consistent response to tenants.
- 99 A range of preventative approaches are used to combat anti-social behaviour leading to some good outcomes. A mediation service is contracted for annually and this was used on 13 occasions in the period 2006-2008 to encourage tenants to discuss their problems and reach mutually agreed solutions. The service has been able to demonstrate some outcomes with 62 per cent of cases leading to a written agreement with the parties involved. The association has also invested in other initiatives, for example Community Action Days have had a positive impact on communities with 42 skips of rubbish removed on the first Community Action Day. The association also employs, in partnership with RBC, two community wardens on an estate that historically had issues with ASB. The police have reported a reduction of 24 per cent in reported crime since the introduction of the community wardens. The use of a range of techniques demonstrates a balanced and effective approach to dealing with anti-social behaviour.
- 100 OHL uses a reasonable range of preventative and non possession approaches are used to combat ASB and is prepared to enforce tenancy conditions where appropriate. Enforcement against perpetrators of ASB is used as a last resort but there is a track record of doing this and there have been four evictions and a demotion order awarded in the last year. The association uses injunctions, starter tenancies, mediation provided by an externally funded agency and refers tenants to floating support services. Anti-social Behaviour Orders and Acceptable Behaviour Contracts have been obtained in partnership with the Multi-agency ASB Group work and one new Anti-social Behaviour Order and five new Acceptable Behaviour Contracts were issued during 2007/08. The association can also demonstrate that these approaches have been effective and part of a balanced approach to dealing with ASB.
- 101 There is a mixed approach informing residents about anti-social behaviour. A well produced leaflet, which forms part of the residents' handbook, provides information about the subject including how to report it and the processes that will be followed. It is realistic about the time element of resolving issues. Some limited information is available on the web site and the policies and procedures are available from the office. However there are no arrangements to provide support to victims of domestic violence or hate crimes outside of normal office hours and there are no published service standards. There are no published service standards for anti-social behaviour processes. The association has recognised this gap and a new leaflet contains a section detailing the standards of service to expect is being drafted. There is no monitoring of the satisfaction of residents with anti-social behaviour processes despite a system having been established to record this information. Effective information ensures that there is clarity for tenants about both ASB and the sanctions available.

- 102 OHL has undertaken some limited promotion of action on ASB. This has included having regular articles in the residents' newsletter; this ensures that the wider community knows the sanctions are used where necessary.
- 103 OHL is working effectively in partnership with other organisations to tackle ASB. The association chairs and hosts the local Crime and Disorder Reduction Partnership which is a multi-agency group which addresses ASB in Restormel and attends the same meeting in Penwith where it has its second highest concentration of stock. There are also a number of joint working initiatives with the Police and the Youth Offending Team which have led to the ASB partnership group which has been responsible for obtaining Acceptable Behaviour Contracts and Anti-social Behaviour Order's by working in multi-agency partnerships.
- 104 OHL is developing its response to the Respect Standard for housing management. It has signed up to the standard and completed a comprehensive self-assessment against it. The main development shortfall identified was the need to improve record keeping which is being addressed through improvements to the ICT system. The Respect standard is a useful way for organisations to consider their approach to dealing with ASB in a joined up way and maximises the effectiveness of community resources.
- 105 There is limited monitoring of anti-social behaviour case management. The reporting of incidents of ASB is not collated in a strategic fashion for example by identifying trends or highlighting 'hotspots'. Cases are opened and closed by housing officers without any record if this action has been agreed by tenants. The association does not formally monitor satisfaction with cases and can not be sure that it is addressing the concerns of tenants effectively, and officers are currently asked to self assess their own performance. While the cases we examined during the inspection were handled reasonably well, it is not possible to be sure that this is always the case. This lack of recording of action taken and of effective casework management is a weakness in the service.
- 106 There are some areas where OHL has been slow to review its housing services in line with national best practice. The association has not checked its tenancy agreements to ensure they do not contain unfair contract terms or they are compatible with civil partnerships and there has been no review of the use of introductory tenancies and it has not developed a community cohesion strategy and action plan. Without regular review there is a possibility that tenancy agreements will become unenforceable or the opportunity to deliver more customer-focused services will be missed.

Estate management

- 107 We found that this is an area of weakness. Some communal areas are in an unsatisfactory condition and the standard of grounds maintenance is in some areas poor. The estate inspection programme is underdeveloped. However, the quality of sheltered housing is reasonable.

- 108** The condition of communal areas in flats is inconsistent and in some cases unsatisfactory. A number of communal areas in flats were in poor order. These communal areas were characterised by litter, general dirt, fly tipped furniture and rubbish, broken windows and damaged communal doors. Many sheds and storage areas are filled with rubbish and many have poor paintwork. Some of these issues such as broken glass and rubbish dumped in stairwells presented clear health and safety risks to residents. There are some more positive examples of communal areas within sheltered housing and in the two schemes with a caretaker or a cleaning service. The association's tower block is very well maintained and the overall appearance of housing estates is satisfactory. Following the inspection the association immediately put in place a new programme of inspections to address the issues identified during our visits. However, overall the experience of some people living in blocks of flats is unsatisfactory.
- 109** The standard of grounds maintenance is inconsistent and in some cases poor. During the inspection we saw many common areas around flats with overgrown grass and virtually all pathways and laundry drying areas were characterised by weed growth. The contract for grounds maintenance was procured in January 2008 and regular monthly meetings are being held with the contractor. However, these are not yet being reflected in a good quality of service. The quality of grounds maintenance on sheltered housing schemes and housing estates was more positive. The quality of grounds maintenance is an important part of the visual appearance of estates and contributes to overall satisfaction with an area.
- 110** The estate inspection programme is underdeveloped and ineffective. The estate inspection programme is only run annually with each scheme receiving a single formal visit. In addition, there is limited resident involvement with only tenants who are members of the virtual Panel invited to attend. There is limited involvement from other agencies with an inconsistent approach to inviting other partners such as the local council or Ocean Services. Outcomes are not widely advertised and there is no direct funding is attached to the programme. Estate inspection programmes are effective in helping residents manage and develop the neighbourhood where they live and can foster an effective engagement with their landlords.
- 111** The approach to estate improvements is underdeveloped. While there is a budget of £25,000 for estate improvements spending decisions are made by housing staff with little input from residents. The budget is not advertised and there are no formal arrangements for residents to or their associations to put forward suggestions or bring forward their own schemes. Estate improvement funding helps residents to engage in 'place shaping' the neighbourhoods in which they live.
- 112** The sheltered housing service provided to supported tenants is of reasonable quality. The service has been externally validated and all services have been assessed as being at level 'C' a fair service on the Quality Assessment Framework conducted by the Supporting People team. The service has been given an independent quality accreditation by the Centre for Sheltered Housing Studies. Overall satisfaction in supported housing is high at 92 per cent in 2006.

Is the service delivering value for money?

- 113 This is an area where strengths outweigh weaknesses. Comparisons show that overall costs are below average and resources are focussed on frontline services. In turn, frontline services costs are generally consistent with quality. There is a high level of understanding and awareness of the need to improve value for money across the organisation. Costs are understood and budgets are managed well. The association has used procurement to increase value for money and has secured external resources and improved its borrowing arrangements. However, the strategic management of value for money is relatively new and achieving value for money has not yet been embedded in the organisation's performance management systems.

How do costs compare?

- 114 Comparisons show that overall costs are below average and resources are focussed on frontline services. The association has a good understanding of its costs and how they compare at a service level through the use of benchmarking including detailed benchmarking of repairs costs. Overall operating costs identified by the Housing Corporation are below average. At a service level benchmarking information shows that the overall costs are near average for the following indicators:

- total core overheads per property;
- overheads as a percentage of turnover; and
- pay costs per property.

Managing central costs allows the organisation to focus its resources on delivering frontline services for residents.

- 115 For frontline services benchmarking shows that costs are generally consistent with quality. That is, in areas where costs are above average performance is comparatively good while some of the association's worst performing services are among the cheapest in benchmark group. For example in 2006/07 OHL was in the lowest cost 25 per cent of benchmarked group in the following activities:

- empty property management;
- tenancy related housing management cost per property; and
- arrears management cost per property.

In the following areas costs were above average in the benchmark group:

- major and cyclical repairs management percentage of spend; and
- average cost of responsive repairs.

- 116** OHL is achieving a competitive price for its repairs. The association has compared its repairs costs benchmarking using the average costs of a basket of jobs. The analysis shows that the cost of the responsive and void basket of jobs was in the best twenty five percent of benchmarked associations and the cost of a basket of gas, cyclical and planned jobs were near average cost. Repair costs are the largest part of the associations spending and effective control allows the organisation to focus on delivering effective services for residents.

How is value for money managed?

- 117** There is a high level of understanding and awareness of the need to improve value for money across the organisation. Staff are clear about the drive to contain costs and make savings. This has been driven in part by pressure on the business plan caused by restrictions on rent increases that meant that the organisation had to reduce management costs by £300,000 (13.5 per cent) per year. The need to identify and deliver savings is actively managed with savings of £284,000 for the Ocean housing Group overall, achieved against a target of £170,000, in figures reported to the Housing Corporation in 2006/07. Of this figure £204,000 is considered to be recurring.
- 118** The association's budget setting and management processes are robust and challenge managers to justify their costs. In developing the budget, managers are subject to challenge to justify spending and are expected to produce sufficient evidence to show the necessity for services and other costs. While there is more to do to help managers prepare fully thought through business cases as part of budget setting, the approach has helped to drive out efficiencies. For example staff savings of £12,000 and improved performance on empty properties of £10,000. This is reducing costs and freeing resources for other services.
- 119** The strategic management of value for money is relatively new and has not yet been fully embedded in the organisation's performance management systems. A value for money strategy was only recently adopted and improvements are now being made to the monitoring and scrutinising of value for money. The Audit Committee are now responsible for the monitoring and scrutinising of reviews of services. This will be supplemented by the development of a new scrutiny panel. However, achieving value for money has not yet been fully embedded in the organisation's performance management systems for example, by setting targets for improving value for money as part of managers' appraisals and setting teams' value for money targets as part of annual service planning processes.
- 120** The association is able to demonstrate positive approach to the procurement of goods and services. OHL has used procurement to deliver positive financial outcomes which include a £340,000 overall saving on its original budget for meeting the five-year promises to tenants. These savings have been achieved while at the same time bringing forward the repairs programme to its non-traditional homes from 30 to 15 years.

- 121** OHL understands its costs through routine benchmarking with other southern housing associations and has used this information to improve value for money and target resources. The data focuses both on costs and outcomes and is regularly reported through to Board members and executive management team and the Tenants and Residents Advisory Panel. Ocean Services' costs are being benchmarked looking at both costs and outcomes. Analysis shows that compared with other associations in the group a representative basket of repairs were at average cost or better across all services. This is helping OHL to understand its performance and whether it is achieving value for money. This is helping the association to control its costs and achieve value for money.
- 122** The association has not yet demonstrated good value for money from its in-house service through market testing, but has good mechanisms in place to compare costs. Currently the approach is to use the external work as a way of comparing costs and internal work is charged using a national schedule of rates and by using another benchmarking club which provides comparisons with other direct service organisations. This is helping the association to control its costs and achieve value for money.
- 123** OHL has some limited success in involving tenants in value for money decisions. Tenants formally feed in to the annual budget setting process via the Tenants and Residents Advisory Panel. The Board takes note of information provided through tenants' surveys and in some cases areas of concern highlighted by the tenant's panel. For example in last year's budget it was clear that tenants were not happy with the standard of grounds maintenance and a new enhanced tender was agreed and contract put in place and the programme of central heating installation was brought forward for sheltered housing. This is helping to concentrate the association's resources on areas that are important to tenants.
- 124** The association has had some success in securing external resources to increase its capacity. Examples include during 2007/08, OHL received energy performance certificate pilot which brought in £16,000; energy efficiency grants of £32,000; funding for ground source heat pump pilot £35,000; and help to fund the Street Warden Scheme of £20,000. The association has been able to supplement its own funds with income from other sources with which it has been able to improve and expand its services.
- 125** OHL has improved the cost effectiveness of its borrowing arrangements. OHL has recently successfully refinanced its loan portfolio borrowing at a lower rate and using the same assets to secure additional resources. The effective management of financial resources will ensure that the organisation is able to fund new development and the running of the business.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 126** There are more strengths than weaknesses in this area. The association has delivered some significant improvements to tenants' homes, in line with the original tenant promises, at reduced cost. Performance indicators show a sustained track record of improvement including levels of satisfaction. However, there are some areas where improvements have not been implemented as quickly as in other housing organisations, for example in estate management and the cross-cutting areas of equality and diversity and customer access.
- 127** The association has been able to sustain high levels of delivery in some of its key performance indicators in recent years. Performance at OHL has been among the best performing 25 per cent of benchmark organisations in a number of areas including: urgent and routine repairs completed in target; time to relet empty properties; and overall satisfaction with OHL as a landlord.
- 128** OHL has delivered some significant improvements to tenants' homes in line with the original tenant promises. Satisfaction with these services is high and savings of approximately £1 million were made on the original business plan. For example:
- delivering £38.9 million of improvements to tenants' homes for example, through programmes of double glazing, central heating, new kitchens and bathrooms. This has led to an improving level of compliance with Decent Homes Standard and improved the quality of tenants' homes;
 - delivering significant improvements in the repairs service with a number of customer-focused improvements; and
 - significant reduction in the time taken to relet empty homes.
- 129** However, the rate and scale of improvement has not been consistent across the organisation. Examples include estate management and the cross-cutting areas of equality and diversity and customer access. In other areas there have been some positive investments that are yet to result in clear outcomes for residents for example, resident involvement.
- 130** The progress on improving value for money is generally positive. There is a growing awareness of value for money across the organisation and there are a range of initiatives that are improving the efficiency of the organisation and quality of services for tenants. Significant savings have been made.

How well does the service manage performance?

- 131 This is an area where strengths and weaknesses are in balance. OHL has a clear vision with realistic and robust ambitions underpinned by clear and challenging aims and targets. There is effective leadership of the service and the Board and Executive have demonstrated a willingness to take difficult decisions. Future plans demonstrate a high degree of self-awareness and there is effective risk management. Arrangements for performance reporting, service planning and staff appraisals are generally sound although there are some weaknesses in application. The approach to learning from other organisations is good but importantly OHL is missing opportunities to learn from customer feedback.
- 132 The organisation has a clear vision with realistic and robust ambitions that are underpinned by clear and challenging aims and targets. The business plan is robust and is reviewed annually and sets financial targets for the organisation over 30 years. The three-year corporate plan written in 2008 sets a clear vision for the organisation and sets objectives for the medium term.
- 133 Leadership of services from both the Board and Executive Management Team is strong. The Board is made up of suitably qualified and experienced professionals with the range of skills necessary to provide effective leadership and support. They are supported by an experienced Executive Team. The working relationship between the Board and officers is positive and there is a clear commitment to working together for a common purpose. Strong leadership makes the association well-placed to manage the challenges ahead.
- 134 The Board and Executive have demonstrated a willingness to take difficult strategic decisions. For example, the Board negotiated with RBC to forgo their automatic rights to nominate Board places which were part of the original transfer agreement. In another case the association took the council to court and obtained a substantial financial settlement following a dispute over the terms of the transfer agreement. These were difficult decisions which carried some political sensitivity. However, the changes have resulted in a service that is now better placed to meet the future needs of residents with a Board with a better balance of skills and expertise.
- 135 OHL's future plans demonstrate a high degree of self-awareness and address many of the weaknesses identified in earlier part of this report for example:
- it identifies the need to address issues in the communal areas of flats and there is a programme in place to offer residents a contract cleaning service;
 - it sets targets for improving the associations approach to diversity including an update of the strategy and a completion of the diversity 'census'; and
 - market test the repairs service to ensure they are delivering value for money.

This shows a clear plan for moving the organisation forward and addressing areas of weakness.

- 136** There are effective risk management arrangements in place. Key housing risks, such as rental income, the continuity of the repairs and maintenance services, fraud and contract management have been identified and a detailed list of contingency actions put in place and monitored. A report on their implementation shows good progress. This is helping the association understand and have some control over the risks that face the business and its customers.
- 137** OHL has a systematic approach to reviewing service areas. A best value review programme has been in place since 2000/01. Services that have been reviewed include cyclical maintenance and empty homes. However, some reviews have failed to address weakness in services. For example, the disabled adaptation service was reviewed in 2004 but weaknesses remain as highlighted in the earlier sections of the report. Robust processes will ensure that there is a focus on improvement and the delivery of clear outcomes.
- 138** The approach to learning from other organisations is good. OHL is a founder member of an Advantage South West, a procurement club which is developing new more efficient methods of procurement and its membership of a Personnel and Training Officers Group has led to Ocean jointly securing an Employee Assistance Programme, sharing costs of the service. There have been exchanges of information with the Northern Ireland Housing Executive which was used in the introduction of the eco homes XB initiative. However, some services have not learned from national best practice or learning from their own experience, for example, in its approach to income collection or diversity.
- 139** OHL is missing opportunities to learn from customer feedback. The association's opportunities to learn from resident feedback are not yet fully evolved with gaps in some areas such as tenancy management or income collection and new formal resident involvement structures are only evolving and can not yet consistently demonstrate outcomes.
- 140** The service planning framework is satisfactory but there are some weaknesses in its application. Positively each service has its own individual service plans but these are not fully SMART. For example the service plans do not identify the resources required to enable actions to be achieved and some outcomes are not always clear. Targets within the performance plan for the Chief Executive include 'Promote Health and Safety awareness throughout the Group' and 'Review the structure and efficiency of the Group'. However these important organisational targets were not supported by clear outcome measures or the identification of resources.
- 141** The association is using its staff appraisal system to actively manage performance. All staff have regular appraisals that measure performance against clear criteria. However there are some areas for improvement in that not all appraisals consistently linked to wider service plans. There is a risk that staff will not have a clear sense of how what they do contributes to the association's wider aims and ambitions.

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- 142 There are some gaps in performance reporting. Generally performance reports provide sound information for decision-makers although there are some areas for improvement. The OHL Board receives a comprehensive suite of performance information on a quarterly basis. However, these reports do not routinely include benchmarking information and in some cases detail is omitted for example in respect of customer service standards.
- 143 Little information is provided for residents about performance. The annual review sent to tenants gives some data about performance but this is limited to four key statistics and contains no benchmarking information. More generally, the annual reports are well presented and informative, focusing on how services are being developed and financial statistics. However, there is no information about performance against service standards and general performance information is not presented in a way that is easily accessible. None of the last year's editions of the residents' newsletter contains information about performance. This limits the ability of residents to understand or challenge performance and will remain a drag on service improvements going forward.

Does the service have the capacity to improve?

- 144 This is an area where strengths outweigh weaknesses. The financial capacity of the organisation is strong and has been recently enhanced. Staff capacity is also strong, staff are well trained, morale is high and there are low levels of turnover and sickness. The association uses procurement and is investing in new ICT to help increase capacity. OHL is also increasing its capacity through partnership work but is not maximising the capacity of its residents.
- 145 The financial capacity of the organisation is strong and has been recently enhanced. A finance package finalised during the inspection process will deliver £100 million of funding to support the associations activities over the next 3 to 5 years. This funding assures the association can continue to invest in its service.
- 146 Financial management is strong with resources linked to the priorities set out in the business plan. Robust financial management systems are embedded across the organisation. OHL operates a zero budget process and there are clear links through the budget setting process to corporate strategic priorities. The Group Board meet twice a year to agree and review strategic approach and priorities which then feed in to the budget process. This approach is also replicated with the executive management team. Managers are required to provide costs for the existing service and a business case for any new growth. The budget is then constructed with priorities for spending being driven by the business plan, performance figures and service needs. This sets a solid financial basis for the management of the business.

- 147** OHL is effectively using training and development to improve skills and capacity. The organisation has undertaken a training needs analysis and arranged training to address skill gaps. The association has given power to staff and improved their skills through a wide range of professional and customer service training which is funded from a budget of £35,500. The management development programme has been procured for the for the association's managers, offering training specifically tailored to address the association's needs in key areas which is due to start in September 2008.
- 148** Staff capacity is strong. There are high-levels of morale and low levels of turnover and sickness. The association has had its 'Investors in People' re-accredited in 2007 with the most recent inspection commenting positively about the morale and commitment of staff and the way corporate goals are shared throughout the association. Staff satisfaction is also reflected in relatively low levels of staff sickness at four per cent which is better than average and low turnover at eight per cent which is also better than average. Motivated staff are important to the effective delivery of services.
- 149** OHL is increasing its capacity through partnership work but is not maximising the capacity of its residents. The association has developed an effective partnership with RBC including joint funding of schemes such as the community warden scheme in St Blazey and effective work on tackling ASB. OHL also works with other agencies such as the police and hosts and chairs the Crime and Disorder Reduction Partnership. However, the partnership with its own tenants is underdeveloped and outcomes are limited. The association is addressing some of these weaknesses with new structures such as focus groups and projects, but until these capacity building initiatives are complete the partnership with residents is underdeveloped.
- 150** Procurement is being used to enhance capacity. OHL used procurement to reduce costs associated with its investment programmes. New contracts have also been awarded following procurement exercises in areas such as grounds maintenance and the provision of vehicles. It is also using procurement in partnership to deliver other savings for example, on office supplies.
- 151** The association is investing in ICT appropriately. There is a budget of £280,000 to fund ICT and communications equipment. There is a programme to update the housing management system with a live date of December 2008 with the software supplier identified following a robust procurement process.

Appendix 1 – Performance indicators

Performance Indicators and Comparative Information for the year to 31 March 2007

Performance Indicator	2004/05	2005/06	2006/07	2006/07 Comparison Group Mean	2006/07 Comparison Group Median	2006/07 Quartile Position in Comparison Group
Stock Failing Decent Home Standard	15.5%	16.8%	15.0%	14.6%	11.1%	3
Average GN SAP rating	60	62	63	68	67	4
Routine repairs completed in target	94.7%	96.0%	96.7%	92.3%	94.0%	1
Vacant Dwellings	-	-	0.7%	1.7%	1.1%	1
Vacant General Needs Dwellings	-	-	0.7%	1.4%	0.7%	1
Re-let time (all managed stock)	-	-	15.8 days	34.6 days	31.9 days	1
GN Re-let time (for managed stock)	-	18 days	15.8 days	28.4 days	27.8 days	1
Current tenant arrears at FYE	-	-	2.5%	3.4%	3.7%	1
Tenant satisfaction overall	91%	91%	89%	82%	84%	1
Tenant satisfaction with participation	62%	62%	59%	61%	63%	3
Tenants satisfied with repairs and maintenance	-	-	88%	80%	82%	1
Shared owner satisfaction overall	-	-	-	66%	-	

Appendix 2 – Documents reviewed

- 1 Before going on site, and during our visit, we reviewed various documents that were provided for us. These included:
 - the organisation's self-assessment of its services;
 - Corporate Plan;
 - equality and diversity statement and policy;
 - further strategies, policies, procedures and guidance related to services inspected;
 - the website at www.oceanhousing.co.uk;
 - operational and service-related improvement plans;
 - performance management reports and data, including Housing Corporation performance indicators;
 - board of management and committee reports and minutes of meetings;
 - Human resources policies and staff survey data;
 - customer involvement meeting minutes and feedback documents;
 - information for customers, including the tenants' handbook, repairs; and
 - handbook, customer service standards, leaflets, surveys and newsletters.

Appendix 3 – Reality checks undertaken

- 1 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These onsite reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - interviews with a range of people involved with the service, including front line staff and service managers, team leaders, heads of service, departmental directors, the chief executive and members of the board of management;
 - tenant focus groups and telephone surveys, including those actively involved in tenant involvement activity;
 - visits to a range of the Association's properties, including empty (void) properties, sheltered housing and schemes where property and environmental improvements had been undertaken or were planned;
 - observation of the customer services centre, reception service and scheduled interviews with customers and scheme inspections;
 - mystery shopping of the service;
 - visiting the association's website www.oceanhousing.co.uk, and
 - inspection of a random sample of recent case files, relating to anti-social behaviour cases, rent arrears recovery and customer complaints.