

Short Notice

Housing Inspection

Short notice inspection of responsive repairs, gas servicing and income management

Circle 33 Housing Trust

June 2009



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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.

Short notice inspections (SNIs) have been developed to encourage improvements in the performance of housing associations (HAs) at delivering services to their customers – tenants and leaseholders. They focus on the outcomes for residents and work on the basis that associations will concentrate on improving services rather than preparing for an inspection, which could happen at any time.

The scope of each inspection of a housing association, undertaken by the Audit Commission has been agreed in consultation with the Tenant Services Authority (TSA). The Tenant Services Authority took on the responsibilities of the Housing Corporation when it became operational on 1 December 2008.

The Association

- 1 The Circle 33 Housing Trust was set up in 1968 to provide general needs social housing in London, primarily in the London Borough of Islington.
- 2 The Trust is the largest of the partners in Circle Anglia, which was formed by the merger of Circle 33 and Anglia Housing Groups. In total, Circle 33 Housing Trust owns and manages 16,171 homes. Circle 33 works across London in 21 local authority areas, although the vast majority (75 per cent) of its directly managed stock is concentrated in the five Core London Boroughs of Camden, Hackney, Haringey, Islington and Waltham Forest.
- 3 The main office address is based in Islington. Tenants can also visit area offices in Dagenham and Dalston.

The scope of the inspection

- 4 The scope of this inspection focused on the following areas, which have been identified in consultation with the regulator - the Tenant Services Authority.
 - Responsive repairs
 - Gas servicing
 - Income management
- 5 The inspection also included an assessment of how Circle 33 Housing Trust is addressing the three cross-cutting themes of Access and Customer Care, Diversity and Value for Money within the services included in the inspection's scope.
- 6 We would like to thank the staff of Circle 33 Housing Trust who made us welcome and met our requests efficiently and courteously.

Dates of inspection: 13 to 15 January 2009

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Summary of our findings

7 We have assessed the strengths and weaknesses of the service areas included in the scope of the inspection. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 Assessment

How good is the service?	Assessment
• Access and customer care ¹	Strengths and weaknesses are in balance
• Diversity	Strengths outweigh weaknesses
• Responsive repairs	Strengths and weaknesses are in balance
• Gas servicing	Weaknesses outweigh strengths
• Income management	Strengths outweigh weaknesses
• Value for Money	Strengths outweigh weaknesses

¹ Access and Customer Care, Diversity and Value for Money are assessed in relation to the service areas inspected only.

How good is the service?

Access and Customer Care in the service areas inspected

- 8 We found strengths and weaknesses are in balance in this area.
- 9 There are a number of strengths.
 - Clear service standards that have been set in consultation with tenants that allow them generally to know the quality of service they can expect.
 - Office receptions are customer friendly with opening hours that meet most residents' needs.
 - Most tenants contact the association by telephone. Calls are free or at local rate and staff are polite and helpful.
 - There is generally clear written information about services for tenants.
 - The website is informative and provides facilities to pay rent, request a rent statement, make complaints, report repairs and make general enquiries.
 - Complaints are generally well managed and dealt with fairly.
 - Tenants are involved in shaping the inspected services through a variety of means. Tenants work closely with the Trust and contractors to shape services such as enhanced appointment arrangements for repairs. Mystery shopping by the Trust's tenants has also helped improve service delivery.
- 10 There are a number of weaknesses.
 - Telephone calls are not always answered quickly, leading to a relatively large number of tenants abandoning their calls.
 - Some service standards such as telephone answering are unchallenging and customers may not receive the service they could expect.
 - Written communication sent to tenants on complaints is not checked for quality and some letters contained a number of spelling mistakes.
 - Proposed actions to deal with complaints are not consistently monitored and some are not resolved as quickly as tenants would like. Some tenants may not receive the promised resolution to their concerns.
 - There is no formal compensation scheme for service failures and tenants do not know the level of compensation they can expect.

How good is the service?

Diversity in the service areas inspected

11 We found strengths outweigh weaknesses in this area.

12 There are a number of strengths.

- There is a corporate focus on equality and diversity. The Trust is focused on tailoring services to meet the diverse needs of its customers.
- All staff, Board Members and responsive repair and gas servicing contractors' operatives have received equality and diversity training.
- The Trust has collected profiling information on its customers and is using this information and data on the community to tailor and develop services to meet the needs of its customers.
- Outcomes for BME customers are consistent with the tenant population generally. It is positive that satisfaction with the repairs, gas and income management services are comparable for BME and other tenants.
- Repairs for vulnerable and elderly tenants are prioritised.
- Electronic and written communications consistently meet the needs of tenants whose first language is not English.
- There is valuable floating support for vulnerable families and young tenants requiring debt advice.
- Partnership working with other agencies is providing valuable debt and welfare support for vulnerable tenants.
- There is consultation with difficult to reach groups to help design services that suit them.

13 There are some weaknesses.

- Profile information could not until recently be fully utilised to meet the needs of individual tenants.
- Profile information on some diversity strands² is not yet extensive and some tenants may not be receiving services in the format they require.

Responsive repairs

14 We found strengths and weaknesses are in balance in this area.

15 There are a number of strengths.

- There is comprehensive and detailed information on the responsive repairs service that allows tenants to know the quality of service they can expect.
- Emergency repairs are completed within target times and to a good standard that tenants expect.
- Most repairs are completed in a single visit. This increases efficiency for the Trust and lessens inconvenience for tenants.

² The six diversity strands are gender, ethnicity, age, faith, language and sexual orientation.

- There is a customer focused appointment system where tenants can make repair appointments at convenient times, including evenings and Saturday mornings.
- Recent tenant satisfaction with the repairs service is high.

16 There are a number of weaknesses.

- Urgent and routine repairs are not always completed within target times that tenants expect but they are generally completed to a good standard.
- The out of hours reporting system is not always providing a convenient service to tenants.
- Some repairs are reported and recorded on systems as complete when further works are required as follow up action. The lack of noting follow up action on the IT system may lead to confusion for staff and tenants when tracking repairs and tenants may not have repairs fully resolved or have to report the repair a second time.
- There are some problems diagnosing more complex repairs and this means tenants experience inconvenient return visits from contractors.

Gas servicing

17 We found weaknesses outweigh strengths in this area.

18 There are some strengths.

- The gas service is well advertised and tenants are made aware of the dangers of not having their installations serviced.
- There are new robust access procedures and a more customer focused appointment system that have recently been introduced.

19 There are significant weaknesses.

- There is weak performance on gas servicing with some properties being without a gas safety certificate for longer than six months. The Trust is not fully meeting its legal requirements to service all gas appliances within 12 months.
- Repairs for gas installations are not always completed within the target times that tenants can expect.
- Some repairs to gas installations are reported and recorded on systems as complete when further works are required as follow up action. The lack of noting follow up action on the IT system may lead to confusion for staff and tenants when tracking repairs and tenants may not have repairs fully resolved or have to report the repair a second time.

How good is the service?

Income management

20 We found strengths outweigh weaknesses in this area.

21 There are a number of strengths.

- Tenants receive good quality information on the rents service and what to do if they find themselves in arrears.
- The Trust makes it easy for tenants to pay their rent by providing a comprehensive range of payment methods.
- There is significant debt and welfare support to help tenants sustain their tenancies.
- Tenants applying for benefit are being assessed quickly as a result of strong partnerships with councils on housing benefit.
- Performance on collecting rent and recovering current rent arrears is strong which increases the Trust's ability to finance improvements to services for tenants.
- There are effective systems to intervene early in cases where tenants are at risk of falling into arrears.
- Former tenant arrears are being actively and effectively pursued which increases the Trust's ability to finance improvements to services for tenants.

22 There are some weaknesses.

- Rent statements are not fully customer focused.
- The tone of written communication from the rent service, although previously reviewed by tenants, is not fully customer focused.

Value for Money in the service areas inspected³

23 We found strengths outweigh weaknesses in this area.

24 There are a number of strengths.

- Overall operating costs for the Trust are low. This means resources are directed to delivering frontline services for tenants.
- The Trust has a clear understanding of the costs of services to tenants and how these compare with other associations.
- Savings and efficiencies are monitored effectively and reported to tenants.
- The Trust is using external funding sources to improve services for tenants. For example, through external funding of debt advice to new tenants.
- Modern procurement methods are producing savings and efficiencies that are being used to improve tenant services. For example, the introduction of the freephone service.

³ In assessing value for money we are looking at two questions: 'How do costs compare?' and 'How is value for money managed?'

- Group procurement of non-maintenance and non-development equipment and resources is carried out efficiently and making savings which are being used to improve services for tenants.
- Tenant satisfaction with the value for money of the Trust's services is high.
- Performance on rent collection and current arrears is strong, which helps ensure that income is available to fund tenant services.

25 There are some weaknesses.

- Indications of VFM for the responsive repairs service are mixed.
- The Trust is not recharging tenants for repairs that are their responsibility. This means that all tenants pay for these repairs.
- The assessment of standards of services provided by the Group is not yet embedded. Consequently tenants may be paying too much for these services.

Prospects for improvement

Summary of our findings

26 We have assessed the prospects for improvement of the service areas included in the scope of the inspection as excellent. Our judgements are based on the evidence obtained during the inspection and are outlined below.

What prospects are there that the services inspected will improve?

What is the track record in delivering improvement in the areas inspected?

27 We found strengths outweigh weaknesses.

28 There are a number of strengths.

- The recommendations from the inspection in 2003 have been implemented.
- There have been improvements on performance for the responsive repairs and income management services over the last three years.
- Satisfaction with the association has improved and is above average compared with other similar organisations.
- Planned savings and efficiencies are on target to be exceeded.

29 There are some weaknesses.

- Although performance on gas servicing has improved recently it still remains weak.
- Performance on rent collection is strong but has remained static over the last three years.
- There is a strategic approach to value for money which is not yet fully embedded and this means that understanding throughout the organisation is just developing.

How well is performance managed in the areas inspected?

30 We found strengths considerably outweigh weaknesses.

31 There are a number of strengths.

- There is a robust improvement plan to address Part 1 report recommendations, developed in conjunction with residents, which has a SMART⁴ action plan.
- There is a clear vision for the responsive repairs, gas servicing and income management service which has been agreed with service users.
- There is a clear and effective annual performance planning framework that includes formal tenant consultation and monitoring.

⁴ SMART: specific, measurable, agreed, realistic and time-bound.

- The Trust has a high degree of self-awareness of the strengths and weaknesses in the services inspected that is reflected in good quality improvement plans and in its self assessment.
- The Trust has actively used external challenge to drive service improvement.
- Service improvement plans have helped to improve the responsive repairs, gas servicing and income management services to make them more customer-focused.
- Learning through tenant involvement is strong and is helping to ensure services meet specific tenant needs.
- There are a number of examples of learning from external partners and organisations which is benefiting service users.
- Structured learning from complaints has led to service improvements for tenants.
- There are a number of benchmarking arrangements in place that enable both the cost and quality of the services inspected to be compared with other organisations. These are now being used to inform service improvement.
- Robust management of the partnering contact for responsive repairs service has highlighted many of the weaknesses identified in the inspection and action is in hand to address this.
- There are suitable arrangements in place to identify and manage risk.
- There are regular reports to senior management and Board members on performance.
- The Board and senior management have shown strong leadership that is helping to support improvements for the repairs and income management services.

32 There are a few weaknesses.

- Some service standards are not stretching or challenging.
- Resident involvement and consultation is not yet embedded to help to support improvement of the income management service.

Do the areas inspected have capacity to improve?

33 We found strengths considerably outweigh weaknesses.

34 There are a number of strengths.

- Board members are clear on their role and have appropriate skills that allow them to support improvements to services.
- Board members and staff are appraised and there are robust arrangements for staff development with individual and corporate targets.
- There is an appropriate and high level of training for staff, Board Members and residents including effective compulsory training on diversity and customer care that is leading to a better service for tenants.
- Communication and information sharing is effective. Staff morale is high and they feel valued by their managers and the Trust as a whole.

Prospects for improvement

- The Trust is attracting inward investment that is leading to service improvements for tenants.
- The Trust has the support of a financially stable Group producing operating surpluses with the Tenants Services Authority confirming it meets the expectations of the regulatory code in this respect.
- Senior staff are effectively communicating with staff through the staff newsletter and team meetings which means that staff are aware of the key objectives for the organisation.
- Partnerships with constructors in connection with repairs and maintenance services are adding to the capacity of the organisation to improve services for tenants.

35 There is a weakness.

- Management problems within the call centre have affected the speed of calls and diagnosis of repairs although measures have been put in place to address this issue.

Recommendations

- 36** 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 costs⁵ 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 organisation shares the findings of this report with tenants and board members; and takes action to address 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, while recognising that most of them are already included in the existing service improvement plans of the Trust.

Recommendation

- R1** Increase performance on gas servicing to ensure all homes are serviced annually by:
- continuing to raise the standard of gas contractor performance; and
 - in conjunction with customers, reviewing access arrangements to homes where this proves difficult.

The expected benefits of this recommendation are:

- the safety of customers is ensured; and
- legal requirements for the landlord are met.

This should be implemented by as quickly as possible.

Recommendation

- R2** Improve outcomes for tenants for the responsive repairs service by:
- reviewing the process for the service to ensure repairs completion times for urgent and routine repairs are improved;
 - reviewing contract arrangements and procedures to reduce the average cost of repairs compared to other similar organisations;
 - in conjunction with customers, reviewing the out of hours reporting system;
 - ensuring follow up actions for responsive repairs are recorded on the IT system to allow improved tracking of repairs progress;
 - in conjunction with customers, introducing a policy to re-charge repairs that are the responsibility of the tenant; and
 - reviewing and improving the systems for diagnosing complex repairs.

⁵ 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.

Recommendations

The expected benefits of this recommendation are:

- urgent and routine repairs are completed more quickly;
- extra finance is available to improve services for tenants;
- more accessible services for tenants; and
- the importance of maintaining homes in good condition is emphasised for tenants.

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

Recommendation

R3 Strengthen the customer focus by:

- in conjunction with customers, reviewing and establishing measurable service standards for all services;
- reviewing the telephone answering service to ensure a more responsive service for tenants;
- introducing robust quality assurance processes to ensure all responses to complaints and written communication on income management are customer focused;
- in conjunction with customers, reviewing the need for a formal compensation policy for service failures;
- reviewing how profile information on customers for some strands of diversity can be increased; and
- in conjunction with customers, reviewing the style and content of written communication on complaints and income management with tenants.

The expected benefits of this recommendation are:

- customers are clear on the services they can expect;
- services are more consistently delivered for tenants; and
- more accessible services for customers.

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

Recommendation

R4 Improve performance management by:

- reviewing the key performance information reported to Board members and stakeholders, the format for presentation of the information and agree with them the range of information to enable performance to be assessed particularly for weaker services;
- expanding performance information to enable value for money with services to be assessed; and
- agreeing a range of targets for services that are both achievable and stretching.

The expected benefits of this recommendation are:

- a greater awareness of performance for Board members and service users;
- a focus on weaker services and the ability to identify and challenge underperformance; and
- improved outcomes for tenants with better services.

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

Recommendation

R5 improve the approach to service improvement by:

- adopting a consistent approach to consultation and involvement of residents in service improvement plans (particularly related to the income management improvement plans); and
- aligning service reviews with service weaknesses, as set out in the 2009/10 Service Improvement Plan.

The expected benefits of this recommendation are:

- plans which are useful tools for service improvement and aligned to service weakness;
- plans which can be monitored; and
- improved outcomes for tenants with better services.

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

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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