

Housing Association Inspection Report

February 2007



Inspection Report

Progress Housing Group

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

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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.

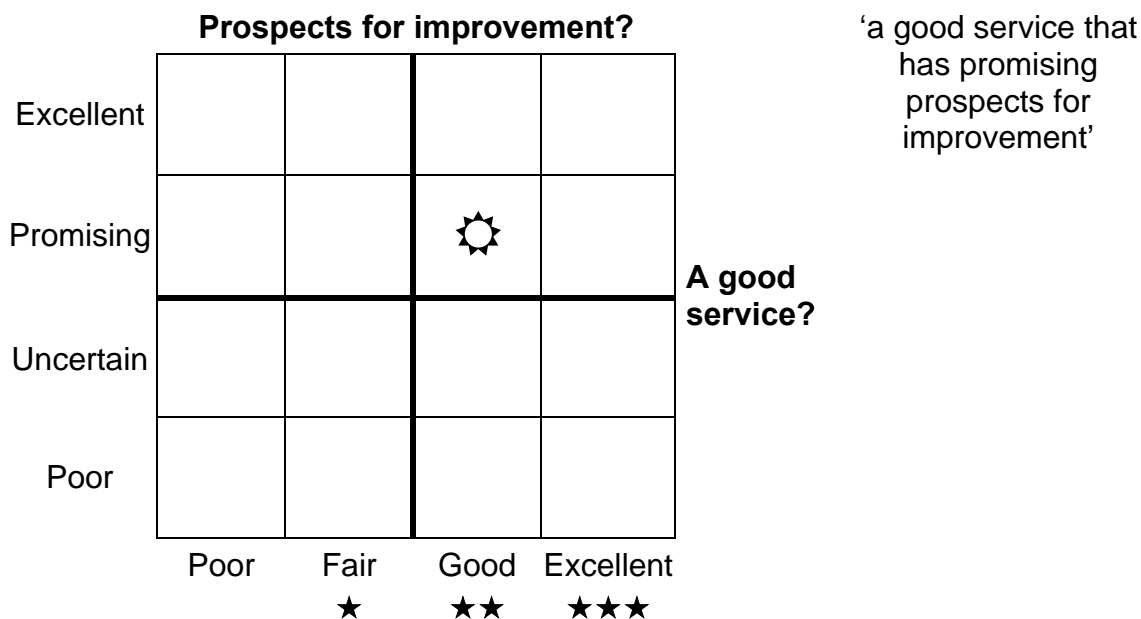
Summary

- 1 Progress Housing Group (PHG) provides a good housing service which has promising prospects for improvement.
- 2 PHG is a customer-focused organisation. All services are easy to access and PHG provides high quality advice and information to service users in a range of formats. This includes pictorial aids to help people with learning disabilities. Residents are increasingly involved managing and developing services in a range of ways and PHG listens to customer feedback. Tenant satisfaction is high. There is a strong corporate commitment to respecting diversity. PHG provides high quality housing support services for people with a diverse range of needs, sustaining tenancies and helping residents live independently in the community.
- 3 There is an emphasis on improving and maintaining tenants' homes, making estates sustainable and places where people want to live. Ninety four per cent of homes already meet decency standards; management of empty properties is improving with homes repaired to a high standard; performance with gas servicing and adapting homes for people with disabilities is high.
- 4 A range of initiatives, agreed with residents in local area plans, improve estates, particularly a firm approach to tackling anti-social behaviour balanced with diversionary work and support for victims. Rent collection and arrears recovery is effective and performance is improving. PHG is proactive in helping to prevent debt and provide benefit advice to tenants. PHG is committed to improving the value for money of services and has made significant efficiency savings.
- 5 However, there are a number of areas which require further improvement. Service standards are not comprehensive and clearly promoted for each individual housing service. Few appointments are offered for repairs, performance completing some repairs on time is weak and there are too many emergency repairs. There is limited information on the unit cost and quality of individual services, restricting PHG's ability to compare with top performers and identify priorities to improve the quality and value for money of services.
- 6 Services will continue to improve. PHG has a good track record improving services that give real benefits to customers. It responds positively to feedback from customers, staff and other organisations. The approach to improvement planning and overall performance management is strong. Effective leadership is provided by the Board and Executive Management Team, and there is effective management of human resources. Financial management is robust and financial resources are healthy.
- 7 However there are a few barriers to improvement. There are some weaknesses with performance reporting and many targets in plans and strategies are not prioritised and lack clear, measurable outcomes. The impact of initiatives, training and benchmarking is not systematically evaluated and reported. Senior staff and Board members are not fully representative of communities they work in.
- 8 Positively, PHG's local action plans and improvement plans are addressing most weaknesses.

Scoring the service

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

Figure 1 Scoring chart¹



Source: Audit Commission

- 10 We found the service to be good because it has a range of strengths including:
- services are easy to access and are customer-focused;
 - the level of customer satisfaction with services is generally high;
 - a high standard, and user-friendly, range of information about services that is available in a range formats, including pictorial aids;
 - residents are effectively involved in managing and developing services;
 - a strong corporate commitment to diversity and equal opportunities;
 - tenant profiles are known for the majority of tenants including vulnerability and preferred method of communication;
 - a strong approach to racial harassment, other harassment and victims of domestic violence;

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.

- strong, caring and professional housing support services, including floating support, sheltered housing and supported housing schemes, that help vulnerable tenants live comfortably in the community;
- a robust asset management framework, sustainability matrix and robust stock condition database are used for improvement programmes to meet decent homes standards;
- improving performance reletting empty homes to a high standard;
- efficient gas servicing performance;
- strong approach to aids and adaptations, with requests for both minor and major works met within reasonable timescales;
- customer-focused rent accounting and arrears recovery procedures offering a wide range of information, benefit advice and rent payment options;
- a robust approach to tackling anti-social behaviour balanced by support for victims and diversionary initiatives;
- an open and transparent procurement framework; and
- significant savings have been achieved through improved management practices.

11 However, there are some areas which require improvement. These include:

- service standards are not comprehensive, do not cover all services and performance is not always measured;
- a limited number of interactive online services on the website;
- call centres are not answering calls within target, there is some low performance handling complaints, and ICT systems are not fully integrated to track customer queries and provide accurate advice;
- appointments are not always offered for repairs including arrangements for outside normal office hours;
- individual targets in the equality and diversity action plan is not prioritised, there is limited involvement with hard-to-reach groups and some strategies are just beginning to be implemented and have not yet delivered identifiable outcomes for customers;
- no agreed home improvement standard and limited tenant involvement developing and agreeing the investment programme;
- weak performance completing urgent and routine repairs, too many emergency repairs and repairs completed at first visit are not measured;
- limited profiling of tenants in rent arrears to target benefit take-up advice;
- little systematic monitoring and evaluation of area sustainability plans and initiatives including the outcomes of the anti-social behaviour action; and
- a lack of clear and accurate information on the cost and quality of individual services.

12 The service has promising prospects for improvement because:

- there is a strong track record of improving services with clear customer benefits;
- service reviews, staff and customer feedback is used to improve services;
- there is a solid approach to service reviews to improve efficiency and service quality;
- value for money is improving and is being embedded throughout the organisation;
- there is a clear business planning process with objectives integrated through operational plans, team plans and personal targets;
- effective leadership is provided by Board and Executive Management Team;
- financial management is robust and financial resources are healthy; and
- human resource management is effective.

13 However, there are a number of barriers to improvement. These include:

- performance management reports do not always provide consistent data and lack some local performance indicators, agreed with customers, to give a true picture of performance;
- performance reports lack robust commentary, overview of key issues and required action;
- a lack of formal systems to evaluate, manage action and feedback following benchmarking and external learning;
- many targets in operational plans and strategies are general, not prioritised and lack clear, measurable outcomes;
- the quality of staff appraisal is inconsistent and is not robustly managed; and
- staff at senior levels and Boards are not fully representative of the communities they work in.

Recommendations

- 14 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 costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Association shares the findings of this report with tenants and Board members, and addresses all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

Recommendation

R1 Strengthen the focus on customers by:

- *introducing a wider range of service standards for all services in consultation with service users;*
- *introducing a rolling programme of customer satisfaction surveys across all service delivery areas;*
- *extend the range of website online services, including direct ordering/tracking of repairs in line with customer requirements;*
- *engage with hard-to-reach groups to ensure they have the opportunity to be more effectively involved in developing services;*
- *profiling tenants in rent arrears and targeting specific benefit advice to meet identified needs; and*
- *developing plans and targets to ensure staff, tenant groups and Boards represent communities they serve.*

The expected benefits of this recommendation are:

- increased ability to identify and address residents' concerns and needs; and
- increased customer satisfaction.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by June 2007.

² 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 stock investment programmes and the management of the repairs service by:

- *agreeing an improvement standard with tenants;*
- *effectively involving tenant representatives in all aspects of the service, including agreeing a standard range of components and improvement programmes;*
- *introducing appointments for repairs including suitable arrangements for outside normal office hours;*
- *developing a clear strategy to reduce the level of urgent and emergency repairs; and*
- *reviewing working practices and ensuring that performance completing repairs on time improves to targets agreed with tenants.*

The expected benefits of this recommendation are:

- tenants understand what home improvements they will get and when;
- homes are improved in line with tenant wishes;
- improved customer focus of repairs; and
- better value for money of response repairs.

The implementation of this recommendation will have high impact with low costs. This should be implemented by June 2007.

Recommendation

R3 Improve information available on costs of services and value for money assessments by:

- *developing a prioritised, over-arching value for money strategy;*
- *identifying and continually monitoring individual service costs;*
- *establishing systematic methods for comparing costs and quality to other service providers; and*
- *extending the use of benchmarking to enable more meaningful comparison with peers.*

The expected benefits of this recommendation are:

- a stronger basis for planning to improve efficiency and value for money; and
- decision making which is based on greater appreciation of the cost and quality of services.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by June 2007.

Recommendation

R4 Strengthen performance management and improvement planning by:

- *ensuring that all services standards are routinely monitored;*
- *developing systems to formally evaluate and report the success and outcomes of area plans, strategies, training and learning from benchmarking;*
- *monitoring and managing the quality of staff appraisals;*
- *ensuring that performance indicators are accurate and consistent between different reports;*
- *providing effective commentary in reports highlighting good and weak performance and required action;*
- *developing more local PIs that give an accurate picture of services and objectives important to customers;*
- *developing outcome measures for all key areas of business; and*
- *formally monitoring areas of performance where gaps currently exist, for example, measuring performance meeting all service standards.*

The expected benefits of this recommendation are:

- improved use of performance data for service improvement; and
- increased ability to identify and tackle weak performance.

The implementation of this recommendation will have high impact with low costs. This should be implemented by June 2007.

Recommendations

R5 Take action to address all other weaknesses identified in this report.

R6 Submit this report to the Boards and Housing Forum.

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

Dates of inspection: 4 to 8 December 2006

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Report

Context

The locality

- 16 Progress Housing Group (PHG) operates across 60 local authorities throughout England and part of Scotland. Most properties are located in the South Ribble area of Lancashire. Supported Housing schemes are located throughout England, with some in Scotland. Key worker accommodation is provided in Lincolnshire.
- 17 The concentration of stock in the South Ribble area makes this the local housing market that most influences PHG's housing services. Demand for affordable housing is high in South Ribble and average property prices are unaffordable for people on low incomes.
- 18 The local population grew 1.2 per cent between 1991 and 2001 and household formation puts greater demand on affordable housing. The black and minority ethnic population (BME) increased 52 per cent between 1991 and 2001, but at 3.5 per cent in 2001 was well below the national average of 10.44 per cent.
- 19 The area is a relatively prosperous place to live and work but there are pockets of deprivation. The government's index of multiple deprivation shows that three wards are within the top 10 per cent to 20 per cent most deprived wards nationally.

The Association

- 20 New Progress Housing Association (NPHA) was formed in 1994 with the transfer of stock from South Ribble BC. Progress Housing Group (PHG) was formed in 1998 along with Progress Care Housing Association (PCHA), which was established to provide specialist supported housing services for a target client group with mental health problems and learning difficulties. The majority of the housing stock is in South Ribble (owned and managed by NPHA) though the Group today operates nationwide.
- 21 The Group is headed by a Board, which has a maximum of 12 places; 3 as nominees from the NPHA Board, 2 nominees from the PCHA Board and 7 independent members. The Board provides strategic direction for the organisation including business planning, planning of investment programmes, financial control, and performance monitoring of the group and partners. It is supported by 5 standing committees.
- 22 NPHA has a Board of 12 members, including 3 tenants and 3 local authority representatives; the remainder are independent members. NPHA manages 3,743 properties including 2,442 general needs housing in the South Ribble area and 966 retirement homes/sheltered housing. It also manages the Group's shared ownership, leasehold schemes as well as floating support and lifeline services.

- 23 The PCHA Board comprises 12 independent members including a relative of a tenant with a learning disability. PCHA owns and manages supported housing schemes comprising approximately 454 schemes providing 2034 units of accommodation. PCHA operates in 60 local authority areas, working with 56 different support agencies.
- 24 The Property Services Division (PSD) was reorganised following a best value review (BVR) in 2001. The division brought together elements of the client function and the contractor into a single body that covers responsive repairs, voids, gas servicing, cyclical works and major/improvement works. It also provides services to several other local registered social landlords (RSLs).

The service

- 25 The service is delivered from three offices in Leyland, Lancashire, with the head office providing the main customer reception service. The customer services team handle general telephone calls, a dedicated call centre handles repairs and emergency lifeline services are provided by the contact centre. All are based in the Leyland offices.
- 26 PHG has 350 staff, primarily located in Leyland, managed by a 6 member executive management team. PHG has been awarded Chartermark and ISO9001. Currently staff turnover is below average at around 8 per cent a year.
- 27 In 2005/06 the turnover (operating costs) was £13.2 million, £11.3 million and £11.6 million for PHG, NPHA and PCHA respectively.

Scope of the inspection

- 28 The inspection covers general needs and supported housing. It does not cover allocations and lettings, estate management, resident involvement or leasehold housing services. When assessing how good the existing service is we looked at:
- access and customer care;
 - diversity;
 - stock investment and asset management;
 - housing income management;
 - enforcing tenancy conditions and dealing with anti-social behaviour;
 - supported housing, and
 - value for money.

How good is the service?

What has the service aimed to achieve?

- 29 The business plan 2006-2008 sets out Progress Housing Group's (PHG) vision:
- 'The Group is committed to being a leading organisation, providing high quality housing and related services for all customers; we value diversity and are dedicated to serving and involving customers, partners and staff'*
- 30 The business plan sets out the PHG's ten key values and explains how the vision will be delivered through ten strategic aims and supporting objectives. These are:
- equality and diversity;
 - performance, best value and procurement;
 - improve financial viability;
 - contribute to sustainable communities;
 - customer focus/customer involvement;
 - growth and diversification;
 - good employer;
 - sound governance;
 - effective asset management, and
 - environmental awareness.
- 31 The business plan makes relevant links to national and regional priorities and strategies. The business plan supports government objectives in relation to meeting decent homes standards, value for money, building sustainable communities, and tackling anti-social behaviour. The commitments made in the business plan are reflected in organisational strategies and in targets for teams and individuals.

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

Access and customer care

- 32** This is an area of strength. Progress Housing Group (PHG) demonstrates a strong customer-focused culture enshrined in its vision, values, aims and objectives. It is easy for customers to access services through a head office, the telephone customer services centre, website and regular surgeries at various local community locations. Good quality information is easy to obtain and includes information about services standards. Customer satisfaction is generally high. Users are routinely consulted and are closely involved in developing services. Feedback is used to improve services. Offices are compliant with requirements of the Disability Discrimination Act 1995. There are some weaknesses. For example, standards for individual services are not clearly summarised in published information. Performance answering telephone calls, correspondence and complaints is below target. Online services are limited and few repairs are arranged by appointment.
- 33** A strong corporate approach to customer care is embedded throughout the organisation. A consistent approach treats all service users with respect. Staff are knowledgeable, professional, helpful and wear identification badges. This means that all services are customer-focused.

Access to services

- 34** It is easy to access services, particularly through a well-equipped head office, telephone or by website. Most of NPHA's homes are in the Leyland area and users can visit the head office. Reception facilities at the head office reception area are welcoming, well-managed, and have appropriate facilities for visitors with different needs, including level access, minicom and audio loops. Private interview rooms are available. Interpreter and translation services are available and information is available in other formats such as large print, Braille and audio tape. Offices comply with Disability Discrimination Act requirements. Opening hours, including out-of-hours contacts, are clearly displayed and publicised.
- 35** Services are continually improved to meet customer preferences. NPHA reviewed how customers access services with users in 2004. Responding to feedback on ways to access NPHA all local offices were closed and a telephone customer service centre opened to deal with most enquiries. This released resources for staff to visit estates, and hold local surgeries, for more personal contact. Opening hours of the customer service centre were extended in response to feedback to 8am - 6pm, Monday to Friday, supported by an in-house out-of-hours emergency service that also manages lifeline services (see section on supported housing). A separate call centre handles repair calls. Services are being reviewed further through a customer focus project.

- 36 The website has useful information about each part of the Group, particularly NPHA, to keep customers well-informed. Information is accessible in different formats. A useful tenant zone, 'talk2progress', includes the tenants' handbook, service leaflets and a broad range of information, including recent customer survey results, can be downloaded. Performance information is published. Limited interactive online services are available, including making a complaint, reporting repairs, downloading a housing application and paying rent. Customers can contact staff by email.
- 37 However, there are some weaknesses with the website. It is not easy to navigate between different parts of the site and some information is hard to find. Tenants cannot directly order and track repairs. Information and services for PCHA users is not as developed, particularly the 'talk2 progress' zone. Services are currently being developed and rent statements will be available online early in 2007. This will make it easy for users to access key services.
- 38 In general, PHG effectively monitors performance accessing services. Regular performance reports are presented to management teams and Boards. Tenants are involved in mystery shopping, void property inspections and on regular estate walkabouts, which are widely publicised. However, PHG does not always monitor and manage performance in meeting individual service standards. This means that areas of poor performance are more difficult to identify and put right.
- 39 Telephony performance by the customer service centre is currently below targets set out in the new customer contact charter. In November 2006 only 75 per cent of calls for NPHA, and 69 per cent for PCHA, were answered within 20 seconds (target 85 per cent). Some key areas are not regularly measured. For example, in November 2005 only 89 per cent of tenants said it was easy to get hold of the right person, and only 83 per cent said their query was dealt with at first contact. This performance has not been measured since but will be part of the 2007 general tenant survey. Without measuring performance, PHG does not know if action to improve services is successful.
- 40 Access is not yet tracked through a customer relationship management system (CRM) to provide a fully integrated service to customers. This is in the process of being installed in the customer service centre and will be rolled out to all parts of the organisation. This will ensure that that customer access to all services will be monitored and managed to improve the quality of services.
- 41 A repair appointment system is not yet fully operational. This is covered in the later section on response repairs.

Information and consultation

- 42** Written information about services is comprehensive, clear and written in plain language. Tenant handbooks include helpful information about services, tenancy matters and opportunities for involvement. Quarterly newsletters and an annual report give good information about service developments, resident participation initiatives and performance. NPHA has a wide range of very helpful service advice leaflets. All literature and website information is agreed with tenants through an editorial panel. Information is available in different formats, including community language 'straplines' that say what the information is about. Positively, PCHA ensures key information is provided in pictorial format to help residents and users with learning difficulties. PHG effectively signposts and refers customers to other agencies, where appropriate, through published information, website and by customer services staff. This ensures tenants are well-informed. 89 per cent of NPHA tenants in the annual tenants' survey in 2004 said they were kept informed about things that affect them as a tenants.
- 43** PHG is continually developing a comprehensive profile of its tenants and customers. Detailed information is maintained about users' preferred means of communication which is flagged in ICT systems and is included on repair job orders. PCHA has information for all its tenants but NPHA has more limited information and is currently surveying its tenants to complete the database. Some 682 PCHA residents prefer pictorial information, 217 large print, 627 require access to audio and none require another language. This provides an efficient, customer-focused service to customers, ensuring that contact is made in the most appropriate way.
- 44** PHG has developed standards for most services with tenants which are included in the service leaflets. Leaflets are informative and easy to understand. The corporate style is professional and informative. However, service standards are not always comprehensive for individual services and are not clearly outlined in literature. Some lack specific targets, for example, there is no standard for offering appointments outside normal office hours for repairs and gas servicing. PHG accept that service standards require updating which is being done as part of the customer focus project. Without comprehensive targets customers do not know what to expect and PHG is unable to accurately measure performance.
- 45** A customer contact charter, agreed with users, was introduced in October 2006. The charter includes measurable targets which allow performance to be assessed. Targets are currently being met for seeing 100 per cent of callers to the office within 10 minutes of arrival. However, as mentioned previously, telephony targets are not being met, or the target to reply to letters within 5 days.

- 46 Customer involvement is very strong. PHG has a culture of respecting residents and is committed to involving them in driving service improvement. Commitment to resident involvement is demonstrated throughout the organisation. The community cohesion strategy provides a solid framework for residents to be involved in a wide range of ways. For example, through resident groups, service review groups and panels, a housing forum and through regular satisfaction surveys. An impact statement is completed after every community involvement meetings and feedback given to resident through newsletters. This ensures residents know how services improve in line with their wishes.
- 47 There are many examples of changes made following feedback from residents such as introducing the customer service centre; using bigger text in written material and pictorial information to make understanding easier; developing tenant choice in improvement programmes. Tenants, including a young person, were involved developing an anti-social behaviour strategy and publicity. Effective involvement ensures policies and procedures are based on what residents want.
- 48 PCHA staff are increasingly developing ways to involve residents in supported housing schemes. More tenants are attending meetings to discuss the way services are provided. A PCHA tenant involvement co-ordinator has stimulated tenant led improvements such as garden improvements and addressing nuisance issues with neighbours. Where stock is dispersed individual scheme meetings helps to ensure tenants have opportunities to discuss services.
- 49 Satisfaction with opportunities for participation is high in NPHA. In 2004 it was 79 per cent, which compares to the top 25 per cent of all housing associations in 2005/06.

Satisfaction with services

- 50 PHG canvasses customer views for most services and customer satisfaction is high. It uses feedback from surveys to continually improve services. Customer satisfaction is measured by a STATUS tenant survey every three years and routinely for most services. A comprehensive action plan followed the last NPHA general survey in 2004. Overall tenant satisfaction is high at 88 per cent in NPHA and 83 per cent in PCHA in 2005. This compares favourably with an average satisfaction rating of 79 per cent in all housing associations in 2005/06. Satisfaction with individual services is high and is covered in the relevant section of this report. Satisfaction surveys are carried out bi-annually in PCHA and are sent to tenants, relatives and support providers. The overall framework ensures residents have ample opportunities to influence policy and procedures.
- 51 There are a few service areas where NPHA is not regularly capturing customer feedback, for example with rent arrears recovery and sheltered housing services. A three yearly general tenant survey means satisfaction with some services is not measured regularly enough to closely track improvement or spot deterioration quickly.

Complaints

- 52** The customer complaints system is well-publicised and is handled efficiently and professionally. Leaflets are available in all offices, advice is given in the tenants' handbook, leaflets, website, sign-up pack and information is sent out upon request. Procedures are regularly reviewed and comprehensive reports are presented to Boards and action is taken to improve services. However, tenants were not consulted on the new policy and procedures. Examination of complaints files found performance dealing with customer complaints is robustly managed.
- 53** There are a few weaknesses managing complaints. For example, in 2005/06 only 82.5 per cent of complaints were acknowledged within the target five days compared to 95.7 per cent in 2004/05. Satisfaction surveys after a complaint is completed showed only 40 per cent satisfaction with the way the complaint was handled in 2005/06 and 57 per cent were dissatisfied. As mentioned an action plan has been agreed to improve performance and ensure customer feedback is effectively used to improve services.

Diversity

- 54** Strengths balance weaknesses in this area. PHG demonstrates a strong corporate commitment to improving equality and diversity. The policy framework provides a firm basis for developing equitable housing services. Diversity targets are regularly monitored, with action plans to increase the diversity of staff, Board members and resident groups. Information on the profile of tenants is used to communicate in a wide range of formats and there is a range of services to support vulnerable tenants. However, many strategies and initiatives are just only beginning to be implemented and have not yet delivered identifiable outcomes for customers. PHG's senior staff, Boards and tenant groups does not reflect local communities, and performance with diversity by contractors and resident groups is not effectively monitored.
- 55** PHG demonstrates a clear commitment to improve its approach to equalities and diversity (E&D). E&D is a key strategic aim and leadership is demonstrated through a Board champion and the Chief Executive is the staff champion. All Board reports require a section on diversity implications. A new generic E&D policy has been agreed following a thorough external review of E&D throughout the organisation. This incorporates recent legislation including the Disability Discrimination Act (DDA) 2005 and the Sex Discrimination Act (SDA) Amendment as well as the CRE Codes of Practice for Racial Equality in Employment and for Racial Equality in Housing. There is a comprehensive action plan to address weaknesses identified in the consultants' report. Equality and diversity is promoted through tenant and staff newsletters. A wide range of staff have clear responsibilities to deliver the E&D action plan. A diversity working group, including a tenant member, monitors progress and regular monitoring reports are provided to the executive management team (EMT) and Boards. This helps to ensure PHG meets its commitment to improving equality and diversity throughout its services.

- 56 PHG is working to embed E&D into the organisational culture through regular training. Some 89 per cent of staff in a 2006 survey said PHG was an equal opportunity employer. Diversity induction training is provided for all new staff and 90 per cent staff have attended general E&D training. More specific courses on, for example, racial harassment, domestic abuse awareness, drug awareness and disability awareness are attended by relevant staff. However, a number of trade operatives have not attended disability awareness training. Training needs are identified during annual appraisal. This means staff are able to deal appropriately with customers with diverse needs.
- 57 However, the strategic approach to E&D has some weaknesses.
- The new E&D strategy and action plan has not been developed and agreed with community partners representing customers with diverse needs. Without involving users and advocates for vulnerable groups PHG cannot be sure its strategies are meeting their needs.
 - There are a number of action plans to deal with weaknesses identified through the external review and compliance with various codes. There is no overarching plan to co-ordinate and integrate action. This would ensure that action focuses on the things that matter to customers.
 - PHG has not yet implemented equality impact assessments to ensure compliance with Housing Corporation GPN 4. This is being addressed.
- 58 The executive management team, Boards, staff and resident groups are not fully representative of the local communities they work with. A range of challenging diversity targets for staff, Board members, and key service areas have recently been reviewed by the Group Board. However, targets have not been set for resident groups and key contractors. Performance meeting targets are regularly monitored. Appropriate diversity targets for all levels of the organisation and job type are being developed. PHG exceeds overall staff targets for race with 5.8 per cent of staff from BME communities (target 4.4 per cent) and achieves a disability target of 5.8 per cent. Women and other minority groups are under-represented at senior levels. For example, no Board members are from BME communities, compared to a 4 per cent target and only 16 per cent of the EMT are women compared to 53.3 per cent of the overall workforce. Although PHG aims to address under representation there are no clear plans to show how it will be done.
- 59 Suitable policies and procedures are in place to deal with racial harassment, other harassment and domestic violence. Relevant posters are displayed in all offices and leaflets, including service standards, are available about racial harassment and domestic violence. PHG provides a refuge for victims of domestic violence (see later section on Supported Housing). Strong tenancy enforcement procedures ensure that tenants are aware of their rights and responsibilities and that action will be taken against perpetrators.

- 60 A range of services supports the specific needs of residents. For example, the vulnerable persons' policy ensures that customers are contacted by their preferred means of communication. A customer profile is continually being updated and ethnicity is known for 70 per cent of tenants. PHG deals positively with tenants' needs for adaptations (see next section). Floating Support and a range of support providers offer other housing support services. These are considered in more detail in the section on 'supported housing'. This ensures vulnerable people and those with individual needs have access to services.
- 61 PHG increasingly works with diverse groups but recognises that more needs to be done to ensure that the needs of a diverse community are identified and catered for. PCHA tenants have diverse needs and ways of engaging with them has improved steadily. NPHA has undertaken a number of initiatives including working with South Ribble BC's Youth Service; meeting with young people at local housing support schemes; a mailshot to all tenants from a BME background; engaging with young people on the Wade Hall estate; holding disabled tenants forum meetings. This work is positive but there is limited evidence to show how changes have improved outcomes for service users as a result of this engagement.
- 62 PHG is not robustly monitoring and managing contractors and resident groups' compliance with diversity requirements. PHG has not effectively used its influence as a major employer, including indirectly through contractor and supply chains, to help local people with diverse needs find employment. The new procurement strategy, approved by the Group Board in December 2006 includes E&D as a key objective and has a detailed action plan to ensure that E&D issues are fully considered in all aspects of procurement.
- 63 PHG does not monitor the performance of all services by diversity. It regularly reports on lettings by race but not routinely for other services and diverse groups. Positively, BME lettings for 2005/06 were near the target 4 per cent. Satisfaction surveys have not historically identified response by diverse groups of customers. For example the last general STATUS survey did not include response by BME tenants as the number of respondents was too small to be statistically reliable. Recent surveys generally ask for details of ethnicity and other diverse categories. This helps identify that services are fair to all groups.

Stock investment and asset management

- 64 Overall, performance with stock investment and asset management is strong. Capital improvement work is positive with 94 per cent of properties meeting decent homes standards. PHG has a good understanding of stock condition, sustainability and the level of investment required to meet decency standards. PHG increasingly involves tenants and services are very customer-focused. Performance with gas and other cyclical servicing and the aids and adaptation service is strong. Empty property repairs are generally positive but the time taken to re-let empty properties is weak.

- 65 There are other weaknesses. PHG has not agreed, and published, an improvement standard and the asset management framework lacks an overview of key issues and how they will be addressed. Some weaknesses remain with responsive repairs, particularly the low number of appointments, weak performance completing non-emergency repairs on time and some value-for-money issues. Each of these service areas is considered in turn.

Capital improvement and planned and cyclical maintenance

- 66 PHG's approach to capital programmes has more strengths than weaknesses. NPHA has delivered significant improvements to homes and estates since stock transfer from South Ribble Borough Council in 1994.
- 67 The asset management framework provides a solid basis to direct stock investment in line with corporate priorities and objectives. Comprehensive strategies support the framework including: a decent homes action plan; asset management plan; repairs and maintenance strategy; energy efficiency strategy and a recently approved data management strategy that will ensure that ICT systems are integrated. Plans are closely linked to external factors and integrated with other internal service strategies. This will help ensure that PHG co-ordinates plans in line with customer expectations to improve its assets.
- 68 However, the asset management strategy does not clearly assess the key current issues facing PHG, customer preferences, and prioritise how these will be tackled. Without this it cannot be sure that it is focusing on the right things.
- 69 The stock condition database is robust and provides accurate data for investment plans. A 100 per cent stock condition survey in 2002 was updated by an 11 per cent sample of NPHA homes in 2004 and 38 per cent of PCHA homes in 2005. Surveys include decent homes elements and incorporate new Housing Health and Safety Rating System (HHSRS) criteria. Data can be interrogated by ICT asset management software to inform investment options. To ensure the database is continually updated PHG appointed a programme maintenance surveyor in 2005 and piloted the use of hand-held computer technology. Six Development Managers have been trained to use these, although repair staff are not used to carry out surveys when visiting properties. The stock condition database is not fully integrated with the asbestos and repairs and maintenance ICT system. The new data management strategy will address this.
- 70 The importance of asbestos management is acknowledged and suitable plans are in place to manage known risks. An asbestos register is updated with completed surveys. Training has been provided for PSD staff and repair orders will 'flag' the existence of asbestos from December 2006. Information is provided to tenants. PHG is carrying out sample surveys for domestic properties and had done 94 at the time of inspection. When an appropriate sample is completed, and job orders identify known location of asbestos to contractors and staff, PHG will be fully compliant with statutory requirements. This helps ensure the health and safety of both staff and residents during building work.

- 71** NPHA uses an effective sustainability matrix as a basis for its stock investment programmes. The matrix uses a broad range of stock condition, housing management and local socio-economic criteria to provide a traffic light assessment of individual local areas. 'Red' indicates a property, or area, has potential viability problems and prompts more detailed option appraisal. For example, this was used to remodel unpopular sheltered bedsits. The sustainability matrix is used to develop annual action plans with local Estate Managers. This improves area sustainability, ensures stock investment and housing management strategies are co-ordinated and minimises the risk of wasted expenditure.
- 72** Energy efficiency and affordable warmth strategies are being addressed through the recently agreed energy efficiency strategy. To date energy efficiency work has been ad hoc lacking an overarching strategic approach. There is evidence of innovative energy efficiency work, for example, solar panels fitted on one refurbishment scheme. It is too soon to assess its impact. New energy efficiency plans will help to increase PHG's SAP³ rating, which was 65 in 2004/05 below the national RSL average of 69. The new strategy provides clear direction to improve energy efficiency and affordable warmth for tenants but lacks clear actions about how some targets will be achieved.
- 73** Investment programmes have made significant improvements to tenants' homes and at September 2006, 94 percent of homes were decent. PHG will achieve 100 per cent by 2010. Homes are improved to a standard in excess of the minimum decent homes standard, for example, providing mains smoke detectors, environmental work and some window replacements.
- 74** However, PHG has not developed an overall decent homes/investment standard with tenants. Positively, investment plans are based on local factors and individual standards are discussed with local tenants. An agreed published minimum standard, modified to reflect local requirements, would ensure tenants know what to expect from future programmes.
- 75** A five year improvement programme has not been published. It is currently being agreed with both NPHA and PCHA Boards. Principles have been agreed and discussed with tenant representatives at the repair forum and housing forum, but they were not fully involved in drafting and agreeing the programme. It will be published when the investment plans have been agreed. Involving tenants more effectively in developing programmes ensure they understand and own the programme and the reasons for priorities.
- 76** The level of communication and quality of information for tenants before, during and after modernisation work is high. This includes a broad range of explanatory leaflets, information packs, newsletters, and effective personal liaison with PSD Contract Surveyors. A good range of choice is offered to tenants during investment programmes, including kitchen design layout, colours and finishes. However, tenant representatives have not been fully involved in approving the choice of standard components.

³ SAP: Standard Assessment Procedure: a measure of the energy efficiency of homes.

- 77 Overall tenant satisfaction with completed improvement work is high at 99 per cent. Reality checks during this inspection found high quality work and good tenant satisfaction with work.
- 78 Contract management of capital investment programmes is robust, closely monitored and performance is regularly reported. Performance against budgeted expenditure is good. However, performance reports focus on expenditure against budget and do not measure how well contracts are delivered against target times. Furthermore, contractor compliance with diversity requirements is not robustly monitored and managed. There is the danger that overspends could be under-reported by 'slippage' into following financial years and contractors may not be complying with equality and diversity policies.
- 79 The servicing of electrical and mechanical systems is efficient and external painting is being carried out on a five-yearly cycle. The recent recruitment of an in-house Service Technician will improve value for money (VFM) by delivering anticipated savings of £46,000 a year. This demonstrates PSD is striving to improve the VFM of its services.

Responsive repairs

- 80 There is a balance of strengths and weaknesses with the response repairs service. The overall quality and customer satisfaction with the response repair service is generally positive but some weaknesses remain. Performance completing repairs on time is generally improving. Operatives are multi-skilled and empowered to undertake additional work. Weaknesses include the low number of appointments and the high proportion of emergency and urgent repairs.
- 81 The Property Services Division (PSD) carries out all responsive repairs to NPHA homes and to PCHA homes within a 30 mile radius of Leyland (about 30 per cent). PSD acts as contractor to both NPHA and PCHA.
- 82 Tenants can easily report repairs through a dedicated repair call centre and 'freephone' number. This is widely publicised in newsletters, leaflets and on the website. A dedicated operator deals with the specialised nature of PCHA schemes, although other operators pick up overflow calls. The lifeline control centre handles out-of-hour emergency calls. Front-line staff accurately order repairs, helped by repair locator diagnostic software. This is not available online, but useful diagrams in the tenant handbook help tenants identify problems.
- 83 Staff and policies demonstrate a satisfactory customer focus. Tenant handbooks contain clear information about repair timescales and reporting arrangements, as well as details of tenants' repairing responsibilities. Staff use information regarding the vulnerability of tenants and communication preferences to make appropriate arrangements for repair work. This is detailed on the job order. Operatives are required to contact the tenant in advance to confirm requirements and access. Receipts are given for all repairs and satisfaction measured for completed work. Operatives are multi-skilled and are empowered to do additional repair work. This enables more repairs to be completed at first visit, although performance is not currently measured.

- 84 However, tenants are not currently offered appointments. A pilot for morning and afternoon appointments has been introduced in the Leyland area. Performance has not yet been measured and reported. It will be rolled out across NPHA and in PCHA for repairs undertaken by the in-house team by April 2007 when the new IT system is installed. In PCHA repairs carried out by external contractors will not be done by appointment. Only limited arrangements for evening appointments or Saturday morning appointments are provided. The difference in service between in-house and external contractors and limited facility for appointments outside normal office hours is not user-focused.
- 85 Satisfaction with response repairs is generally high and improving. The table below shows satisfaction increasing with the overall repairs service (general tenant survey) for PCHA tenants but reducing for NPHA tenants between 2003 and 2004. Satisfaction with recently completed repairs is high. Feedback from our own focus groups with residents reinforced high levels of satisfaction. Feedback is systematically analysed, reported and reviewed with the tenants' panel to improve services.

Table 1 Satisfaction with repairs

Table header	2003 general survey	2005 general survey	Recent repairs November 2006
New Progress HA	79%	71%	92.7%
Progress Care HA	53%	66%	89.9%

General tenant survey and regular satisfaction returns

- 86 Performance completing repairs within agreed timescales over the past two years has improved, though performance is well below that achieved by the top 25 per cent of comparable associations. The performance for urgent and routine repairs in 2005/06 was just above the bottom 25 per cent performance. The following table shows that performance has improved significantly in 2006/07 (un-audited). PHG is accurately measuring performance completing repairs on time from the time a repair is reported.

Table 2 Performance completing repairs on time

Table header	2004/05	2005/06 (quartile position)	2nd quarter 2006/07	National top 25% 2005/06
New Progress HA				
Emergency Repairs	97.03%	97.9% (2)	99.3%	99.1%
Urgent	91.6%	91% (3)	94.6%	97.2%
Routine	90.6%	92.6% (3)	94.2%	97.5%

Table header	2004/05	2005/06 (quartile position)	2nd quarter 2006/07	National top 25% 2005/06
Progress Care HA				
Emergency	97%	97% (2)	99.3%	
Urgent	90.3%	91.5% (4)	95.4%	
Routine	92.8%	91.2% (3)	95.1%	

Source: Published KPIs; Monthly Management Reports; Housing Corporation PIs

- 87 The value for money (VFM) of the response repair service was not robustly demonstrated through the annual assessment report for PSD. Weaknesses with repair performance and adverse comparison with top performers was not highlighted. However, PSD has successfully won tenders to provide services to other organisations which helps demonstrate VFM of the service. Further work is needed to comprehensively compare the quality and cost of the response repairs service to ensure it is providing the best possible service to residents.
- 88 There are some inefficient working practices. PHG does not achieve an optimum balance between emergency, urgent and routine response repairs compared to good practice guidelines. In NPHA in 2005/06 28.7 per cent of repairs were emergency repairs compared to a recommended 10 per cent. Emergency and urgent repairs combined were 66.7 per cent compared to good practice of 30 per cent. Action has been taken to address this and emergency repairs have reduced by 15 percentage points in the last three years (currently 20 per cent November 2006). Other inefficient practices include the following.
- Tenants are not efficiently recharged for repairs that are their responsibility. Since 2003 only £6,661 has been raised as repair recharges. Incorrect diagnosis increases the number, and cost, of generally emergency repair. This is being addressed through call centre training, improved diagnosis and a review of procedures.
 - Performance between individual contractors and the in-house workforce is not routinely compared, analysed and reported. This would help identify good practice, inform value for money improvements. External contractors completed 95.2 per cent of all repairs within priority (April to November 2006) compared to 97 per cent for PSD.
 - Performance is not monitored and reported for the time taken to carry out inspections.

- 89 There is evidence of some efficient working practices. For example, NPHA 'achieves' good practice ratios of 60:40 (planned: response repairs) revenue expenditure and 'batches' replacement orders to make best use of resources. However, achieving the ratio is largely due to most 'capital' improvements being paid for out of revenue funding. Other efficient practices include the following.
- Repair pre and post-inspections are kept to a minimum (7 per cent and 9 per cent respectively in 2005/06).
 - Increased multi-skilling and repairs completed right first time improves the VFM and quality of the repair service. However, savings and improved performance in these areas is not routinely measured.
 - An estate caretaker on the Wade Hall estate carries out minor repairs and staff are encouraged to report communal and general repairs on estates.
 - Replacing trade operative bonus systems with performance related pay that rewards multi-skilling and quality of work.

Empty property (void) repairs

- 90 Performance managing empty properties is generally positive. PHG is customer-focused having a clear letting standard agreed with tenants, undertaking accompanied viewings and new tenant visits. PHG has a good understanding of sustainability and has reduced turnaround times and void levels. Voids are completed to a high standard of repair. Relet times are improving but are still too long. However, the average cost of voids is high and increasing.
- 91 PHG understands area sustainability and the key reasons behind low demand and long relet times. As described previously it has a good strategic framework for dealing with estate sustainability and unpopular properties. Local lettings policies help market areas and properties.
- 92 The total number of NPHA voids was 0.9 per cent at the end of March 2006 compared to a national average for all RSLs of 2 per cent. There were no long term voids un-available for letting. This means empty homes are brought back into use.
- 93 Performance reletting void properties is improving. Average relet times in NPHA reduced from 40 days in 2004/05 to 32 days in 2005/06 (target 21 days). Performance in PCHA is much worse. Relet times have reduced from 333 days in 2005/06 (although published Housing Corporation performance is quoted at 130 days) to 125 days in the second quarter of 2006/07. The percentage of rent lost due to voids was 6.2 per cent at September 2006 compared to 3.7 per cent in 2005/06 (Housing Corporation figure 4.4 per cent). While recognising the need to identify a suitable resident to fit in a supported housing scheme it is also necessary to ensure efficiency reletting arrangements. PCHA does not lose rental income as rent levels make an allowance for void periods and the support agency covers rent loss above this amount. However, PCHA is not working with providers to ensure the efficiency and effectiveness of reletting procedures.

- 94 PHG does not make the best use of local performance indicators (LPIs) to give a true picture of performance. For example, reletting long term difficult to let voids and those undergoing more extensive improvement work will skew averages. Local PIs could measure the percentage of empty properties relet within target times to give a better understanding of general performance.
- 95 PHG has improved empty property management. A specialist PSD voids team carries out repair work and liaises closely with housing management staff. Positive information is available to staff and prospective tenants about the type and availability of housing in each area. Good information about the availability of properties is publicised in the head office reception area and in more detail on the website. The lettable standard is sent with the offer letter. Accompanied viewings are made for all lettings and new tenancy visits take place between four and six weeks. However, performance and feedback from accompanied viewings and new tenancy visits is not yet routinely monitored, analysed and used to further improve services. Improved procedures ensure properties are let efficiently with a high customer focus.
- 96 Empty properties are repaired to a high standard and, where appropriate, improvement work is carried out when the property is empty. Properties are not generally decorated but new tenants are offered decoration allowances. Exceptions are made for vulnerable new tenants. All vacant properties have appropriate health and safety checks. Incoming tenants are given gas safety certificates and told when the next service will be. Vacant properties are secured appropriately to suit local conditions and minimise adverse impact on the local environment. Tenant inspectors look at completed voids to help monitor performance. We inspected a few ready to let properties that were all repaired to the lettable standard. Feedback has led to improved cleaning standards being enforced. New tenant satisfaction surveys ask for feedback on how the standard could be improved. This helps improve standards and reduces the risk of refusal.
- 97 The average cost of void repairs is high and increasing. The average cost of NPHA voids increased from £912 in 2003/04 to £1,500 in 2004/05 and was £1,467 in 2005/06, although it had reduced to £917 in October 2006. PHG has not robustly analysed costs of voids, assessed the impact of the extra cost doing improvement work and comparing costs and working practices with top performers. This means the organisation cannot demonstrate improved value for money or cost effectiveness.

Gas servicing

- 98 Gas servicing is carried out by the in-house PSD team for NPHA and for PCHA homes within 30 miles of Leyland. Other homes in PHG are serviced by an external contractor. PHG is currently marketing the in-house gas servicing and repair service to private householders within a 30 mile radius. This provides an additional service to the community and helps to demonstrate, and maximise, the cost effectiveness of the service.

- 99** Performance with gas servicing is very strong. Gas servicing programmes are carried out efficiently and conscientiously. At the time of inspection 99.1 per cent of properties had a valid gas safety certificate in NPHA. Performance is similarly high in PCHA at 98.9 per cent, where almost 60 per cent of servicing is done by an external contractor. Performance is monitored robustly with the contractor/ in-house heating engineers, ensuring local issues are promptly addressed. All safety certificates are checked and 5-10 per cent internal inspections ensure the quality of servicing. Internal audit and CORGI assessments have confirmed satisfactory procedures and arrangements.
- 100** Gas servicing access procedures are robust. First contact is made two months before the service is due to allow time for access to be secured. Performance is high and at December 2006 only 14 properties in NPHA did not have a current safety certificate. Of these the longest outstanding was from April 2006, and an injunction was obtained in July 2006. The property was abandoned and is now relet. In PCHA only 6 properties do not have a valid safety certificate. The gas servicing team work closely with housing staff to enforce access until injunctions are sought. Strong performance gaining access helps ensure the health and safety of tenants and protects the properties.
- 101** The customer focus of gas servicing is improving. The annual programme is promoted and tenants are clearly informed when servicing is due to take place. A variety of newsletters and leaflets reinforce the importance of gas servicing. First contact letters offer a morning or afternoon appointment, but evening or Saturday morning appointments are not promoted and only offered as an exception, or where access is a problem. Smoke detectors are checked during servicing and advice given about the condition of tenants' own gas appliances. Customer satisfaction has been measured since August 2006 and performance in September 2006 showed very high levels of satisfaction with 100 per cent assessing the overall service as good or excellent.
- 102** Monthly Board reports positively monitor the percentage of gas servicing completed 'within service' and other exception reports are provided regularly. However, reports do not analyse how long properties 'out of service' have been without a valid safety certificate. This means the level of risk presented by overdue cases is not highlighted.
- 103** Best use is not made of ICT to maximise efficiency. For example, staff and contractors do not use hand held technology to directly update records. This will be addressed as part of the new data management system.

Aids and adaptations

- 104** There are more strengths than weaknesses with aids and adaptations.
- 105** Budgets have increased demonstrating PHG's commitment to adaptations. NPHA's budget has grown from £120,000 in 2003/4 to a proposed budget of £171,500 for 2007/08. PCHA's budget is increasing from £120,000 in 2006/07 to £160,000 in 2007/08. More vulnerable people will therefore have much needed aids and adaptations installed.

- 106 There is a robust policy and procedure for aids and adaptations. Procedures have recently been reviewed and a specialist post created to provide more focus and strengthen services. Minor works are carried out as part of the routine repairs service. These do not usually require an Occupational Therapist (OT) assessment and PHG's specialist officer organises the work. Most minor adaptations are carried out within 28 days. Major works usually require financial assistance from Local Authorities and have two priorities: urgent (within 3 months) where there is an immediate risk to health and safety; medium (within 6 months) where work is needed to allow mobility around the home.
- 107 The waiting list for adaptations is short. PCHA has no requests for adaptations waiting over 2 months. However, the waiting list will increase as the 2006/07 budget is fully committed. Six new requests from PCHA tenants will have to wait until next year for major adaptations. Tenants are visited and if safety is at risk alternative funding is sought or budgets from 2007/08 will be brought forward. Generally tenants in need of property adaptations do not have to wait long for adaptations.
- 108 A range of helpful information is available about adaptations. There is a useful adaptations leaflet and the website provides clear details about priorities, target times and how to apply or get advice about adaptations. However, information on the main PHG site only advises how to apply for more information. Detailed information on the separate 'talk2progress' site may be overlooked.
- 109 Up to date records of all adaptations are recorded on PHG's ICT system. Details of adaptations are integrated to show in the voids database. This means suitable properties are matched to an appropriate applicant.
- 110 PHG involves tenants in adaptation services. A group of tenants who have experienced adaptation work are on the disability forum and have been involved in reviewing procedures. Tenants are also asked how satisfied they are with the service. For the first six months of 2006/7 overall customer satisfaction is 100 per cent exceeding the 90 per cent target. However, only 69 per cent of tenants said they were told when work would be done. Services are continually improved with tenant involvement.
- 111 Thorough monitoring of performance with the adaptations service is just beginning. The first report on performance measures will be presented to the disability forum in December 2006. Targets for completing adaptations are not set from the time an application or referral is made, which is the date important to the tenant, but on the date of receipt of an OT assessment, or when an order for the work is raised. PHG do however keep tenants informed of progress at all stages.

Housing income management

- 112** This is a strong area of service delivery. PHG has a robust approach to rent charging, collection, arrears recovery and benefits advice. A range of payments methods make it easy for customers to make payments and the rent accounting system works well. Residents are closely involved in developing the service. The service is customer focused and there is a good range of information and payment options. Performance collecting rent and reducing rent arrears has steadily improved over the last few years. PHG ensures effective benefit advice is given to tenants. There are some weaknesses: systems for monitoring and recovering sundry debts are not as effective; there is limited contact with residents in debt outside usual flexible office hours; limited tenant profiling of rent arrears has been used to target benefit campaigns.
- 113** PHG has a clear policy for setting rents and service charges which lays out how rents meet government target rents by 2012. Reports to the Boards and the housing forum clearly set out the necessary requirements for rent restructuring. PHG effectively involves tenants in rent setting proposals through the rent and services panel. It has influenced key policies including rent increases and welfare benefit services. Good information helps tenants understand how rents are set and ensures procedures are customer-focused.
- 114** Service charges and sundry debts are clearly disaggregated from rents. PHG separately records and accounts for rent arrears, garage rents, court costs, rechargeable repairs and other debts. Service charges are not pooled and are based on actual costs that can be attributed to individual properties, or groups of properties, that receive services. Sundry debts are invoiced separately and swipe cards given to help payment. This makes it easy for tenants and leaseholders to understand what they are paying for.
- 115** There is a wide range of payment methods that make it easy to pay rent. As part of the customer service review in 2004 payment methods were reviewed. Office payments were withdrawn and more cost effective, flexible methods introduced. These include standing order, direct debit, AllPay cards for payment at post offices, local shops, telephone and internet online. Payment by debit card/telephone is being introduced and credit card options for new key worker tenants in Lincolnshire. Tenant representatives for NPHA do not want a credit card option for tenants in general needs housing, due to the potential for debt.
- 116** A broad range of helpful information is available to tenants. Payment methods are well publicised in the tenant handbook, leaflets, rent statements and in the tenant newsletter. Quarterly rent and service charge statements give advice about getting information in other formats. They provide an easy to understand breakdown of rent and service charges as well as payment history and closing balance. A commentary box is used to provide other advice such as payment options and welfare benefit advice. An advisory leaflet details action tenants can take if they have problems paying, and gives useful contact details of other agencies who can offer benefit and debt advice. This makes it easy for tenants how to pay rent and helps maximise income collection.

- 117 PHG has accurate information on the transaction costs of rent payment methods. For example, 13 per cent of NPHA tenants currently pay by direct debit which has the lowest transaction cost of 7p. This compares to 41 percent paying by swipe card at 49.5p per transaction. However, NPHA has not yet effectively promoted the most cost effective methods, or offered incentives to pay to improve services and value for money. This is currently being addressed through plans to increase the take-up of direct debit.
- 118 PHG effectively communicates with users. The 'vulnerable tenant policy' ensures that information and advice to tenants is provided in the most suitable way, for example by personal visit, by telephone, or for PCHA tenants with learning difficulties by pictorial messages. The preferred means of communication is flagged on IT systems for all contact.
- 119 PHG has set challenging local standards for setting up rent accounts and also provides initial housing benefit (HB) assessments at tenancy commencement. Performance is closely reported and monitored. For example 98 per cent of payments are posted the same day. This minimises and prevents arrears by ensuring that new rent accounts are promptly set up and payment methods explained before tenancies commence.
- 120 PHG is able to identify rent arrears due to HB claims and is improving rent accounting systems further through an 'entitlement and contribution' that will be able to split various rent elements such as HB and supporting people contributions. This will be operational in 2007. This will give a more accurate picture of 'true arrears' and the contributions tenants are expected to make.
- 121 The following table below shows that performance collecting rent has generally improved over the last two years although data provided by PHG varies significantly to the latest Housing Corporation published PIs. Data supplied to the Housing Corporation for 2005/06 was inaccurate due to splitting data between general needs and sheltered housing. Amended, but un-audited, figures for 2005/06 are shown in brackets in the table.

Table 3 Percentage rent collected

	2004/05	2005/06 (quartile)	2nd quarter 2006/07	National mean RSLs 2005/06
New Progress HA (general)	101.4%	93.2% (4) (102.1%)	113.1%	98.2%
New Progress (SH)	-	106% (1) (103.6%)	118.4%	98.2%
Progress Care HA (SH)	92%	103.7% (1)	102%	98.2%

Source: Group Quarterly reports and Housing Corporation PIs

- 122** Rent arrears recovery procedures are strong. Rent arrears strategies have recently been reviewed with tenants. A revised policy was implemented in 2004 to provide more focus on early action with preventative advice given about payment options, housing benefit assessments and other benefit advice for new tenants. Procedures are robust with standard letters and required action 'flagged' at appropriate arrears levels. Audit trails ensure that reasons for over-riding required action are checked by managers' exception reports. There are suitable performance management arrangements between staff and managers. This ensures there is an appropriate balance between offering advice to help sustain tenancies and firm action to maximise debt recovery.
- 123** Rent recovery procedures are customer-focused. Letters are helpful, customer-friendly and are printed in preferred formats. NPHA has recently introduced induction programmes for new tenants with floating support to help them understand responsibilities and impact of not paying rent. This builds up a positive relationship and encourages tenants to pay rent and repay debts. It plans to investigate text messaging to improve ways of contacting tenants in arrears.
- 124** PHG seeks possession for rent arrears only as a last resort, once all other reasonable steps have been taken and after tenants have received comprehensive debt advice. Legal action is not appropriate with PCHA tenants. Significant debts are generally due to benefit problems and can be managed through liaison with tenants and support providers.
- 125** NPHA staff use the court users group to improve procedures. Although waiting times for court hearings are still between 8 and 12 weeks, the group has successfully gained a separate day for RSL cases which has eased administrative arrangements. Staff representing arrears cases is cost effective. Possession proceedings are integrated with other action, such as anti-social behaviour cases, making best use of time and giving value for money.
- 126** NPHA uses alternative remedies to recover debts such as attachment of earnings and the small claims court where appropriate. This helps tenants and also saves organisational costs. There has been an increase in legal action as shown below. Fewer evictions take place than the number 'set' due to success getting tenants to make suitable arrangements to clear debts.

Table 4 Legal action

	2004/05	2005/06	April-Nov 2006
Notice Intention Seek Possession	N/A	538	380
Possession Orders	64	120	77
Court Hearings	213	412	384
Evictions Set	101	148	159
Evictions	26	29	29

Source: Data provided on-site

- 127 This increase in debt recovery activity and effective management has helped to reduce rent arrears. The following table shows that performance recovering rent arrears has improved for both NPHA and PCHA. Annual trends generally show an improvement after December when use is made of rent-free weeks to target additional payments and reduce arrears.

Table 5 Current arrears (true week) as a percentage of annual debit

	2004/05	2005/06 (quartile)	2nd quarter 2006/07 (target) (un-audited)	National mean RSLs 2005/06
New Progress HA	5%	4.4% (2)	4.08% (3.5%)	5.1%
Progress Care HA	7.2%	5% (3)	5.59% (8%)	3.8%

Source: Group Quarterly Reports and Housing Corporation Pls

- 128 PHG has implemented the requirements of the courts' rent arrears pre-action protocol. This ensures that all suitable steps have been taken before taking a case to court and minimises the risk of have a notice seeking possession order rejected. However, PHG has not promoted the protocol to tenants. This would ensure that tenants are advised of their rights and that all suitable preventative action has been taken. It will be included in the next newsletter.
- 129 Staff work flexibly to recovery rent arrears but not systematically during evenings or Saturday mornings. Good use is made of telephoning tenants (including using mobile telephone contacts) between 8.00 - 9.00am and 5.00 - 6.00pm. Contact outside these times is done on request by tenants, but not proactively by PHG to target non-payers. A formalised approach to evening/weekend work could help contact tenants not available during normal working hours.
- 130 There are comprehensive procedures to recover former tenant arrears (FTA) and performance collecting debts is improving. FTA procedures use tracing agencies but not debt collecting agencies. Suitable procedures ensure irrecoverable debts are written off regularly by the Group Board. £181,000 was written off in 2005/06 for NPHA and £41,000 for PCHA. In NPHA FTAs reduced from 4.7 per cent at the end of 2004/05 to 4.5 per cent at 2005/06. They have reduced further to 3.12 per cent at September 2006. PHG has appropriate policies on FTAs taking into account the vulnerable nature of tenants. Procedures are due for review during 2007 when the use of debt collection agencies will be considered.

- 131** Systems for monitoring and recovering sundry debts are not as effective. Debt recovery procedures clearly identify individual staff responsible for invoicing, recovering debts. However, monitoring and control arrangements are not as thorough as for rent arrears. There are fortnightly monitoring meetings between officers but no summary performance reports to senior management teams and Boards for specific areas of debt such as court costs, rechargeable repairs and lifeline costs to tenants. Some performance is weak. For example, since 2003 only 34 per cent of repair recharges (£2,251) had been recovered. Unless performance is broken down and reported areas of poor performance will not be identified and dealt with.
- 132** PHG has effective benefit advice services. Tenants were involved in driving improvement in welfare rights and helped develop a welfare rights strategy. A specialist Welfare Rights Manager was recruited in 2005. Staff training, advice surgeries, and a general take-up campaign resulted in recovering £100,000 in additional benefits in 2005/06. Initial HB assessment is carried out at accompanied viewing stage and staff refer cases to the Welfare Rights Manager, or signpost users to other agencies to help maximise their income.
- 133** Rent arrears have started to be profiled and rent arrears action has been targeted on three estates. However, tenant profiles have not been used to help target specific benefit take-up campaigns towards particular groups of tenants.
- 134** There is a broad range of useful information, and positive relationships with external benefit advice agencies. The tenant handbook highlights how to get advice on other benefits and gives contact numbers for community agencies providing advice. Arrears letters and leaflets include information about where to go for money and debt advice and tenants are also urged to contact the Citizens Advice Bureau, or other appropriate advice agency, at interviews.
- 135** Due to the dispersed nature of housing stock, PHG only has a HB service level agreement with one local council. This allows them to verify housing benefit claims, which can often make applications quicker to process. It is not practical to have similar arrangements with other councils where there is little stock.
- 136** Improved ways to offer advice and recover rent arrears are continually developed. For example, NPHA has regular rent arrears surgeries on estates and the Welfare Rights Manager also attend to offer advice. The benefit of offering initial HB advice for new tenants, and particularly those receiving floating support services, has already been mentioned. This should help sustain new tenancies. This has not yet been demonstrated by a reduction in tenancies failing within the first six months. For example, in Leyland 40 new tenancies failed with six months in the year to date, compared to 47 in 2005/06.

Enforcing tenancy conditions and dealing with anti-social behaviour

- 137** Strengths outweigh weaknesses in this area. Action against anti-social behaviour (ASB) is effective using a range of remedies while balancing enforcement with support and preventative initiatives. Clear information informs tenants about their rights and responsibilities. However, there is limited evaluation of initiatives and few local PIs are measured that indicate success in area sustainability. Starter tenancies are only used in a few areas.
- 138** There is a clear policy framework to support the management of ASB. An ASB strategy and policy statement was agreed with residents on the ASB forum. There are detailed procedures covering ASB, domestic violence and hate crimes which include guidelines on managing cases and timescales for responding to initial complaints. PHG is embracing the government's Respect Agenda and is developing an action plan to ensure it is addressing all areas. A draft action plan has been developed identifying the actions already taken and any additional action that is required. PHG expect to sign up to the Respect Agenda in the spring of 2007. Closely involving residents in developing strategies ensures that enforcement action and support measures are in line with residents' wishes.
- 139** Tenancy management services are effective and are supported by dedicated tenancy enforcement teams to tackle ASB. Robust procedures ensure the right balance between tenants' rights to quiet enjoyment and enforcement action for breaches of responsibility. Rights and obligations are made clear during positive contact with new tenants at accompanied viewings, sign-ups and new tenancy visits. Visits to new tenants monitor how well they are settling-in.
- 140** A comprehensive tenant handbook, range of leaflets and other information ensures that clear, simple and easy to understand advice is available for tenants to understand their rights, responsibilities, and PHG's approach to dealing with ASB. The tenancy agreement has a clear message about ASB. However, NPHA only uses starter tenancies in a few areas as part of local lettings plans. Starter tenancies can help reduce ASB and allow quicker legal and enforcement action. It is reviewing wider application through the housing forum as part of the 2007 operational plan.
- 141** There are a number of standards in place for ASB, racial harassment, other harassment and homophobic behaviour. Clear response times are in place for categories of ASB complaints and serious harassment or offensive graffiti. Through an agreement with South Ribble BC offensive graffiti is removed within 24 hours and the remainder within five days. There are good working relations with the local council and Estate Managers ensure action is taken.
- 142** PHG acts proactively to reduce problems of ASB as part of its focus on making estates more sustainable. A broad range of action is taken to deal with ASB. The number of NPHA ASB complaints increased from 278 in 2004/05 to 455 from April-October 2006/07. This reflects increasing tenants' confidence in reporting problems. A range of methods are used to address ASB, for example in 2005/06, 25 notices of intention to seek possession (NoSPs) and 7 Notices to Quit were served, 3 Closure Orders, 6 injunctions and 2 anti-social behaviour orders (ASBOs) were obtained.

- 143** New ASB initiatives are continually developed. Good neighbour agreements are planned for Wade Hall tenants to strengthen the ASB policy and emphasise residents' responsibilities and rights. Following consultation with the ASB forum, ASB surgeries have recently been introduced on local estates. Surgeries are advertised locally and on the PHG website providing local residents with a convenient route to report ASB examples.
- 144** NPHA actively uses publicity to promote its tenancy enforcement policies in newsletters and the local press. Publicising successful action and has made residents more confident to report incidents. There are indications of success dealing with ASB. For example, the number of live ASB cases reduced from 189 in October 2006 to 162 at the start of November.
- 145** The satisfaction of complainants following completion of ASB cases has improved from 82 per cent in 2004/05 to 95 per cent in 2005/06 (98.6 per cent in November 2006). However, the response rate of 12 per cent from April to October is very low. NPHA is not regularly capturing wider community views on their satisfaction with ASB activity. It only measures this as part of the general customer survey carried out every three years. The last survey was in 2004 and the next will be carried out in 2007. Without more regular local surveys PHG cannot fully assess the success and impact of its work.
- 146** Staff have a positive visible presence on estates and residents are closely involved in local estate management. The customer services review responded to tenant feedback and closed local offices to allow staff more time on estates. Estate Managers attend local surgeries, walkabouts and spend time on dealing directly with local issues of estate management. Walkabouts with residents are advertised and are prioritised in areas at greatest risk. Local areas are colour coded and monthly walkabouts take place in high risk areas designated 'red', quarterly in medium risk 'amber' areas and twice a year in low risk 'green' areas. Weekly walkabouts are undertaken in the high risk temporary accommodation and new build areas. Tenants and residents meet regularly with NPHA to discuss ASB and what improvements can be made. As a result policies and procedures are based around what residents want and help to make estate more sustainable.
- 147** NPHA has helped design out crime both for both new developments and existing estates. For example, new development on Wade Hall was designed to remove dark spots which attracted anti-social behaviour. Other examples include the removal of shrubbery which provided a litter trap, additional lights to light up dark spots, and gates on enclosed walkways which attract ASB. Action is taken in consultation with tenants and residents.
- 148** NPHA has strengthened its approach to supporting victims following incidents of ASB but recognises that more needs to be done. It has a witness support policy and, for example, has helped victims with transport to court hearings. There will be a dedicated budget to support witnesses in 2007/08. Perpetrators are also supported to change their ASB. There are examples of perpetrators being referred to the floating support service and other agencies such as drug intervention workers to help them change their behaviour.

- 149** NPHA works closely with other agencies to tackle ASB. It attends various forums that include: a multi-agency problem solving group; 'prevent and deter' meetings with the local council; prolific offender's forum; the court user group. Examples of joint initiatives include involvement in the 'Brightspark project' with the Police and the caretaker project on Wade Hall in partnership with the Council.
- 150** A range of preventative and diversionary work provides an effective balance to enforcement activity. Examples include supporting summer play schemes to prevent juvenile anti-social behaviour and working with the local fire service and the Police to reduce deliberate fires and the misuse of fireworks. However, evaluation of diversionary activity is ad hoc. For example the ASB strategy shows a 67.5 per cent reduction in juvenile nuisance in April – September 2005 compared to April – September 2004. Other occasional reports are produced. For example, a review of two initiatives to help in estate clear ups and to target ASB over Halloween and bonfire night in the South Ribble area, is currently being produced by the Police. Systematic monitoring, assessment and reporting enables organisations to learn and react more quickly to what works well.
- 151** The impact of ASB activity is monitored and assessed through the sustainability matrix which directly feeds into the ASB strategy, local action plans, local lettings plans, debt management strategies and local partnership working. There have been a few signs of success. For example, turnover has reduced slightly on two estates (from 8.5 per cent to 6.8 per cent on Broadfield between 2004/05 and 2005/06).
- 152** NPHA is not formally evaluating and reporting on the success of strategies. A limited number of performance measures (number of cases, mediation and satisfaction) are reported monthly and shared with the ASB Forum. But NPHA is not measuring and reporting a range of local PIs to give a more accurate measure of sustainability. These could include the average number of offers per letting, or the percentage of new tenancies failing in the first 12 months. There are proposals to develop a system that would provide positive feedback to residents and also help apply learning from what works well.
- 153** The standard of estate management and appearance of estates we visited was high. Grass was cut, landscaped areas maintained and there is little evidence of litter and graffiti, abandoned cars or other problems on estates that are not being attended to. Maintaining estates to a high standard helps reduce ASB, improves the popularity of local areas, makes empty properties easier to let and estates more sustainable.
- 154** There is evidence that NPHA is benchmarking its tenancy enforcement services and learning from good practice. NPHA is a member of the Social Landlords Crime and Nuisance Group (SLCNG), which shares good practice. It has applied good practice to train staff to apply for injunctions. It has successfully obtained 13 injunctions saving an estimated £30,600 in legal costs. It is also using the new HouseMark ASB benchmarking service. However, it does not have accurate information on the unit costs of services to robustly compare the VFM with others.

Supported housing

- 155** Strengths significantly outweigh weaknesses in this area. The quality of supported housing schemes and support services is high. Both PCHA and NPHA are providing valuable support to help vulnerable people live independently in the community. There are a few weaknesses with sheltered housing services and benchmarking with other supported housing providers is not extensive.
- 156** PHG has a wide range of measures and initiatives help support tenants in their homes. The provision of supported housing and other support services is a key part of the Group's strategic aims, helping to provide sustainable communities. PCHA is the key vehicle for providing specialist supported housing schemes with support services provided through partner agencies. Sheltered housing and floating support are managed through NPHA and the women's refuge is managed through PCHA. The quality of individual housing services, such as repairs and income management, to tenants in supported housing schemes has been covered in the relevant service area sections of this report. This section focuses on housing support services.
- 157** Information to tenants and potential users of supported housing is generally good. Floating support services are publicised through leaflets which are distributed to local councils and other local agencies and is published on the website. An article in the tenant newsletter and presentations to staff has helped to promote services. However, leaflets have not always been widely distributed to, for example, Citizen Advice Bureaus. A criticism mentioned by people leaving the service was that they wish they were aware of the service sooner indicating that people may not be aware of the support services available to them. Wider promotion helps raise awareness for supported housing and equal access to appropriate services.
- 158** The pictorial PCHA tenancy handbook is well designed and suitable for users with learning disabilities. The handbook makes good use of pictures and simple text to explain tenants' rights and responsibilities in a way that people with learning disabilities find easy to understand. An advocacy group congratulated PCHA on its design and content. People with learning disabilities have a greater chance of understanding their responsibilities and rights when they are presented in a way that is easy for them to understand.
- 159** All tenants in supported housing schemes, sheltered schemes and those receiving floating support have a personal support plan. Housing support focuses on an individual's needs. Challenging targets are being kept, such as having 100 per cent of support plans in place within one week (one month for sheltered tenants). Plans are developed in consultation with each resident and identify the specific areas of support that each person requires to help them live as independently as possible within communities.
- 160** The quality of PCHA's supported housing schemes is high. Schemes have all been assessed under the Supporting People programme as providing Level C services. Level C meets satisfactory standards across a range of factors. PHG was the first provider in Lancashire to be awarded this level across the range of supported housing services. Schemes have a high level of occupancy with few vacancies at the time of inspection.

- 161** All four supported housing schemes visited by the inspection team provided high quality accommodation with caring and professional support services. For example, the women's refuge for victims of domestic violence is a high quality scheme. Residents are closely involved in managing and developing scheme services. They were recently involved in recruiting new staff. Following feedback from residents the refuge is reviewing the provision of accommodation for women with teenage boys who are currently excluded if over 15 years old. High quality schemes help to improve the quality of life for vulnerable people.
- 162** Support providers are very positive about the services provided by PCHA. They rate highly how easy it is to contact PCHA, their involvement and the information they are provided with. There are specific contacts for repairs and other services. Support providers consider PCHA staff to have good personal and communication skills. These are particularly important in managing neighbour concerns when developing new schemes. PCHA pay close attention to individual scheme details and local needs. Support providers have a high degree of confidence in PCHA.
- 163** Satisfaction levels of PCHA tenants, relatives and support providers have improved between 2003 and 2005. For example 98 per cent of tenants liked their home a lot or thought it was satisfactory in 2005 against a figure of 95 per cent in 2003. Sixty six per cent of tenants were happy with the way their home is repaired in 2005 compared to 53 per cent in 2003. Exit surveys record a 100 per cent level of satisfaction.
- 164** NPHA provides helpful and effective floating support services. Floating support services are operating at capacity. It is currently providing support to 71 people, and has a waiting list of 6. There are a number of performance targets in place for the floating support service. Most importantly, the service is measuring the sustainment of tenancies after support is withdrawn. Performance is currently exceeding the target for at least 90 per cent of tenancies being sustained three months after support is withdrawn. This shows that vulnerable tenants are being helped to sustain their tenancies and live independently in the community.
- 165** In addition to floating support, lifeline services are provided to other vulnerable people in the community. The emergency contact call service is provided by PHG staff working from the customer services centre. They currently provide lifeline cover to help 1,641 people live independently in the community. This includes private householders. Positively, a free lifeline service is provided for six weeks following leaving hospital. Local PIs show that all new services are installed within the 24 hour target and performance answering calls in the control centre is high with 93.5 per cent of calls in September 2006 answered in less than 30 seconds compared to the target 80 per cent. A reality check of the lifeline service found staff were professional, helpful and reassuring when dealing with callers.

- 166** Sheltered housing services are popular, well used and provide older people with valued services. Occupancy levels in sheltered schemes are high. Latest figures show utilisation levels to be 99.3 per cent, well above the County Council Supporting People target of 90 per cent. A scheme we visited provides a pleasant, clean and safe environment with a good range of care and support services. Satisfaction with sheltered housing is high. When last measured in 2004, 98 per cent of residents were satisfied with sheltered housing services. Tenants we met were also happy with the scheme as a suitable place to live that meets their particular needs.
- 167** NPHA listens and acts on the views of its sheltered housing residents. They are closely consulted over changes affecting their particular schemes. They are routinely consulted over matters such as redecoration. Tenants were thoroughly consulted during a sheltered housing review over proposed changes to warden service moving away from non-resident wardens. NPHA allowed three sheltered schemes to retain resident wardens where tenants did not want to lose their services. Despite this presenting financial difficulties and lack of consistency in sheltered housing services, tenants' views are given priority.
- 168** There are however, several weaknesses with sheltered housing. For example:
- currently there is no consultation or involvement mechanism specific to engage sheltered housing tenants in wider service delivery. A sheltered housing forum is being developed but is not yet operational. Tenants are however welcome to attend other service forums. One is a member of the editorial panel and also a Board member;
 - not all schemes have routine house meetings, relying on an information Board and individual face-to-face discussions to exchange information and views;
 - sheltered housing tenants' satisfaction levels are not measured frequently enough. Opinion is surveyed every three years as part of the general tenant survey. The next survey will be in 2007. However, in times of significant change this is not frequent enough to detect changes and respond to them quickly;
 - tenants of schemes with resident wardens are charged a higher rate for support services but they may not have a higher level of need. As a result some residents may be receiving a higher level of service than they need; and
 - there are no comprehensive service standards for sheltered housing to ensure services that are important to tenants are measured. These could include monitoring of support plans, provision of information and social activities, and cleanliness of communal areas. This is being reviewed as part of the customer focus project.
- 169** Housing support services have good links with local agencies and councils. Nomination arrangements are in place with a number of local councils to help them deliver their homelessness strategies. Regular meetings take place to discuss issues. There is also regular day-to-day contact between the individual projects and relevant agencies, local colleges, job centres and the Police.

- 170 It is not clear how PCHA and NPHA are using benchmarking of all supported housing services to continuously improve services. Although Supporting People assessments consider the cost and quality of services and some services are part of wider forums, PHG are not actively benchmarking all support services. Benchmarking is not routinely used to improve the sheltered housing service or the women's refuge and resettlement support service. Without this PHG can not demonstrate effectively that comparisons are driving continuous service and value for money improvements.
- 171 Service providers are not always informed when service users fall behind with their rent. It is recognised that tenants may have an advocate who is not employed by the support agency and PCHA is unable to disclose private information. Protocols with advocates are not used to share information that is in the best interest of the resident. Tenants may have significant arrears before the support provider gets to know and is able to help.

Is the service delivering value for money?

- 172 There is a balance of strengths and weaknesses in this area. There is a corporate commitment to value for money (VFM) but this is not yet fully embedded throughout the organisation. Internal reviews are targeted at high cost areas that are important to both the business and customers. The business plan and robust budget planning set clear efficiency targets. Procurement decisions are objective and the new procurement strategy provides an open and transparent framework. Significant efficiency savings have been made. However, PHG does not have clear and accurate information on the overall cost and quality of services, and does not know how individual service costs compare with others. It lacks an overarching VFM strategy and performance overview to effectively manage efficiency targets. Some services, such as elements of the response repair service, are not giving value for money.

How do costs compare?

- 173 PHG does not have clear and accurate information on individual service and unit costs linked to the quality of each service. The accounts system only gives summary service costs. PHG is considering using 'activity based costing' to obtain more detailed information as part of its VFM action plan. Robust understanding of costs, and differences between parts of the organisation, is needed to ensure all areas of its business are cost effective.
- 174 PHG does not know how its individual service area costs compare with others. Although it compares headline costs annually through HouseMark, it does not formally benchmark with similar organisations to compare costs, quality, and how VFM can be improved by adopting good practice. Benchmarking is not used systematically to use good practice to improve efficiencies of individual services such as with the sheltered housing service or responsive repair service. This prevents a clear understanding of costs to ensure that high cost/low quality services are challenged and improved.

- 175** The annual NPHA HouseMark comparison between 41 organisations in May 2006 showed that organisation was mid-ranking for most areas. For example:
- premises costs as a percentage of the turnover are 1.3 per cent and ranked 13th out of 41;
 - central and legal costs as a percentage of the turnover are 7.8 per cent ranked 20th out of 41;
 - the repair spend per property was £532 and ranked 21 out of 40;
 - 4.3 repairs per property in 2004/2005 ranked 21, and the average cost of a repair is £94.00 ranked 17 out of 40; and
 - IT costs as a percentage of the turnover are 3.6 per cent, ranked 36 out of 41.
- 176** Overall unit management and maintenance costs are increasing. The NPHA management cost per unit has significantly increased from £1,113 in 2005/06 to £1,185 (6.5 per cent) at September 2006. Similarly, NPHA's maintenance costs per unit have increased from £1,132 to £1,459 and PCHA's from £995 to £1,021. Board figures do not compare unit costs with top RSL performers. NPHA weekly operating costs per unit (general needs) increased from £48.41 in 2003/04 to £60.92 in 2005/06, comparing unfavourably to the national RSL average of £51.29 in 2005/06. Lack of understanding of comparative individual service unit costs with other providers makes it hard to understand variance and identify ways to reduce costs.
- 177** Significant improvements in VFM have been achieved through service reviews, partnering and general service improvements. Examination of outturns from annual efficiency statements shows significant savings. In 2004/05, PHG reported efficiency savings of £665,000 and projected efficiency gains of £3,353,000 in 2006/07. Comprehensive spreadsheets show expected cashable and non-cashable savings together with 'invest-to-save' expenditure. Overall summaries are supported by detailed breakdown for individual managers. For example, savings in 2005/06 included:
- renegotiation mobile phones contract - £14,850;
 - employment of in-house training officer - £32,936;
 - internet recruitment - £60,000;
 - reduction current tenant rent arrears - £129,747; and
 - using staff to get ASB injunction - £30,600.
- 178** Other significant savings will be made from PHG's recent re-negotiation of loans and NPHA's move to charitable status will give a long term reduction of £55 million in tax liability.
- 179** However, overall efficiency savings and gains have not been collated to demonstrate overall improvements over the last three years. Improvement is ad hoc and unco-ordinated. PHG cannot demonstrate that savings and efficiency gains have directly improved service delivery to residents. Without a more strategic and formal approach to measuring efficiency gains PHG cannot demonstrate its success, re-direct gains to further improvement and ensure that it is focusing on the right things.

- 180 There are some other weaknesses. PHG has accurate information on the transaction costs of rent payment methods. However, it has not actively promoted low cost payment options to improve the VFM of rent collection costs. As mentioned previously this is currently being addressed.

How is value for money managed?

- 181 PHG embraces efficiency and VFM as a key principle and corporate objective. A VFM culture is being embedded throughout the organisation. Staff and Board training, staff conferences, team and individual targets being developed through annual appraisals to help embed a VFM culture.
- 182 However, PHG does not have an overarching VFM strategy. Without this it lacks an overview of key issues, organisational priorities to ensure action plans focus on the right areas.
- 183 Budget and efficiency target setting is generally effective. Business plans and operational plans include efficiency targets. Individual targets are developed with managers through the budget setting process. This requires individual budget holders to identify measurable outputs and savings which are discussed with senior officers and Board members (including tenants) at budget panels. This approach was piloted successfully during 2006/07 and is being extended to all managers currently as part of the 2007/08 budget setting process. This ensures all parts of the organisation to play its part in improving VFM.
- 184 However, efficiency targets are not fully developed and do not include targets for all staff through appraisal development plans. Challenging but realistic efficiency targets are not yet provided for every service area, based on a group wide strategic view of priorities. This is necessary to ensure resources focus on the key areas for improvement.
- 185 Internal service reviews are targeted at high cost service areas that are important to both the business and customers. For example, BVRs are prioritised through the EMT and have focused on key areas such as the customer service review that gave both efficiency savings as well as improved services to customers.
- 186 Tenants and stakeholders are closely involved during service reviews, the budget panel and at all stages of procurement. For example, tenants were fully involved selecting painting contractors. A tenant Board member is on the procurement steering group. This ensures customers are involved in making decisions that affect them and the VFM of services they pay for.

- 187** The cost effectiveness of PSD is continually improving. Improved processes have resulted in compound annual savings of £388,000 together with improved performance across some KPI's. It has generated surpluses of over £200,000 for each of the last two years which have been re-invested in PHG. Internal pricing has been changed to ensure charges reflect true costs. Operative bonus systems have been replaced with performance rewards reflecting multi-skilling, quality of work and customer satisfaction. It can demonstrate competitiveness in the open market as it has won work for external partners and is currently marketing a gas servicing and repairing operation, 'Progress Plus', for private householders. The recruitment of a Service Technician for mechanical and electrical servicing is projected to give annual savings of £46,000 and improve the quality and responsiveness of servicing. This demonstrates PSD is continually improving the VFM of its services.
- 188** The VFM assessment of PSD's services was comprehensive covering a number of criteria including customer outcome, quality, flexibility and strategy. The overall assessment concluded that it was providing good VFM although there were some individual areas, particularly response repairs, where customer satisfaction and performance was weaker. Evidence of some efficient and inefficient working practices and VFM in PSD is detailed in the section of response repairs. Although the PHG Board accepted the overall conclusion the weaker areas must still be addressed.
- 189** Procurement decisions are taken on an objective basis, using an open and transparent procurement framework. A new procurement strategy is in the process of being approved which embraces partnering. It does not base procurement decisions solely on lowest cost but reflects the best combination of cost and quality. Partnering frameworks have been used for painting contracts, kitchen and boiler replacements which have led to increased efficiencies and improved quality of services. These have led to significant efficiency savings as well as improved working practice and quality of services. NPHA is part of the Riverside Partnership and will obtain the benefits of competitive bidding for Housing Corporation funds.
- 190** Performance monitoring of VFM has several weaknesses. PHG monitors a wide range of financial KPIs that generally demonstrate the financial health of the organisation. These are regularly reported to EMT and Boards. However, as reported in previous sections, KPI performance reported internally is inconsistent with published Housing Corporation PIs. For example, NPHA report operating costs as a percentage of turnover for all stock improving from 72 per cent in 2004/05 to 61 per cent in 2005/06, which is in the top 25 per cent performance of RSLs nationally. However, published Housing Corporation figures show performance for general needs housing at 88.7 per cent (bottom 25 per cent of RSLs) and for supported housing at 44.8 per cent (top 25 per cent of RSLs). While the consolidated NPHA figure reported internally is accurate the variation between general needs and supported housing figures (bottom, and top, 25 per cent national performance respectively) highlights significant differences.

- 191** PHG does not use a range of local PIs to monitor and manage the VFM of all service areas and the efficiency agenda. Local PIs and targets are not yet regularly reported and managed to ensure that officers and Board members identify and pursue opportunities to reduce costs or improve quality within existing costs. PHG lacks an overview of performance meeting efficiency targets (other than budget expenditure) to effectively manage performance, review targets and ensure resources are targeted at high cost service areas that are most important to customers for improvement.
- 192** The potential to secure savings by outsourcing services has not yet been fully explored. For example, there have no tendering exercises to see if outsourcing could provide better value for money with housing management and repairs services.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 193** This is an area where strengths outweigh weaknesses. PHG is committed to improving services and there is a track record of improvement which reflects customer priorities. PHG has successfully delivered a significant range of service improvements since the original stock transfer in 1994, in line with customer needs and requirements. The growth of PCHA has continually provided more supported housing services for vulnerable people. There have been many improved outcomes for service users. Clear financial management together with a commitment to improving value for money has resulted in a track record of delivering efficiency savings. Improvement demonstrated by key performance indicators (KPIs) has been more mixed.
- 194** NPHA has met the promises detailed as part of the stock transfer, particularly improving tenants' homes and involving residents in managing services. PHG has similarly addressed key recommendations from the 2001 Housing Corporation inspection. It has also delivered significant improvements in line with its own plans and internal service reviews which have delivered clear benefits for users.
- 195** Services are customer-focused and there have been many benefits to service users. Customers are closely involved in service reviews and play a key part in shaping improvements. PHG routinely focuses on improvements customers want following consultation and customer feedback. There are numerous examples including, providing longer office opening hours, tackling ASB and providing estate improvements such as fencing, additional security lighting and landscaping through annual area action plans. This ensures improvements are customer-focused.
- 196** There have been clear benefits for vulnerable service users. Access is easier for people with disabilities and home adaptation services are good. PHG has good knowledge about tenants and contact is made in various ways to meet personal preferences. A broad range of housing support services are provided to help tenants with particular needs and improvement works are carefully planned and managed to help people with specific requirements and minimise disruption.
- 197** The impact assessment of the customer services review showed real improvements. For example, 92 per cent of customers said they had not missed the areas offices since they closed. There was an increase of 31 per cent in the number of customers contacting PHG by telephone. Sixty five per cent had, or intended, to make use of the extended opening hours in the customer service centre. Customer satisfaction is routinely measured for most service areas and, as reported throughout this report, is high.

- 198 However, progress has been weaker in other areas. For example:
- delays introducing appointments for repairs;
 - limited opportunity for appointments and personal contact outside traditional opening hours;
 - agreeing an improvement standard and long term improvement programme with tenants, and
 - engaging with, and effectively involving, hard-to-reach service users.
- 199 Sustained improvement with key performance indicators (KPIs) has been variable. Performance against individual KPIs is detailed in Appendix 1. Some KPIs such as rent collection and rent arrears have improved consistently over the last three years. However, others such as average relet times and performance completing repairs on time, have fluctuated, with more recent improvement. PHG cannot point to a sustained trend of improvement in a number of key performance indicators over the last three years.
- 200 In some key areas PHG does not routinely measure the impact of changes, and in other areas it is too soon to identify improved outcomes for customers. For example:
- the impact of annual area plans improving the sustainability of estates is not routinely measured and reported;
 - satisfaction surveys for some key service areas, such as services to sheltered housing tenants, are not regularly measured, relying on general tenant survey feedback every three years; and
 - it is too soon for new equality and diversity plans to have made an impact and there are few improved outcomes for diverse groups.
- 201 There is a firm corporate commitment to improving VFM and training is helping to ensure it is embedded throughout the organisation. The Group Board ensures that value for money is enshrined in its corporate objectives and business plans. It has set out through the annual efficiency statement how it intends to deliver efficiency gains and has already made steady progress. Board reports require financial implications to be considered when making decisions, but not specifically VFM or efficiency assessments.

How well does the service manage performance?

- 202** PHG is committed to continuous improvement and learns from the feedback of customers, staff and other organisations. There is clear and effective leadership from the Group Board and executive management team (EMT). The organisation is self aware and action plans are in place to address many of the areas for improvement identified during this inspection. The performance management framework is generally robust. PHG is a learning organisation but does not always make full and systematic use of benchmarking to improve services. Improvement plans are generally comprehensive but are not fully SMART⁴; in particular lacking clear and measurable outcomes. There are some weaknesses with performance reporting, including inconsistent data for some reported PIs which makes it difficult to accurately compare performance.
- 203** PHG sets out clearly what it wants to achieve. A clear vision, values and strategic objectives are laid out in the corporate business plan. Aims are integrated throughout the organisation and its subsidiaries, and reflect national and local priorities. The commitment to improving VFM is strong and will be developed further when a VFM strategy is developed to prioritise improvements. As a result priorities are evident to customers and stakeholders.
- 204** PHG reviews the organisations' aims and priorities annually through consultation with staff and Board members, principally at the Board away-day. Objectives are challenging, widely promoted to staff and customers and are clearly understood throughout the organisation. The Group's strategic objectives provide clear direction and a 'golden thread' ensures that they are integrated with each part of the Group structure, operational plans for each service area, local teams and personal targets. This helps to ensure that all staff understand what is expected of them and how their work contributes to overall aims.
- 205** NPHA engages with a range of services users in different ways, to ensure its aims are closely linked to their expressed needs, priorities, concerns, and aspirations. Users are closely involved in service reviews. Board papers are regularly presented to the Housing Forum for their views and tenants on service panels play a key part developing services. Locally, residents are positively involved developing area action plans. However, tenant representatives and stakeholders are only consulted on business plan proposals and are not fully involved developing priorities. This engagement helps to achieve consensus with stakeholders.
- 206** PHG has a strong approach to continual improvement through a series of prioritised service reviews. Improvement planning is robust with strong central planning and co-ordination but does not use a formal quality model. A central register of BVRs monitors progress with good hyperlinks to supporting evidence to demonstrate outcomes. It has quality awards of ISO9001 and Chartermark. Since 2004 over 30 BVRs have improved the quality and efficiency of housing services. This includes the sheltered housing review that improved the way housing support is provided and delivers annual savings of over £100,000 a year.

⁴ SMART: specific, measurable, approved, realistic, timebound.

- 207** Group and subsidiary business plans are supported by a series of operational plans and strategies which are integrated and linked to organisational objectives. Progress implementing operational plans is monitored and managed centrally and regularly reported to the EMT. Key reviews and targets within operational plans are included in a regular progress report that identifies individual responsibility, timescales and outcomes with hyper links to supporting evidence. This ensures any slippage is picked up at an early stage and action is taken to address delays.
- 208** Operational plans have some weak areas. They address key local issues but targets are not fully SMART lacking measurable targets and outcomes. There are too many, un-prioritised individual actions. Without prioritisation there is a danger that limited resources do not focus on the key things. Measurable targets help assess success in meeting objectives.
- 209** Business plans and operational plans include efficiency targets. Individual targets are developed with managers through the budget setting process. These are robust and realistic, taking into account previous performance. This ensures all parts of the organisation play a part in improving efficiency.
- 210** However, as mentioned under the VFM section, efficiency targets have not been set for each service area. Targets are not collated within an overall organisational VFM strategy and efficiency plan based on a group wide view of priorities. Without this, resources are not focused to achieve the greatest gain and improvement.
- 211** Financial management arrangements are robust and effective. Budget holders are involved in setting budgets, have been trained and received regular support from finance staff. Positively, tenant Board members are involved in detailed 'budget panel' discussions with budget holders. Financial performance information is well integrated, timely, relevant and easy to understand with appropriate reports available to individual budget holders and monitoring groups including EMT and the Boards. This means budget holders feel ownership and helps ensure probity and sound financial management.
- 212** The approach to risk management is robust with clear plans. A comprehensive risk register with 40 individual 'risk maps' have been developed. These include a detailed traffic light assessment of the likelihood and impact of potential risks, together with who is responsible to manage key risks. This helps ensure that risks are minimised.
- 213** PHG routinely generates healthy surpluses. NPHA's operating surplus increased from £7.97 million in 2004/05 to £8.5 million in 2005/06. PCHA's surplus reduced from £2.45 million in 2004/05 to £0.74 million in 2005/06. PSD is budgeted to make £227,000 surplus in 2006/07. PSD surpluses are re-invested in subsidiary organisations through gift aid to improve housing services. This demonstrates financial health, efficiency and making good use of resources to invest in business growth and service improvement.

- 214** PHG has active and visible management and leadership. Informal networks are complemented by formal briefing, one-to-one meetings, team meetings and annual staff away days. The leadership from senior staff and Board members sets the tone of the organisation by creating a climate of openness, transparency and mutual respect. In the 2006 staff survey 61 per cent said the management team make themselves visible and 84 per cent were satisfied with the job they did.
- 215** There is evidence of PHG tackling key problems and taking difficult decisions to resolve these. For example, the customer service review necessitated making significant changes directly affecting staff working arrangements. Close consultation with staff and unions, including listening and reacting to concerns, have helped deliver improvement.
- 216** Strong leadership and close working relations with the local council and regional strategic partners ensure that PHG aims support local strategies. NPHA plays a key role developing local housing strategies and the Group increasingly plays an active role developing regional strategies. Its aims closely link to the priorities and objectives of these partners. This engagement helps ensure local and regional resources are co-ordinated to meet community needs.
- 217** There is a commitment at a senior level to ensuring equality and diversity is embedded within the culture of the organisation. The staff survey showed that 89 per cent felt PHG was an equal opportunity employer. Staff are provided with the information and resources to better understand customers' diverse needs. For example the vulnerable customer procedure identifies residents' individual requirements to help staff contact them. However, PHG recognises that it needs to engage more effectively with local communities to understand local needs and involve people with diverse needs develop services.
- 218** There is a strong performance management culture within PHG which is embedded across all services and is well-understood by staff and Board members. The performance management framework is robust. Performance is closely managed through individual one to one meetings, team meetings, EMT and Board reports and annual appraisals. A good range of performance reports, measure progress against a range of targets. Reports to the Boards are visual and easy to understand. Tenant panels receive relevant performance reports and key performance information is published to tenants in newsletters and an annual report. NPHA increasingly involves tenants in service tests and mystery shopping to help ensure standards are met.
- 219** Some elements of performance management arrangements can be improved. As mentioned previously data for some KPIs varies significantly between internal reports and published Housing Corporation PIs that casts doubt on the reliability of reported performance. Not all targets are challenging and some information does not give an accurate picture of performance. For example, a target to complete 91 per cent of urgent and routine repairs on time is not challenging when it is below the average for national RSLs. In general, commentary is weak and does not highlight key areas of success or concern, or the action required to improve performance.

- 220 Although there is a wide range of local PIs, extensive information databases are not fully exploited to make use of some LPIs that would give a 'true picture' of performance, or measure the success and impact of initiatives. For example, as mentioned previously, void PIs focus on traditional average relet times, that can be adversely skewed by reletting a few difficult to let properties, and PHG do not make use of additional LPIs to give a more balanced overall picture of performance. Similarly, a range of 'sustainability' LPIs are not used, and routinely reported, to show how local areas are improving.
- 221 PHG regularly benchmarks with other organisations to learn and apply good practice. For example, PSD learned from others when setting up the repair call centre and ending bonus payments. However, limited use has been made of formal benchmarking groups to routinely compare performance for each service area. PCHA in particular does little benchmarking. Positively, PHG is in the process of setting up a bank of good practice.
- 222 PHG are continually improving services, developing new innovative schemes and offering services to a broader range of customers and private householders. For example, PCHA are progressing innovative plans to provide vulnerable people with additional housing options such as single and multiple shared ownership schemes for tenants with learning disabilities. Vulnerable people will be provided with a greater choice of housing options.
- 223 There are other positive examples. NPHA is also actively seeking to develop the floating support service. With a number of partner floating support providers, NPHA is leading a bid to become one of only three floating support providers (currently over 50) in the county. PSD offers services to other RSLs and gas servicing and heating repairs to private householders. These developments both provide quality services to the wider community and brings income to the organisation.

Does the service have the capacity to improve?

- 224 There are more strengths than weaknesses in this area. Financial resources are strong and PHG is steadily responding to business opportunities to grow. Positive skills and capability of staff is backed up by robust human resource services. Staff are committed and respond positively to opportunities to improve services. Equality and diversity principles are clearly understood and being applied although the diversity of local communities is not yet fully reflected at all staff levels and on Boards. The quality and consistency of staff appraisals is not effectively managed and the benefits of training courses are not systematically evaluated. Communication is mainly good but there are some difficulties between departments.
- 225 PHG's staff are professional and have the capacity and capability to deliver improved services. Board members and senior officers are clear about their responsibilities. A very positive professional relationship of mutual respect exists between Board and management team. Board members we met were enthusiastic and committed to PHG and its objectives. This helps to ensure that business is managed effectively and efficiently.

- 226** Governance arrangements directing service delivery are effective. The Group structure provides specialist expertise and is well integrated. Respective roles and responsibilities are clearly understood. Board meetings operate well in a climate of openness with staff professionally presenting thorough and helpful reports. Members understand key issues and debate is well-informed. Board reports are generally comprehensive giving the right level of detail to aid understanding while being succinct. This ensures that the Boards are aware of key issues when taking decisions.
- 227** The Boards are suitably supported by a training programme covering key areas of business as well as areas for personal development identified through self-assessments. The appraisal system is being developed to include one-to-one meetings in 2007. This will further enhance Board member skills and ability to govern the Group's business.
- 228** PHG has effective human resource management. The human resource strategy is robust. Training and development programmes for staff and Board members are extensive and appreciated by staff. A leadership training programme for managers is planned to further develop their capability. The framework of annual competency based staff appraisal is generally strong. Individual training and development needs are identified and personal targets are linked to operational and corporate objectives.
- 229** However, there are a few weaknesses with human resource management. A reality check of staff appraisal files showed that the quality of appraisals varied with some managers identifying targets and training needs more effectively than others. Furthermore, the benefits and impact of training programmes and individual courses is not always evaluated. This is needed to ensure that training resources are targeted effectively.
- 230** Staff communication is generally effective. Staff are well-informed through regular newsletters, briefings, team meetings, involvement in service panels and working groups and annual staff conferences. Briefings provide the opportunity for staff to feedback their views and 89 per cent of staff in the 2006 survey felt they were given the opportunity to put forward ideas (increased from 76 per cent in 2004). However, the 2006 staff survey gave some poor results for co-operation between departments, a blame culture and a lack of a climate where staff can challenge ways of doing things. PHG has developed an action plan to address this.
- 231** The Group is financially healthy and the asset base is strong. Group asset grew by £25 million in 2005/06. Re-negotiating loans means the organisation is able to develop. Financial KPIs are generally strong. PHG has a robust medium term financial plan. The business plan uses a financial model to assess expenditure forecasts with detailed sensitivities. Although reserves in the balance sheet are strong this is mainly due to re-valuation of stock. Cash reserves are more limited due to accounting for future pension liabilities. This short term restriction will end over the next two years. This means PHG has the financial capacity to deliver its service objectives.

- 232** PHG has an open and transparent system of central recharges. Proposed charges are discussed with budget holders and, where appropriate, changes made to ensure fair apportionment for services received, balanced with Group business interests.
- 233** However, PHG does not maximise external funding to support aims and objectives. For example, external funding has mainly been limited to receiving £162,000 grant aid for energy efficiency programmes. PHG is addressing this and has recently appointed an officer to obtain additional external income. It is important to maximise resources to improve services.
- 234** ICT is used effectively to deliver service objectives and improvements. Software and hardware are robust, provide reliable management information and support staff to deliver effective services. ICT facilities are continually being developed to improve services and efficiencies. For example, a management reporting facility is being rolled-out to improve the level and quality of information available to managers to monitor and manage performance more effectively. The customer relationship management (CRM) system will track customer contact and help give an integrated advice service to people contacting the organisation.
- 235** There are some barriers to improvement. For example, PHG Board members, senior staff and contractors are not fully representative of users and the broader community they serve. PCHA Board has one tenant member, but no Progress Care tenant members and only one advocate, a relative of a tenant. The high proportion of tenants with learning disabilities limits the opportunities for their direct involvement in policy making and performance monitoring. Attempts have been made, without success, to recruit more tenant Board members, or independent members from advocacy groups who can represent the needs of particular tenant groups. Women are not equally represented at senior levels in the organisation. PHG is responding to this through staff and Board member diversity targets.
- 236** Sickness levels were 4.3 per cent at September 2006, above national average of 3.5 per cent. Benchmarking shows PHG worse than seven benchmarked North West RSLs. Action has been taken to train managers to address sickness absence. However, PHG has not investigated top performance and other ways of managing sickness absence, for example, through external contractors, where other housing providers have seen sickness levels significantly reduce.

Appendix 1 – Performance indicators

New Progress Housing Association - Housing Corporation Pls (Progress Care HA added where appropriate)

Performance Indicator	2003/04	2004/05	2005/06	2005/06 Comparison Group Mean ⁵	2005/06 National Average Mean	2005/06 National Quartile Position
General needs rent						
Average GN weekly gross rent	£58.27	£61.08	£64.99	£58.37	£66.23	
Vacant dwellings and lettings						
GN re-let time (PCHA - Supported housing)	32 days (92 days)	40 days (83)	32 days (130)	55 days	40 days (43)	3
Vacant and available GN (self-cont'd) stock	-	0.4%	0.9%	0.9%	0.8%	3
Vacant and not available GN (self-cont'd) stock	-	0.6%	0%	2.1%	1.2%	1
GN lettings to BME tenants		4.0%	3.1%	10.6%	14.9%	-
Stock condition						
Average SAP rating	58	65	65	67	69	3
Failing decent homes standard	27.5%	24.3%	12.4%	16.7%	15.5%	2
Repairs performance						
Emergency repairs completed in target (PCHA - supported housing)	97.4% (96.5%)	97.3% (97%)	97.9% (97%)	95.6%	95.4%	2

⁵ Comparison based on similar North West RSLs with stock size 1000-5000. Extracted from the Housing Corporation Performance Indicator Website December 2006.

Performance Indicator	2003/04	2004/05	2005/06	2005/06 Comparison Group Mean ⁶	2005/06 National Average Mean	2005/06 National Quartile Position
Urgent repairs completed in target (PCHA - supported housing)	90.7% (90.7%)	91.6% (90.3%)	91% (91.5%)	94.4%	92.7%	3
Routine repairs completed in target (PCHA - supported housing)	92.2% (92.2%)	90.6% (92.8%)	92.6% (92.6%)	94.1%	93.7%	3
Appointments made that were kept	-	-	-	87.9%	93.8%	4
Service to tenants						
Tenant satisfaction overall	88%	-	-	83%	79%	-
Tenant satisfaction with participation	79%	-	-	67%	62%	-
General Needs Financial Performance						
Weekly Operating Cost per GN Unit (PCHA - supported housing)	£48.41 (£127.63)	£57.16 (£116.18)	£60.92 (£130.42)	£50.72	£51.29 (£93.26)	3 (4)
GN Operating Cost as a percentage of Turnover (PCHA - supported housing)	76.4% (79.1)	86.5% (79.2)	88.7% (93.1)	87.8%	79.9% (88.9%)	4 (3)
Weekly investment per GN unit	£19.71	£28.42	£37.09	£34.47	£35.51	-
Rent Collected for GN (PCHA - supported housing)	98.6% (95.6%)	101.4% (92%)	93.2% (103.7%)	98.9%	98.8% (98.2)	4 (1)

⁶ Comparison based on similar North West RSLs with stock size 1000-5000. Extracted from the Housing Corporation Performance Indicator Website December 2006 .

Performance Indicator	2003/04	2004/05	2005/06	2005/06 Comparison Group Mean⁶	2005/06 National Average Mean	2005/06 National Quartile Position
Rent lost due to GN Voids (PCHA - supported housing)	1.5% (0.6%)	1.7% (5.3%)	2.3% (4.4%)	1.9%	1.6% (3.6%)	4 (3)
Current tenant rent arrears at year end for GN (PCHA - supported housing)	-	5.0% (7.2%)	4.4% (5%)	5.9%	5.1% (3.8%)	2 (3)

Appendix 2 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - visits to offices;
 - visits to estates and schemes;
 - observation of the staff and offices;
 - observation of a Board meeting;
 - focus groups with frontline staff and housing support providers;
 - staff and Board member interviews;
 - interviews and focus groups with tenants and residents;
 - inspections of empty properties, repairs and investment schemes;
 - mystery shopping and reality checks; and
 - file checks various services including, gas servicing, complaints and anti-social behaviour.

Appendix 3 – Positive practice

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

Pictorial information for residents with learning disabilities

- 1 The pictorial PCHA tenancy handbook is well designed and suitable for users with learning disabilities. The handbook makes good use of pictures and simple text to explain tenants' rights and responsibilities in a way that people with learning disabilities find easy to understand. A wide range of information and letters are provided pictorially.

Gas servicing for private householders

- 2 Gas servicing is carried out by the in-house PSD team within 30 miles of Leyland. PHG is currently marketing the in-house gas servicing and repair service to private householders within a 30 mile radius. This provides an additional service to the community and helps demonstrate cost effectiveness.

Sustainability matrix and area plans

- 3 NPHA uses an effective sustainability matrix as a basis for its stock investment programmes. The matrix uses a broad range of stock condition, housing management and local socio-economic criteria to provide a traffic light assessment of individual local areas. 'Red' indicates a property or area has potential viability problems and prompts more detailed option appraisal. For example, this was used to remodel unpopular sheltered bedsits. The sustainability matrix is used to develop annual action plans with local estate managers. This improves area sustainability, ensures stock investment and housing management strategies are co-ordinated and minimises the risk of wasted expenditure.

Planned Servicing Technician and Value for Money

- 4 The recruitment of an in-house Service Technician improves the VFM of mechanical and electrical servicing. In-house servicing is projected to give savings of £46,000 a year and increase the quality and responsiveness of servicing.

Budget setting panels involve tenants

- 5 Budget and efficiency target setting are developed with managers that require individual budget holders to identify measurable outputs and savings which are discussed with senior officers, board members and tenants at budget panel meetings.

Closely involves tenants setting rents

- 6 Tenants are closely involved in rent setting proposals through the rent and services panel. It has influenced key policies including rent increases and welfare benefit services. This helps ensure procedures are customer-focused and understood by tenants.

Adaptation service

- 7 Arrangements for providing adaptations to home for people with disabilities are effective. A specialist officer works closely with occupational therapists to assess and undertake work from suitable budgets. Waiting lists are short. Good information is provided to tenants and satisfaction is high. Tenants are involved through the disability forum.