

Inspection report

ANCHO (Ayrshire North Community Housing Organisation)

June 2005

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Summary

The inspection of ANCHO took place during November and December 2004. We awarded ANCHO the following grades:

Housing management	B	Good	Many strengths, and some areas where improvement is needed.
Property maintenance	C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.

Inspection Findings

Ayrshire North Community Housing Organisation (ANCHO) is based in Irvine and owns 717 houses mainly in Irvine, Dreghorn and Kilwinning. The Association was set up in 2000, taking ownership of housing stock from Scottish Homes through a Large Scale Voluntary Transfer. This is ANCHO's first inspection since the organisation was formed.

ANCHO is run by a Board of Management including representatives from North Ayrshire Council, its tenants and the wider community. There is a commitment amongst the Board and staff to provide good quality services, but there are significant weaknesses in how the Association is governed which limit the effectiveness of the Board in controlling and directing the organisation and its activities.

The Association is financially viable, but long term sustainability will be dependent on improved management of costs and improved decision making.

Strengths in ANCHO's services:

- it provides good access to its housing and is committed to giving reasonable preference to those in housing need and maximising choice for applicants;
- it is making a positive contribution to preventing homelessness through the mortgage to rent scheme;
- it is improving its performance in collecting rent and managing empty houses;
- it provides good access to its repairs service;
- it carries out regular and focussed programmes of planned and cyclical work on tenants' homes; and
- it is developing a good range of ways for tenants to work with the Association to improve services.

Key areas for improvement in ANCHO's services:

- its poor management of gas safety in its houses;
- Its performance in recovering former tenants' arrears;
- its lack of a targeted approach to the management and improvement of its estates;
- the extent to which the Board of Management operates effective control over the organisation and the quality of information it receives relating to tenant satisfaction and performance in service delivery;
- the delivery of its stock improvement programme and its approach to procuring this work;
- the strategic management of costs across services;
- the quality of the information provided to tenants on the repairs service;

Next steps

ANCHO should produce an improvement plan to show how it intends to respond to our findings by 15 May 2005. The plan will be agreed with us.

How to get more information and contact details

If you would like to see ANCHO's improvement plan you should contact:

Ayrshire North Community Housing Organisation
Sovereign House
Academy Road
Irvine
KA12 8RL

TELEPHONE 01294 313121
EMAIL mail@ayrshirenorth.org
WEBSITE www.ayrshirenorth.org

The full report is on our website at www.communitiesscotland.gov.uk.
This Summary can also be made available on tape, in Braille, large print and community languages. For information please contact Janette Campbell on 0131 479 5163 or email: janette.campbell@communitiesscotland.gsi.gov.uk.

1. Introduction

About this inspection

1.1 This inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of Performance Standards.

How we assessed performance

1.2 Our inspectors asked two key questions:

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

1.3 In order to answer these questions inspectors:

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

1.4 We have awarded grades for housing management, and property maintenance.

This is what our grades mean:

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

The inspection team

- 1.5 The ANCHO inspection was managed by Tony Cain (Inspection Manager). The lead inspector was David Love (Inspector) supported by Marion McLellan (Inspector), Iain Fitheridge (Inspection Officer) and Michael Cheung (PATH Trainee). We were on site between 30 November and 10 December 2004. We would like to thank everyone involved in the inspection, particularly the governing body, staff and tenants for their time and co-operation.

Responding to this inspection

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

2. Context

About the organisation

- 2.1 Ayrshire North Community Housing Organisation (ANCHO) was registered with Scottish Homes as a Registered Social Landlord (RSL) in August 2000. It is a housing association catering for general needs and its office is situated in Irvine, North Ayrshire. This is ANCHO's first inspection report.
- 2.2 The governance structure is based on the SFHA Model Rules, with some amendments to reflect the partnership origin of the Association. Board members are elected on a basis of one third by tenants, one third by community members and the remaining one third nominated directly by North Ayrshire Council. Current board membership stands at 11.
- 2.3 ANCHO acquired 776 houses from Scottish Homes in 2000 as a result of a successful ballot of Scottish Homes' tenants. The stock level has reduced due to right to buy activities, but the figure has been offset to some extent by the Association's participation in Communities Scotland's Mortgage to Rent Programme. The organisation currently owns 717 houses and 205 garages, and has factoring contracts with over 200 owners and a further 1,200 non-factored owners who still share responsibility for common repairs or common areas within estates.
- 2.4 The houses that ANCHO manages are concentrated mainly in estates within Irvine and neighbouring areas of Kilwinning and Dreghorn, with a small number in Springside and some scattered properties elsewhere in North Ayrshire.
- 2.5 The employment rate in North Ayrshire (69%) is significantly lower than the national average (75%) and the percentage of people claiming unemployment benefit is 6.2%, which is 60% higher than the national average. More than 17.4% of residents are dependant on benefits such as income support, income capacity benefit and disability living allowance. This is significantly higher than the national average of 13.8% and the average weekly earnings of £409 for people in full time employment is lower than the national average of £437. As a result, around 73% of ANCHO's tenants are in receipt of Housing Benefit to assist with their rents in whole or in part.
- 2.6 ANCHO's housing stock is predominantly of non-traditional, "no fines"¹ concrete construction, with poor thermal insulation standards. The majority of the stock, at the point of stock transfer in 2000, had electric

¹ A common form of non traditional housing construction using solid concrete external walls.

- storage heating, and single-glazed windows; a number of the properties were coal fired, and had no central heating. The properties are mainly three and four apartment properties (amounting to 74%), with small numbers of one, two and five apartments. Property types include semi-detached and terraced houses, four-in-a-block flats, tenement flats and maisonettes.
- 2.7 Communities Scotland asks RSLs to select a peer group which best describes their organisation. ANCHO has selected the group described as Stock Transfer RSLs, with the majority of their stock debt funded from transfer. This is the group we use to compare ANCHO's performance.
 - 2.8 ANCHO currently has a team of 16 employees to carry out all its day to day activities and tenancy management functions.
 - 2.9 ANCHO is keen to establish a development role in the local area, and although it does not yet have an approved development programme with Communities Scotland, Strategy and Development Funding Plans (SDFP) were submitted in 2002 and 2004.
 - 2.10 An amendment to ANCHO's Rules to enable Charitable Status to be pursued was approved by the Membership in August 2004. Final approval by the various agencies involved was granted in January 2005.
 - 2.11 During 2003, relationships between Board members and senior staff deteriorated resulting in a period of conflict around roles, control and governance. These problems had a significant impact on the management of the Association and took several months to resolve. ANCHO used external consultants to assist in this process and has implemented the recommendations they made to ensure that similar difficulties do not recur.

Key statistics

2.12 The table below presents summary contextual information for ANCHO, showing trends over the last three financial years.

	2001-2002	2002-2003	2003-2004
Houses owned	752	730	717
Employees	13	18	16
Annual turnover	£1,851,479	£1,852,895	£1,873,406
Total possible rental income	£1,841,198	£1,828,451	£1,846,227
Rental income from housing benefit	57.2%	67.0%	69.6%
Average weekly rent	£45.48	£46.24	£47.82
Average rent increase	2.9%	1.7%	3.9%
Houses re-let	94	75	54
Responsive repairs carried out	2,743	3,020	2,484
Maintenance spend per house	£33.24	£1790.40	£2265.00
Right To Buy sales	14	22	20

Source: APSR and Annual Accounts 2001 – 2004

3. Housing management

3.1 The grade awarded for housing management is:

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

How good is the service?

Access

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

- 3.2 ANCHO operates an open housing list and gives access to all applicants aged 16 and over. It publicises the availability of its houses locally through partner agencies and on its web site, the Association effectively operates a nomination agreement with the local authority to provide access for applicants from its list and is working with North Ayrshire Council and other RSLs in the area to develop a common housing register.
- 3.3 The Association has set a target of five days for registering applications on the waiting list and achieved this target in 98% of cases in the first six months of 2004. The Association also has a target of five days for advising applicants of their points total but it does not monitor achievement of this. From our case reviews we found that 50% of cases were advised within the target timescale and the average time taken was eight days. The Association reviews its waiting list annually to ensure that it is accurate and up to date.
- 3.4 The Association recognised that its approach to suspending applicants was weak and completed a review of its policy and procedures for suspensions in October 2004. As a result the Association does not suspend applicants who are experiencing domestic abuse or harassment because of debt. It regularly reviews suspended applications, officers visit suspended applicants to discuss the reason for the suspension and provide advice on the action required to enable the suspension to be lifted. From our case review of current suspensions we found that suspensions are used appropriately and are in line with ANCHO's policy. At the time of the inspection only five applicants had been suspended. This is a good approach to minimising suspensions.

- 3.5 ANCHO collects information about the ethnicity of applicants and their households but it does not analyse this information to identify whether it is providing equal access to its housing or effectively meeting the needs of all applicants. ANCHO also gathers information on applicants' disabilities, however the Association is not actively using the information to improve access to the service.
- 3.6 ANCHO provides good access to its housing list. Its approach to suspended applicants is positive, however, it could further improve its performance by making better use of the information it gathers on applicants' needs and monitoring performance against its target for notifying new applicants of their points.

Meeting need and maximising choice

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

- 3.7 ANCHO's allocation policy is clearly aimed at housing individuals with the greatest need. The Association awards points to people who need housing, for example through homelessness or a lack of basic amenities. We found from our case reviews that reasonable preference is given to those in the statutory priority categories of housing need.
- 3.8 The Association is required to house individuals referred to them by the local authority under section 5 of the Housing (Scotland) Act 2001. It has a good working relationship with North Ayrshire Council in dealing with referrals and has housed all 26 applicants referred under this legislation over the last three years. This is a positive contribution to alleviating homelessness in the area. It would be good practice for the Association to advise applicants in writing that the offer is made under homeless legislation.
- 3.9 Applicants can choose any number of areas, can apply for houses in individual streets and are not penalised for refusing offers. This is a good approach to maximising applicants' choices.
- 3.10 The Association writes to applicants when they are added to the list giving a breakdown of the points that have been awarded, information on when they might expect to be re-housed and their right to appeal. However, it does not provide applicants with information about alternative housing options. The Association produces a monthly newsletter for new applicants that provides information on the turnover of stock, the average number of points for lets in each area and performance against the lettings plan. This is an excellent way to give information to applicants but we found that the newsletter was not yet made widely available to existing applicants.

- 3.11 To ensure quality control, all housing applications are assessed by two members of staff and offers of housing are also approved by two members of staff, including a senior staff member. Officers visit applicants before they are allocated housing. This is a good approach, which means that applicants' entitlement is checked and they are being housed on the basis of current information.
- 3.12 ANCHO allocates its houses on a quota basis between people nominated by the local authority, people on its housing list and its own tenants who want to transfer to another Association house, to help it ensure that it makes offers to applicants in a range of circumstances. The quotas are set out in the lettings plan and reviewed annually, however, it does not have a clear rationale for the quotas it has set. When making allocations, staff routinely monitor the quotas, but need more guidance about how to determine which quota category any particular allocation should be made to. These weaknesses make it difficult to assess whether the Association is being successful in achieving its objectives and limits the transparency of the allocations process.
- 3.13 ANCHO offers a good level of choice to applicants and is good at meeting housing need, however, it is weak at providing information to applicants on alternative housing options and the basis for selecting between applicant groups is not always clear.

Sustaining tenancies and preventing homelessness

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

- 3.14 The great majority of ANCHO's tenants (98.6%) have a Scottish Secure Tenancy (SST) agreement. Although the Association has approved a policy for the use of the short SST, it has not yet used one and has not developed procedures to guide staff. As a result staff are not clear when it should be used and the association and its clients may not be benefiting from the use of short SSTs in appropriate circumstances.
- 3.15 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. ANCHO uses a range of techniques including:
- clearly explaining the SST, and the tenant's rights and responsibilities at sign up;
 - obtaining emergency tenant contact information to deal with future situations which may require emergency access;
 - providing new tenants with a useful range of information in the tenant handbook; and

- visiting new tenants to identify any problems, reinforce their rights and responsibilities and check benefit entitlement.
- 3.16 The Association has made a commitment to visit all its tenants once a year. This is a potentially valuable approach to keeping tenants informed about the services available to them, ensuring that their particular needs are being met and assessing their satisfaction with the service. However, ANCHO is not monitoring or reporting the outcomes in a way that allows it to demonstrate that they represent an effective use of staff time.
- 3.17 In 2003/04 the Association issued 250 notices of proceedings for recovery of possession (NOP) but initiated court action in only 15% cases. ANCHO is aware that NOPs should only be served where there is a clear intention to raise a court action and has significantly reduced the numbers served in recent months. From April to September 2004 it issued 57 notices of proceedings, the proportion of NOPs resulting in court actions rose during this period to 28%.
- 3.18 ANCHO halved its current tenant arrears during 2003/04. When working to achieve this the Association significantly increased its use of evictions as a tool to address high arrears. This approach resulted in an increase in the level of former tenant arrears. This is discussed in more detail in resource management and efficiency section below. In 2003/04 5 households, or 0.7% of its tenants, were evicted. This is significantly higher than the average of 0.23% for its peer group. Three tenants abandoned their homes after an eviction decree was granted but before the Association recovered vacant possession; this equates to 0.42% of its tenants and is significantly higher than the average of 0.11% for ANCHO's peer group. In the first 6 months of the year 2004/05 ANCHO achieved significant improvements on both these figures with one post decree abandonment and one eviction.
- 3.19 The number of tenants abandoning their homes has reduced from 1.26% of its total dwellings in 2003/04 to 0.3% from April to September 2004 and is now lower than ANCHO's peer group level of 0.97% in 2003/04. This improved performance demonstrates the Association's commitment to helping people sustain their tenancies.
- 3.20 From our review of recent arrears cases we found that tenants were given every opportunity to agree repayments to avoid eviction, advised of the seriousness of not paying rent and provided with information on advice agencies. ANCHO also gives tenants facing court action a leaflet promoting an advice service at Kilmarnock Sheriff Court. This helps people who do not have a solicitor, by providing advice and guidance on the court process. This is a positive approach to help people retain their tenancies.

- 3.21 ANCHO participates in Communities Scotland's mortgage to rent scheme which assists people who are in danger of having their house repossessed by their mortgage lenders to remain in their own home. The association has helped significantly more owner occupiers through this scheme than any other participating landlord and we received positive feedback from Communities Scotland on their contribution to the scheme. The Association has helped 10 people to become tenants of ANCHO and is actively working to help nine others.
- 3.22 ANCHO generally has a good approach to maximising security of tenure and to helping people to maintain their tenancies and has improved its performance over the last six months particularly in reducing its high evictions rate. There are, however, weaknesses in the guidance given to staff and the Association's approach to monitoring the outcomes from their service.

Quality of neighbourhoods

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

- 3.23 ANCHO collects a range of feedback from tenants through a Continuous Monitoring Tenant Satisfaction Survey (CMTSS), this survey is discussed in more detail in paragraph 3.31 below. The most recent survey indicated that 76% of tenants surveyed thought that the place they lived in was very good or fairly good and 26% felt that their environment had improved since ANCHO became their landlord, however 18% felt that it had become worse. Whilst the Association is aware of some of the issues behind this low level of expressed satisfaction, the planning and targeting for estate management work to address these issues is underdeveloped.
- 3.24 The estates we visited were generally well kept and we saw little evidence of vandalism, litter or graffiti. Officers carry out regular estates visits and the Association is pro-active in dealing with untidy gardens; it issues warning letters to tenants whose gardens are in an unacceptable condition and if there is no improvement in the condition of the garden the Association carries out the work and recharges the tenant.
- 3.25 ANCHO recognises that some neighbourhoods have more problems with antisocial behaviour and has adopted a more pro-active approach in these areas. The Association has begun work to develop a regeneration programme and introduced an intensive housing management service and caretaking service for five blocks of maisonette flats to improve security and the maintenance of the common areas. North Ayrshire Council's Better Neighbourhoods Funding has also provided an estate warden service in the Redburn area which includes 244 of ANCHO's properties.

3.26 The Association's policies and procedures for dealing with antisocial behaviour clearly categorise complaints and set target response times. However, it does not collect feedback specifically from people who have made antisocial complaints on their satisfaction with the service they received. In addition, from our review of cases we found that procedures are not always applied consistently, for example:

- potential witnesses are not always contacted to corroborate complaints;
- complainants are not always kept informed throughout the investigation; and
- verbal complaints are not always recorded, as a result the Association can not show the full extent of its work or monitor its outcomes accurately.

3.27 ANCHO also uses a number of measures to help to minimise the occurrence of antisocial behaviour and neighbour disputes, including referring cases to the North Ayrshire Mediation scheme and regular meetings with community police officers. The Association is also developing a referral scheme with North Ayrshire Council's Antisocial Behaviour Team.

3.28 ANCHO has plans to further improve its approach to managing estates including:

- reviewing its policies and procedures for estate management;
- developing estate management standards in consultation with tenants; and
- introducing estate walkabouts with tenant representatives.

3.29 ANCHO has a fair approach to managing its estates with some strengths in its approach to antisocial behaviour. It does not, however, have a good understanding of the factors underpinning the low levels of expressed tenant satisfaction or a targeted approach to improving the areas it manages.

Responsiveness to tenants

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

3.30 ANCHO conducted a comprehensive tenant satisfaction survey in 2002 and since then, has commissioned its CMTSS, The most recent results from this survey show that 95% of tenants think the Association is a good landlord. Tenants we contacted are generally satisfied with the services they receive but there is also evidence that tenants in some areas and property types are more likely to be critical of ANCHO than others.

- 3.31 The CMTSS is a quarterly rolling survey covering a third of its tenants each year. Around 70 tenants are surveyed on a wide range of issues each quarter. The Association has also recently introduced questionnaires for all service users. It plans to further improve its knowledge of residents' views through the use of focus groups and estate based meetings.
- 3.32 The Association is committed to encouraging tenant participation and has registered one tenants organisation under the 2001 Act. It is implementing its tenant participation strategy through a working group of tenants, members and staff and is making good progress in achieving the targets set out in its action plan.
- 3.33 ANCHO has set up a register of 90 tenants willing to take part in consultation exercises. It routinely seeks service users' views when reviewing policies including writing to all tenants (and applicants if appropriate). The Association has used a focus group as part of the consultation process of the allocations review and also consulted with the Disabled Persons Housing Service and local black and minority ethnic (BME) groups. Feedback from consultation exercises has been taken account of in the reviewed policies. The result of the most recent tenant satisfaction survey indicates that 89% of tenants think the Association takes account of their views.
- 3.34 The Association has a clear policy for dealing with complaints and from our case reviews we found that written complaints are dealt with in accordance with the policy. However, it does not always record verbal complaints, which means that it is unable to accurately measure the number and type of complaints received and its effectiveness in responding to them.
- 3.35 ANCHO actively promotes its Customer Care Standards, which establish the level of service that all its service users can expect, through leaflets, posters and on its web site. Tenants we contacted have a high awareness of these standards but the Association does not report to service users how effectively they are implemented.
- 3.36 A telephone interpreting service is publicised on posters and a translation service is available to ensure that language is not a barrier to accessing the service. However, the Association does not publicise this service in its leaflets and handbook.
- 3.37 The Association provides good quality interview rooms, however the office accommodation is not readily accessible to people with physical disabilities. In this respect ANCHO is in breach of its duties under the Disability Discrimination Act which came into effect in October 2004.

ANCHO has agreed actions to improve access, but has made limited progress, however it is currently undertaking an option appraisal for alternative office accommodation.

- 3.38 ANCHO has a fair approach to responding to tenants in its housing management service and a sound commitment to consulting with tenants. Recent improvements will provide a more fine-grained basis for critical self-evaluation.

Is the service managed for improvement?

Resource management and efficiency

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

- 3.39 ANCHO offers tenants a wide range of methods by which they can pay their rent, including through the internet, Allpay swipe card, credit/debit card and standing order. The result of the Association's most recent tenant satisfaction survey indicates that more than 99% of tenants surveyed found the methods of paying rent convenient. The table below summarises ANCHO's performance in collecting rent.

	At March 2003	At March 2004			At October 2004
	ANCHO	ANCHO	Peer Group	National Median	ANCHO
Total arrears as % of total gross rental income	12.34%	7.67%	6.61%	6.2%	6.6%
Total current arrears as % of total gross rental income	8.1%	4.6%	4.7%	4.4%	3.3%
Current arrears (non technical) as % of total gross rental income	6.5%	3.4%	3.2%	3.0%	3.1%
Current arrears (technical) as % of total gross rental income	1.6%	1.2%	1.5%	1.4%	0.2%
% of current tenants in serious arrears	14.8%	4.5%	5.1%	N/A	2.9%
Total former tenant arrears	£78,426	£55,273	N/A	N/A	£61,003
As % of total gross rental income	4.3%	3.1%	1.9%	1.1%	3.3%
Rent arrears written off	£18,298	£25,712	N/A	N/A	N/A

Source: APSR & ANCHO

- 3.40 In its early years, ANCHO had a high level of rent arrears. ANCHO highlighted difficulties around the payment of housing benefit which it considers have had an impact on its arrears performance. ANCHO

recognised weaknesses in its own approach and reviewed its policy, resulting in a significant reduction in total arrears as a percentage of total rental income from March 2003 to March 2004. Despite its improved performance it had the 8th highest figure of 29 RSLs in its peer group and was in the lowest quartile of all Scottish RSLs at March 2004. The percentage of current tenants in serious arrears has also reduced from 14.8% at March 2003 to 4.5% at March 2004 and is lower than its peer group level of 5.1%. This improved performance has continued during the current year.

- 3.41 The Association also recognised that its performance in collecting former tenant arrears was weak and reviewed its approach. As a result former tenant arrears as a percentage of total gross rental income reduced from 4.3% at March 2003 to 3.1% by the following year. However, they are significantly higher than its peer group level of 1.9% and the national median of 1.1%, and have increased during the current year. ANCHO uses a collection agency to pursue former tenant arrears and monitors progress. Arrears are written off when the collection agency is unable to trace former tenants. Over the last two years the Association has written off £44,000.
- 3.42 From our review of cases we found that the arrears procedures are not always applied consistently, for example:
- personal contact is not always established before a notice of proceedings is served;
 - income assessments are not always completed to assess the affordability of repayment arrangements;
 - arrangements are not always confirmed with tenants; and
 - actions are not always fully recorded.
- 3.43 ANCHO recognises that there is scope for further improvement in its performance in reducing arrears although it has not yet developed clear plans to achieve this.
- 3.44 The table below summarises ANCHO's performance in letting houses that have become empty.

	2002-03	2003-04		2004-05*	
	ANCHO	ANCHO	Peer Group	National Median	ANCHO
Rental income lost due to empty houses	£41,195	£13,462	-	-	£6,079
As % of total rental income	2.3%	0.7%	1.9%	0.9%	0.8%
Total no. of re-lets	75	54	-	-	30
% re-let in <2 weeks	10.7%	22.2%	21.6%	39.1%	16.7%
% re-let in 2-4 weeks	10.7%	29.6%	27.2%	24.0%	43.3%
% re-let in >4 weeks	78.7%	48.1%	51.2%	36.6%	40.0%
Average time to re-let (days)	63	38	48	25	30

* For the period April to September 2004

Source: APSR & ANCHO

- 3.45 ANCHO's performance in rent lost due to empty houses improved significantly between 2002/03 and 2003/04 and, although it has deteriorated slightly in the first six months of the year, it compares well with its peers. It had the twelfth lowest figure of 29 RSLs in its peer group and was in the second quartile of all Scottish RSLs. The Association's performance in the time it takes to re-let houses has halved from 63 days in 2002/03 to 30 days for the first 6 months of 2004, and is lower than the peer group level. The Association is currently reviewing its void management policies and procedures to ensure that performance continues to improve.
- 3.46 ANCHO's costs per unit of stock were high when the organisation was set up at £823 in 2001/02. Whilst they have been reduced over the last two years to £659 for the current year they remain significantly higher than the peer group level and ANCHO is ranked second highest in their peer group for costs. This is discussed in more detail in Section 5 of this report.
- 3.47 The Association has a fair approach to maximising its income. It has improved its performance in collecting rent and minimising void rent loss, however it is weak at collecting former tenant arrears. Although it has reduced its housing services management costs they remain higher than its peers and it has not developed a strategic approach to address this weakness.

Performance management

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

- 3.48 The Association's Internal Management Plan (IMP) sets out how it intends to develop and deliver its housing management service and progress is reported to the Board on a six monthly basis. However, the IMP does not always identify explicit target timescales for implementation. Whilst the

Association has an understanding of its key strengths and weaknesses, it does not have operational plans which focus on areas of risk and identify specific actions to help deliver its targets.

- 3.49 The detail of performance against targets is reported to the client services sub committee and discussed by senior management team, at staff team meetings and staff one to one interviews. Staff that we spoke to had a clear understanding of targets and how they are performing against them.
- 3.50 ANCHO has a range of procedures in place for its core activities which generally provide staff with clear guidance. However, there are gaps, for example in making arrangements for rent arrears. We also found that there are inconsistencies in applying the rent arrears and antisocial behaviour procedures.
- 3.51 The Association's approach to performance management is good. Senior management and staff are aware of the strengths and weaknesses of the service and a range of performance reports are produced and used in managing the service. However, there are some gaps in the range of policies and procedures available to guide staff.

Grade and overall assessment of housing management

- 3.52 Our overall assessment is that ANCHO's housing management service is good. We found many strengths with some areas where improvement is required. We set out below the key factors we have taken account of in coming to our overall assessment.
- 3.53 ANCHO has strengths in areas that directly impact on the users of its housing management service. It provides good access to its housing and is committed to giving reasonable preference to those in housing need and maximising choice for applicants. Its tenants generally think it is a good landlord. The Association has shown a positive contribution to preventing homelessness through the mortgage to rent scheme and its approach to section 5 referrals. It has also improved its performance in collecting rent and managing void property.
- 3.54 The Association has weaknesses that impact on service users. These include the high level of former tenant arrears, inconsistencies in applying antisocial behaviour and arrears policies and procedures, the provision of information to applicants on alternative housing options; the approach to targeting its estate management work, and the high costs for the service and the difficulty in demonstrating cost effectiveness.

3.55 The key strengths and weaknesses outlined here summarise a performance that is finely balanced between good and fair. However, a B grading has been awarded because we saw that ANCHO is committed to improving its housing management services and has worked hard to significantly reduce its rent arrears. The introduction of a more fine-grained approach to getting customer feedback shows it is becoming more self-critical and responsive to its tenants. The organisation is young and is still developing its approach to housing management. However, it has already demonstrated a willingness and capacity to address areas of weakness.

4. Property maintenance

4.1 The grade awarded for property maintenance is:

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

How good is the service?

Access to the repairs service

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

- 4.2 ANCHO's repairs service is accessible. It provides a good range of ways for tenants to report repairs e.g. by telephone, in person, in writing, by fax or by e-mail. Association staff visiting tenants in their homes also collect repairs requests. It provides a freephone repairs line during office hours and a similar out of hours telephone service for tenants to report emergency repairs directly to its contractor. The Associations' most recent results from its CMTSS show that 90% of tenants are satisfied with the out of hours service.
- 4.3 Tenants we spoke to confirmed that they generally find it easy to report repairs to ANCHO during office hours. Calls to ANCHO's main reception are directed to the repairs desk, through an automated phone answering service, where dedicated repairs staff receive and deal with repairs requests. Tenants are offered advice and assistance, and inspections by technical staff are arranged where the repair needs to be clarified before work is instructed. ANCHO provides some useful information to tenants on its repairs service, through its SST agreement, tenants handbook and repairs service leaflet. Its website is developing, and provides some detail on ANCHO's recent repairs activity.
- 4.4 ANCHO does not have robust systems to address potential needs of service users for repairs information in different formats and community languages. For example, whilst it has access to a translation and interpreting service, its repairs information leaflet makes no reference to this service, or the availability of alternative formats.
- 4.5 The Association does not operate a repairs appointment system, but tenants reporting repairs are offered morning or afternoon time slots. We found that where tenants had particular restrictions on their availability,

ANCHO does offer more specific access arrangements in individual cases where particular circumstances make this necessary.

- 4.6 ANCHO provides good access to its repairs service, however it needs to improve its ability to meet the information needs of all potential service users.

Speed and quality of response repairs service

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

- 4.7 The targets ANCHO sets itself for completing repairs are in line with the Scottish RSL median for urgent and routine repairs, and more challenging for emergency repairs; its target in this category relates to a repair being made safe rather than completed.

- 4.8 ANCHO’s performance information shows good levels of achievement against its own targets over the last three years, although performance in all categories has deteriorated slightly in the last year. Its performance in 2003/04 for all repairs completed, and the individual emergency, urgent and routine categories was in the second quartile of all Scottish RSLs. It performed in line with its peer group level in emergency repairs, and above this in the urgent and routine categories. The table below summarises ANCHO’s targets and performance trends over the last three years. However we found a number of weaknesses in ANCHO’s current repairs performance monitoring systems, which mean that its reported performance figures do not provide an accurate picture of repairs performance.

	ANCHO’s target response time	Performance				
		ANCHO			National median 2003/04	RSL peer group 2003/04
		2001/02	2002/03	2003/04		
Emergency Repairs	2 hours (make safe)	100%	100%	99%	99.2%	99%
Urgent Repairs	72 hours	95%	99%	98%	96.0%	96%
Routine Repairs	10 working days	97%	99%	96%	95.7%	94%

Source: inspection submission / APSR data

- 4.9 ANCHO’s repairs performance targets are detailed in its maintenance policy, but there are a number of weaknesses in its operation of the policy targets. ANCHO records and monitors repairs through its ICT system, but:

- it does not record the time when it received a repairs request;

- it does not record the time a repair is completed, so it cannot accurately track performance on repairs against its targets; and
 - the information it provides to tenants about the repairs performance they can expect to receive is contradictory and incomplete.
- 4.10 The policy timescale for completion of urgent repairs is 72 hours, however, the repairs information leaflet provided to tenants states the target is 3 working days. In addition, ANCHO does not advise tenants that its performance targets relate to full working days following receipt of a repairs request, nor does it advise tenants that if an inspection is required, monitoring against the target will not begin until the repair is ordered. It does not provide tenants with written confirmation of their repairs details, or the performance they should expect relating to the particular type of repair requested. This means that tenants are not in a position to accurately assess whether the service meets ANCHO's targets.
- 4.11 Differences of practice against stated policy and performance targets, and weaknesses in the accuracy of information provided to tenants about the repairs service, weaken ANCHO's ability to effectively manage its repairs performance. This means that neither ANCHO nor its stakeholders can have confidence in its reporting of repairs performance.
- 4.12 Pre and post inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. The Association has set targets to post-inspect 10% of all repairs carried out, but it currently exceeds this target, carrying out inspections on nearly 24% of repairs. We looked at a random sample of 25 recent repairs, many of which were of relatively small cost, and of which 4 (16%) were post-inspected. This represents a considerable demand on the Association's resources, for an organisation that has comparatively high service costs compared to peer RSLs.
- 4.13 ANCHO has not established procedures to guide staff on how to select repairs for pre inspection, and does not apply target timescales for the completion of inspections, which further weakens its ability to measure and manage performance against its repairs response targets.
- 4.14 The Association is not systematically recording or analysing the results of pre and post inspections, and is therefore unable to assess the quality of the work its contractors are carrying out or whether the resources it is committing to these inspections are providing value for money in managing the quality of the service.
- 4.15 ANCHO must operate the Right to Repair scheme which is set out in the Housing (Scotland) Act 2001. We found that it is not providing tenants with this right. Tenant information on the repairs service refers to the

Right to Repair, but tenants reporting repairs are not advised if the repair qualifies under the scheme, and ANCHO is unable to monitor how many qualifying repairs are completed within the appropriate timescales.

- 4.16 ANCHO provides a fair responsive repairs service with some strengths. The repairs service is accessible and tenants we spoke to expressed satisfaction with the service overall. However, the Association cannot be confident that it is actually achieving its reported performance in response repairs and it is not making effective use of post inspections to monitor and improve the quality of the service.

Physical quality of houses

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

- 4.17 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords are expected to prepare a plan showing how they will achieve this, by April 2005. ANCHO is confident that it will be able to meet most elements of the standard although it has some concerns that the non-traditional construction of most of its stock will make it difficult to meet the standard's requirements in respect of energy efficiency. As the Association's plan had not been completed at the time of our inspection, it is too early to assess how it will be implemented.
- 4.18 ANCHO's comprehensive stock condition information is based on the information collated in 1999/2000, in preparation for the transfer of housing stock. This information has been updated through survey work by external consultants in 2003, and by ongoing individual property inspections by ANCHO technical staff. ANCHO has set targets for its staff to complete a rolling programme of inspections in 20% of its stock each year, but acknowledges performance in the year to date has fallen below target. At the time of inspection only 6.5% of stock had been inspected, and it did not have firm plans to ensure its target would be met by the year end.
- 4.19 In general ANCHO's stock already meets the home safety requirements of the SHQS, with all of its stock having hard wired smoke detectors, most common entrances for flats have door entry systems, and all stock transferred from Scottish Homes had lead-free pipes.
- 4.20 ANCHO's stock transfer contract commits it to pre-determined levels of planned and cyclical repairs expenditure in each of the 30 years of the contract, beginning in 2000. This programme represents one of the key commitments on which tenants based their decision to approve the

transfer to ANCHO. The Association made a number of commitments to improve the internal condition of its houses when it was first established, and these have largely been met.

- 4.21 ANCHO has made positive progress in delivering on many of the promises it made to tenants. For example it has replaced over 500 kitchens and bathrooms as part of an ongoing programme, and has made improvements in a wide range of other property features including window and door replacements, and security measures such as the installation of door entry systems and communal lighting.
- 4.22 At the time of inspection, actual expenditure on major repairs and improvement during 2004/5 was £250,000 (28.5%) below its budget target. This is due in part to delays in completing its major repairs and improvement plans in the early years of the contract, which ANCHO has attributed to intermittent but lengthy shortages of technical staff prior to April 2004. The Association plans to spend a further £150,000 by the end of the financial year but still anticipates a significant under spend on its investment targets. ANCHO will require to provide firm plans to address the shortfall as part of its LSVT contract compliance assessment by Communities Scotland, and to demonstrate that it will be able to meet its commitment to tenants to improve the housing stock.
- 4.23 ANCHO is required to carry out safety checks every 12 months on all gas appliances and flues which it provides for its tenants' use. The Association is not meeting its statutory duty in this respect. ANCHO's performance in complying with this requirement is poor. From the information it provided in its inspection submission, it has achieved compliance in only 65% of its properties with gas systems. Forty eight (24%) of ANCHO's houses with gas systems had a gap in cover between certificates and 11% had no current safety certificate at the time of our inspection. The table below summarises ANCHO's performance.

	October 2004	
	Number of houses	% of houses
Houses with gas appliances	201	100%
Houses with current gas safety certificates	179	89%
Houses where safety check was carried out within 12 months of previous check	131	65.2%
Houses where safety check was up to 1 month late	46	22.9%
Houses where safety check was between 1 and 3 months late	2	0.9%
Houses where safety check was more than 3 months late	0	0%

Source: inspection submission

- 4.24 We looked at a sample of 30 cases and found 18 properties were checked within the 12 month period. Of the 12 properties that were not checked within 12 months, 7 were subsequently checked within a further 7 days, and 1 within 2 weeks. The remaining 4 properties showed delays of between 54 and 70 days before certificates were obtained.
- 4.25 ANCHO's risk management policy, and resulting strategy within its Internal Management Plan, did not identify this poor performance as a risk to the organisation. Additionally the Association's inspection submission highlighted its plans to refine its management of gas maintenance, but did not demonstrate an awareness of the significance of its weak performance.
- 4.26 Whilst ANCHO is now taking steps to improve its management and planning of gas safety checks, developing new procedures based on a 10-month cycle of visits to properties, its non-compliance with its statutory duties relating to gas safety is a significant weakness.
- 4.27 From April 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. ANCHO has developed a comprehensive asbestos management strategy which is executed through a management plan. It has established an asbestos register, which holds details of any properties containing asbestos, collated from its stock condition information and individual property surveys, and records action taken where this applies. It advises contractors where asbestos is or may be present, and is developing guidance and advice leaflets on asbestos for its tenants. This is a good approach to meeting the Association's statutory obligations in the management of asbestos.
- 4.28 ANCHO sets out the standard which it expects its empty houses to be in at the start of a new tenancy. However, the standard is basic and contains limited detail on the quality it expects its houses to reach before they are offered to prospective tenants. ANCHO recognises the value of having an agreed relet standard, and aims to follow good practice guidance, but at the time of inspection the relet standard was not being made available to prospective tenants. The Association is currently reviewing its void management approach, and intends to include a relet standard within new Void Management Procedures.
- 4.29 As part of its inspection submission, ANCHO provided us with information on its voids performance, stating that it has never had an offer of a property refused on the basis of its condition. However, we found that in practice ANCHO does not systematically record, or analyse information it holds on reasons for offer refusals. We also found inconsistencies in the recording of property information. The void property monitoring sheet and standardised void inspection checklists that have been developed for staff

are not used systematically. This means that the Association does not know if it is providing houses which meet good standards for tenants in every case and minimising relet times.

- 4.30 Overall the Association's performance in this area is fair. ANCHO's houses generally are in good condition and there is an effective approach to planning for and funding its future maintenance needs. The impact of these areas of strength is in part being reduced by the weak performance in complying with its statutory duty on gas safety, delays in delivering its planned maintenance programme and the gaps in its approach to voids.

Responsiveness to tenants in repairs and maintenance

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

- 4.31 Landlords are expected to ask tenants what they think about the services they receive and use this information to help to improve the service. ANCHO's CMTSS, discussed earlier in this report includes questions on a range of aspects of the property maintenance service. We used the results of this survey in our assessment of ANCHO's services and noted some of the weaknesses in the approach earlier in this report. The most recent survey shows that ninety percent of tenants are very or fairly satisfied with the repairs service. ANCHO also carries out repairs satisfaction surveys directly, of 10% of tenants receiving a repair, and seeks feedback from tenants during post-inspections.

- 4.32 However, there are areas for improvement in ANCHO's approach in this area, these include:

- new tenants are asked to provide details of any outstanding repairs they require when they first move in, but are not asked about their satisfaction with their new homes;
- where tenants provide negative feedback on repairs through surveys, ANCHO follows up issues by investigating and taking action as required, however it does not systematically record this activity, or analyse trends in outcomes; and
- the Associations' approach to gathering service user feedback needs to be developed further to provide a more detailed picture of tenant satisfaction across the service.

ANCHO has recognised it needs to develop its approach to collecting and acting upon tenants' feedback, and to better analyse outcomes.

- 4.33 ANCHO provides tenants with choices of kitchen and bathroom fittings, and heating types where replacements have been planned, and it has

taken some positive steps to involve tenants in the planning and delivery of its property maintenance service, for example:

- involving tenants in the recent review of its adaptations policy;
- involving tenants in the planning of improvement works in its maisonette properties in Irvine; and
- making improvements in its approach to involving tenants in the planning of individual new kitchen and bathroom installations, in response to feedback through the CMTSS.

4.34 The Association has also recognised the need to develop this area of its work further. Its IMP includes an objective to ensure tenants are involved in future maintenance plans on an ongoing basis, and this objective is also reflected in its tenant participation strategy. However, its plans could be more explicit in terms of target timescales and milestones for these objectives.

4.35 ANCHO's performance in engaging with and responding to users of its property maintenance service is fair. It has shown a commitment to seeking tenants' views on the property maintenance service and a willingness to act on feedback, but needs to further develop its approach.

Is the service managed for improvement?

Resource management and efficiency

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

4.36 The Association's management costs for its property maintenance service are high, and it has no clear plans to reduce them. Costs per unit of stock in 2002/03 were £317.81 for ANCHO, compared with an average across its peers of £189.59. In 2003/04 costs had risen to £405.86. Its costs for planned, cyclical and major repairs were almost double the peer group average in 2002/03 (£1050.68 against £593.58), and rose to £1,622.04 in 2003/04. However, this reflects the major investment required in its housing stock in the early years of the LSVT contract.

4.37 ANCHO has reduced expenditure on reactive maintenance, spending less than its peers in 2002/03, and it further reduced its spend in 2003/04. Nevertheless weaknesses in its performance information and in its management and monitoring of inspections and repairs variations mean it cannot be certain it is achieving value for money.

4.38 The Association aims to monitor the number of responsive repairs instructions that are varied or changed once the contractor visits the property, and monitor the cost of these changes. However, we found that

- its repairs monitoring system does not enable ANCHO to accurately measure the number or cost of these variations. This is a further weakness in its ability to measure, understand and manage repairs performance.
- 4.39 ANCHO's performance in recovering the costs of its rechargeable repairs is poor. At the time of inspection, of £9,900 in charges due it had recovered £1,000 or 10%, and performance was similar in 2003/04. While in overall terms the level of outstanding charges is modest, it is important that ANCHO operates a robust system which ensures that charges due are recovered where ever possible. The Association records repayments of rechargeable repair accounts outside its main financial accounting system and does not set targets for recovery or monitor and report on performance in this area. In addition it is not proactively attempting to recover these costs. We looked at examples of rechargeable repairs and found that charges were not being consistently followed up by staff once an invoice had been issued, and long periods where arrears were not being pursued. The absence of detailed procedures to guide staff in this activity is contributing to this poor performance.
- 4.40 ANCHO has a positive approach to using different procurement methods in delivering property management services. However, we looked at examples of individual contracts and found ANCHO's practice is not always following policy.
- 4.41 The Association had to appoint a new gas maintenance contractor recently, following the existing contractor's sudden withdrawal from the service in August 2004. The contract was due to end in December 2004. ANCHO has highlighted that the withdrawal made it concerned about its continuing ability to meet gas safety regulations and this meant that there was not sufficient time to follow a competitive tendering process. Given the circumstances at that point in time, the Association acted quickly and appropriately to manage the potential risks involved, and to ensure that the service was maintained. However, the basis of the decision was not in line with its policy or good practice, and ANCHO could have been in a position to make a more critical appraisal of potential contractors if it had begun planning its procurement process sufficiently in advance of the planned contract end date.
- 4.42 The Association also has a partnering agreement in place with a contractor for delivering its replacement kitchen and bathroom programme. This is an innovative approach that can have advantages for the organisation. However, ANCHO has not recorded full details of the option appraisal and assessment of risks that led it to use this approach or the particular contractor involved. As a result its procurement process

lacks transparency and it is unable to demonstrate the benefits of the option or test its performance against assumptions and expectations.

- 4.43 ANCHO's control of the costs of its property maintenance service is poor. It recognises that costs are high, but does not have clear plans in place to reduce them. It is not good at recovering the cost of rechargeable repairs, and the weaknesses in performance monitoring of responsive repairs mean it cannot be sure it is receiving value for money. It takes a positive approach to using different procurement arrangements based on individual contract requirements, but it is not consistently following its own procurement policy, and needs to ensure that all its procurement decisions are taken properly and that it can evidence the benefits of the approach it has adopted.

Performance Management

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

- 4.44 ANCHO sets out its property service priorities for a three-year period from 2004/05 to 2006/07 within its IMP. However, it does not prioritise the various tasks, explicitly and consistently identify target timescales for achieving its aims, or identify responsibilities within the Association for taking action on these priorities. Additionally ANCHO noted a number of weaknesses in its property maintenance service within its inspection submission, none of which had been identified as areas for action within the IMP, or through its internal audit. This highlights weaknesses in ANCHO's self-awareness of its own performance and areas for improvement.
- 4.45 Performance against identified key performance indicators is reported monthly to ANCHO's senior management team, then to the Client Services Sub-Committee on a quarterly basis. However, as noted earlier in this section, ANCHO's current performance information on repairs activity is not accurate, and there are a number of significant weaknesses in the recording and monitoring of performance information for:
- responsive repairs delivery;
 - pre and post inspections;
 - repairs variations; and
 - voids.
- 4.46 Furthermore, ANCHO is managing its performance against tenant satisfaction information which, as we have highlighted, also displays some inherent weaknesses. Without more robust performance management systems, ANCHO is unable to make an accurate assessment of its

strengths and weaknesses, and in turn it is not able to effectively target efforts towards achieving improvements in specific areas of the service.

- 4.47 There is an absence of detailed procedures to guide property management staff. This is having negative effects on the Association's ability to meet targets effectively, and to manage the quality of the repairs service, particularly in gas safety, management of void properties, and in pre and post inspections. ANCHO plans to review the maintenance policy in early 2005, and to develop clear procedures for individual areas of the service. In doing this, ANCHO will also need to ensure that information provided to tenants is consistent with the policy and service standards. ANCHO recognises that the current policy covers a wide range of aspects of the service, and its plans for review include splitting the overarching policy down to individual service areas, with the aim that individual elements can be reviewed in a more manageable way.
- 4.48 ANCHO's approach to performance management is poor. The limited areas of strength are undermined by the lack of robust systems, and differences between repairs policy targets and the practical operation and monitoring of them. It has taken a positive approach to collecting tenant satisfaction information, but the way this is carried out does not provide the Association with enough detailed information to enable it to focus its improvement efforts.

Grade and overall assessment of repairs & maintenance

- 4.49 Our overall assessment is that ANCHO's property maintenance service is fair. We found some strengths in the service, along with some weaknesses, one of which represents a significant weakness. We set out the key factors below.
- 4.50 ANCHO provides good access to its repairs service, and tenants are generally satisfied with the speed and quality of repairs it carries out. ANCHO has good awareness of the condition of its housing, and is carrying out regular and focussed programmes of planned and cyclical work. The Association has some strengths in its approach to ensuring the safety of tenants' homes.
- 4.51 Alongside these strengths, we found a significant weakness in ANCHO's approach to gas safety. In addition progress with the Association's major repairs programme has slipped over the last two years and its management of costs is poor. We also found weaknesses in the Association's approach to procurement of repairs and maintenance work and in the provision of information to tenants about the standard of service they can expect when reporting repairs. ANCHO's performance

management systems also have a number of weaknesses that are limiting the Association's ability to effectively improve the service and its costs.

5. Governance and financial management

Governance

Leadership and direction

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

- 5.1 ANCHO acquired the bulk of its stock following a successful ballot of tenants for the transfer of their homes from Scottish Homes. At the time of transfer a number of commitments were made to tenants including delivering a substantial programme of improvements to the stock, improvements in service quality generally, and increased role for tenants in the management of their homes and ensuring that rent increases were kept to a minimum. In the five years since it was set up ANCHO has made significant progress on the commitments made to tenants at the time of transfer. This has been, in significant measure, due to the commitment shown by Board members and staff of the organisation.
- 5.2 The Association sets out its plans for delivering on these commitments and the future development of its services in its Internal Management Plan (IMP), covering the three-year period 2004/05 to 2007/08. The IMP provides ANCHO's key strategic objectives, and identifies key "pressure points" that will impact on the organisation and its individual services. The plan then goes on to state the key objectives for each service or activity, with activity plans showing the individual work areas to be taken forward. Progress against IMP targets is reported to the Board regularly. The Board reviews and updates the IMP every year as part of a structured strategic planning process.
- 5.3 The Association has sought to demonstrate its commitment to improve. It has taken the positive step of making its IMP publicly available, as a statement of its aims and plans, and has shared it with its key external stakeholders and partner organisations. It has recognised the need to develop ways to benchmark its performance against peer landlords, and has plans in place to do this in the coming year.
- 5.4 However, whilst the IMP is a useful tool, it requires further development. In particular it does not:
 - prioritise the objectives in terms of overall importance or risk;
 - set objectives that meet SMART criteria;
 - allocate operational responsibility for objectives between the Board and senior staff;
 - link planned activity and achievements to the commitments made at the time of transfer or Associations financial plans;

- address the issues arising from the slippage in the major investment programme; or
- make explicit the Associations consideration of a proposal to increase rents at RPI +2% for two years from 2006/07.

In addition not all of the tasks identified are carried through to the action plan nor do they all have clear milestones or outcome targets. As a result ANCHOs planning does not have a clear focus on the key issues it faces, how to tackle them, or how its performance against its objectives will impact on the quality of services to tenants.

Clear functions and proper control

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

- 5.5 The Board's role in determining ANCHO's strategic direction, setting policy and exercising control over the organisation's activities is clearly defined and Board members and staff are clear about their roles and responsibilities. However, weaknesses in the provision of information to the Board, and the level of control it exercises in practice over ANCHO's activities, significantly limits the Board's effectiveness.
- 5.6 The governing body structure comprises a Board of Management, supported by three sub committees (Client Services, Business Services and Human Resources). The maximum Board membership of 15 is made up of five representatives each from North Ayrshire Council, ANCHO's tenants and the wider community. The sub committees have delegated responsibility for their area of activity including monitoring performance. Key decisions are referred to the Board of Management for ratification, however, performance reports are only referred to the board where the sub committee considers it appropriate.
- 5.7 As part of our assessment of how well ANCHO monitors and controls its performance and activities, we reviewed a range of Board papers and meeting minutes from the last year, and we also spoke to Board members and senior staff. We found that:
- delegation of responsibility for key areas of ANCHO's activities to its sub committees has resulted in delays in key issues being brought to the Board's attention;
 - other than in relation to the targets set out in the IMP, the Board has not received any regular reports on performance in service delivery, and it does not receive sufficient information on tenant satisfaction around key areas of service delivery;
 - the Board has discussed a number of items on several occasions despite having previously made clear decisions on the issues covered;

- the Board has been presented with complex and detailed reports on issues such as financial planning and viability without any clear explanatory covering papers;
 - the Board has been asked to make key decisions on the basis of incomplete or inaccurate information, most recently in relation to the proposed purchase of new office space; and
 - there is an overall lack of focus on core issues and key risks in decision making within ANCHO.
- 5.8 ANCHO's performance reporting structure is fair, however it does not currently provide a sufficient level of detailed analysis to the Board. Performance reports covering main service areas are discussed monthly by the senior management team (SMT), and performance reports on key areas of Housing and Property Management are presented to the Client Services Sub-Committee which meets quarterly. SMT reports are made available to Board members but are not formally tabled or discussed.
- 5.9 Financial performance reports are presented to the Business Services Sub-Committee, also quarterly. There is a gap in the information provided to the full Board, in that performance reports are not routinely provided to it. Sub-committees consider performance issues in the key service areas, and minutes of their meetings are provided to the full Board. However the current decision-making structure is not ensuring that the governing body is regularly and consistently informed of performance issue and trends.

Developing capacity

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

- 5.10 ANCHO's Board members have a range of relevant skills and experience to enable them to control the organisation, and ANCHO has some awareness of areas where capacity and skills need to be developed.
- 5.11 It carried out a Board skills audit in 2002, which provided a profile of the governing body's characteristics including equalities, experience and skills and knowledge of local and national issues. The results of the audit were analysed with recommendations for future action provided to the Board, however, these were not developed into a cohesive plan for action or followed up. The Association had intended that the audit would be carried out annually, however this has not been the case. Plans are in place to conduct a new audit later in 2005.
- 5.12 ANCHO also needs to improve the support and encouragement it gives to new and less experienced board members. Whilst ANCHO has an induction pack and programme in place for new board members, we saw

evidence that the overall approach does not extend to a full understanding of the actions required to provide the support new board members may require. As a result the Association has experienced particular problems in retaining new tenant board members.

- 5.13 ANCHO is aware of some of these weaknesses and has recently commissioned Scottish Enterprise Ayrshire to carry out a “Class Leader Review” of leadership in the organisation. This review reported to the Board in December 2005. The Board has approved an action plan to take forward the recommendations arising from the review, including the provision of training for the Board, but it is too early to make an assessment of how effective this is likely to be.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 5.14 A strong membership and good levels of participation at Annual General Meetings (AGMs) are important ways for a landlord to demonstrate accountability. ANCHO has an open approach to membership, where all tenants, as well as other members of the community and people with a business or professional interest in the area can apply to join. 121 or 80% of its members are tenants, reflecting the significant efforts to involve tenants during the process of establishing the Association and the discussions with tenants around stock transfer options. The Association’s membership has decreased very slightly in the last year to 151, but has remained at a fairly static level since 2002/03. 16 percent of members attended the last two AGMs, which is lower than its peer group average.
- 5.15 The Association is aware of weaknesses in the composition of its governing body. It has maintained its full complement of local authority representatives on an almost continuous basis since it was established, but on the other hand there has been a continuous under-representation of tenant members and community representatives. ANCHO has made a number of attempts to address the problem. In the months immediately preceding our inspection it succeeded in recruiting one new tenant member and two community representatives. However, recent successes have largely been the result of personal contacts by existing staff and Board members rather than a planned and structured approach.
- 5.16 Because the Board is reliant on the active participation of nominees from the Local Authority, and neither the full Board nor its sub committees have ever had a full complement of tenant and community members since ANCHO was established, this leaves the Association open to perceptions of a lack of independence. ANCHO monitors attendance levels at its Board meetings on an ongoing basis, and its records show that the average attendance level at meetings has dropped from 82% in 2003/04

- to 53% this year. Moreover, reduced attendance at meetings overall means that the under-representation of tenants on the Board is compounded. This performance increases the risk of ANCHO being unable to demonstrate that its Board is effective in directing the organisation.
- 5.17 ANCHO needs to improve tenant representation at Board level. It has experienced problems in retaining tenant Board members, but it is not taking measures to promote and sustain membership in a structured way. It has acknowledged that there is a lack of desire on the part of tenants to join the Board, but has not attempted to assess the reasons behind this. This is important for the organisation, as tenants have responded positively to other opportunities for participation. Without detailed information it makes it difficult for the Association to effectively target its response or assess the impact of its Board recruitment approach.
- 5.18 ANCHO is developing a positive approach to involving service users in its decision making, enabling tenants and residents to influence its activities in other ways, beyond membership of the Association, including:
- providing open access for people to attend all non-confidential Board meetings;
 - establishing a Registered Tenant Organisation, which it has consulted over recent policy reviews and it plans to develop this relationship further;
 - establishing a tenant participation working group, membership of which is open to all tenants, to develop and implement its strategy in this area and publicises this in its regular newsletters;
 - setting up a consultation register of tenants interested in participating in service and policy reviews; and
 - routinely consults with tenants in reviewing its policies.
- 5.19 The Association is planning to make further developments in this area, for example through developing links with local schools, youth and pensioner groups, to encourage local people to get involved in its activities.
- 5.20 ANCHO's most recent tenant satisfaction survey indicated that 89% of tenants think it takes account of their views. However, as we have highlighted in sections 3 and 4 of this report, its approach to collecting satisfaction information requires further development. ANCHO has recognised this and has plans in place to address some of these issues.
- 5.21 ANCHO provides service users and stakeholders with a range of information on its services through its quarterly tenants newsletter and annual report, both of which are available on its web-site. The Association

also reports monthly performance on allocations against its letting plan in its applicant newsletter.

- 5.22 However, ANCHO needs to improve its approach to regularly telling people how well it is performing against its targets, whether its performance is improving over time or how the Association compares with other landlords. It recognises the need to develop and improve its approach, and plans to issue bi-annual performance reports, including benchmarking comparisons, to tenants later this year. It will use this as a basis for developing its new service user focus group. This is a positive step.

Ethical standards

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

- 5.23 ANCHO acts in accordance with the statutory requirements relating to the granting of benefits in Schedule 7 of the Housing (Scotland) Act 2001. The Board approves the granting of benefits and these are recorded in the register. We found that in one case where a tenancy was granted to a relevant person, the Board member concerned did not withdraw from the meeting while the matter was discussed. However, the Association quickly recognised this error and took positive steps by updating its application of Schedule 7 policy and reviewing procedures.
- 5.24 The Association has set high standards in its approach to managing conflicts of interest, in its corporate accountability policy which was approved in June 2004. It maintains registers of interests for governing body members and staff, and declarations of interest are a standing item on Board and Sub-Committee agendas.
- 5.25 We looked at how it managed conflicts of interest in relation to Board members from 2002 to 2004, and found that it was not being consistent in applying policy requirements and did not have a full understanding of the circumstances in which a board member should be asked to withdraw from a meeting as a result of a conflict of interest. Whilst we found that ANCHO now takes a more stringent approach to managing conflicts of interest for its Board members, it also needs to ensure that such conflicts are handled sensitively in order to respect the privacy of individuals.
- 5.26 The Association took a positive step by introducing its corporate accountability policy, and including corporate accountability and governance as a key training priority within the corporate training plan. The Association needs to ensure that Board and staff adherence to its

ethical standards policies is actively monitored, and awareness of such issues is regularly assessed.

Managing risk

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

- 5.27 ANCHO needs to develop a more systematic approach to identifying and managing the risks it faces. Its risk management policy sets out key potential risks to the Association and its assets. Assessment of risks is detailed in the IMP, split between financial, board & strategic decisions, operational, and environmental risks. However, the assessments do not prioritise or place a value on individual risks, and the plan does not consistently detail how or by when the risk-related objectives are to be achieved.
- 5.28 It is important that the Association's governing body is provided with clear assessments of any risks relating to the decisions they make. Reports presented to the Board carry an assessment of risks relating to the issues raised as part of ANCHO's standard report template. We looked at examples of these, and found that the analysis of risk is often brief and limited, and does not identify links to risk categories in the Association's IMP or risk management policy. This means that the Board is not consistently receiving enough detail about the potential impact of its decisions on the organisation and its assets.
- 5.29 ANCHO takes a positive approach to internal audit. It established a three year audit programme in 2003 following an audit needs assessment by its internal auditor, and successfully carried out the auditor's recommendations for the first year of the programme. At the time of inspection the Association was developing an action plan in response to the second audit report. It incorporates audit results into its risk management and IMP preparation, and audit findings are translated into action plans which are discussed and monitored through monthly senior management team meetings. Progress on audit recommendations is reported to an internal audit panel comprising senior staff and Board members, with an annual progress report presented to the relevant sub-committee.
- 5.30 However the Association's current audit programme is not ensuring that key areas of weakness are being systematically addressed. For example, its property management service was audited in October 2004, but the audit did not identify the key weaknesses we found in ANCHO's approach to gas safety, the absence of the right to repair, and the weaknesses of its repairs performance management systems. As a result the Association

does not have a good awareness of its strengths and weaknesses, or where to direct action to improve.

- 5.31 ANCHO has a number of significant weaknesses in governance. There are weaknesses in the effectiveness of the Board in directing and controlling the organisation and in its ability to focus on key issues and risks. ANCHO is developing a positive approach in some areas, such as its awareness of ethical standards requirements, and in its approach to developing a range of opportunities for service users who are not members of the Association to also influence its decision-making. However it is not clear that ANCHO's Board and senior management in a position to effectively understand or respond to the needs and interests of ANCHO's tenants.

Financial Viability & Management

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

- 5.32 ANCHO commissioned consultants during 2003 to produce 30 year cash flow projections as part of an overall review of the organisations viability and long term sustainability. Their report concluded that, using certain assumptions, the RSL would remain viable in the medium term and could be sustainable in the longer term. These assumptions require ANCHO to raise rents through 2005/06 to 2007/08 to levels higher than those planned at the time of transfer and to reduce operating costs. The projections in the Associations financial business plan are now updated by ANCHO, at least twice per year, to continue to review ongoing viability. The model is straightforward and the updates are regular, however, it would be useful to present adjustments to the projections that test the financial impact of changes to key assumptions and this is not being done.
- 5.33 There are a number of key sensitivities that could have an effect on its financial projections, specifically ANCHO currently having high operating costs in comparison to its peer group and the significant increase in staff costs from 2002/03. There needs to be consultation with tenants on the higher rent increases now assumed within the projections. Also, the effect of a possible purchase of new offices by ANCHO is not in the current financial plan, which actually assumes further reductions to operating costs. These are all important assumptions that must be planned for and achieved to ensure long term sustainability, as projected.

Financial performance	£000's 2000/01 (Actual)	£000's 2001/02 (Actual)	£000's 2002/03 (Actual)	£000's 2003/04 (Actual)	£000's 2004/05 (Budget)
Turnover	1,121.9	1,851.5	1,852.9	1,873.4	1,981.0
Operating Surplus/(Deficit)	302.4	581.4	(134.7)	(422.5)	320.8
Net Surplus/(Deficit)	33.6	111.0	(483.6)	(793.7)	(323.6)

- 5.34 ANCHO's financial results for the past four years and its approved budget for the current year sees continuing growth in financial turnover, although the number of units owned has decreased as a result of Right To Buy.
- 5.35 ANCHO had deficits from operations in 2002/03 and 2003/04. This is a common feature of predominately large scale voluntary transfer RSLs during the early years following transfer, when large sums of cash are being invested in tenants' homes. This is understood and agreed with the lender from the approval of the business plan. The projected position for the current year as reported to the governing body is a return to an operating surplus, although due to the cost of interest on private loans, a further net deficit is expected.
- 5.36 ANCHO's governing body receives regular and timely reports on its finances. A lot of information is contained in the reports and the accompanying narratives are a good attempt to provide the governing body with information about areas that are considered important. There is, however, little evidence to suggest the Board has an effective understanding of the key financial issues facing ANCHO, as discussion is centred on operational matters rather than material items of strategic importance.
- 5.37 Budget setting is a key planning tool for ANCHO and its content, presentation and information is an essential element in providing the governing body with the information it needs to make decisions and understand the likely financial performance for the year. The presentation of the budget, lacks useful information and does not fully explain the assumptions being used to forecast key elements of income and cost. The approval of the budget by the Board is not clearly documented and the financial planning framework is weakened by the lack of strategic focus in the process.
- 5.38 Quarterly financial reports are produced to consider actual performance against budget and covering narratives are tailored to the two committees that consider them. The reports, however, do not highlight for discussion the cash requirements throughout the financial year and this is extremely important for ANCHO as it continues with its investment programme.
- 5.39 ANCHO is financially viable in the medium term and has areas of weakness that may have a financial impact if not properly managed. The

financial management framework has some strengths but the lack of focus on strategic issues, which could have a material financial impact, is a significant weakness.

6. Areas for Improvement Action

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

Across all of its activities, ANCHO should:

- review its services and service outcomes to ensure that it can demonstrate that it is providing value for money;
- develop its approach to collecting and reporting tenant satisfaction and client feedback information in all its service areas;
- actively demonstrate that it is meeting the commitments made to tenants when the organisation was established in its performance reporting;
- ensure that its policy and procedures cover all the critical areas of decision making across all areas of service delivery;
- further develop its approach to monitoring and reporting access to its services and outcomes for BME clients and those with particular needs; and
- improve its recording, monitoring and reporting of complaints and use the information from its complaints system to support its service improvement process.

In housing management, ANCHO should:

- improve its performance in collecting former tenant arrears;
- work with tenants and relevant owners to develop more targeted approach to the management and improvement of its estates;
- ensure that arrears and antisocial behaviour policies and procedures are applied consistently; and
- provide better information to applicants on alternative housing options.

In property management, ANCHO should:

- ensure that it complies with its legislative duties relating to gas safety;
- provide its tenants with their Right to Repair, and ensure that appropriate systems are developed to monitor and report on its performance in this area;
- ensure that its procurement decisions are taken in line with its stated policy, and fully document the basis of its decisions;
- improve management of the costs of its property maintenance service including the recovery of costs for recharged works;
- ensure that the performance of its repairs service is accurately and consistently measured against its published policy and targets;
- ensure that tenants are clearly advised about the standards of service they should expect when reporting individual repairs;

- continuously measure the outcomes of pre and post inspections, to ensure that strengths and weaknesses in repairs performance can be identified and used in developing service improvement; and
- develop and publicise its relet standard and assess and analyse prospective new tenants' views on the quality of void properties offered to them.

In governance and financial management, ANCHO should:

- put in place a strategy for reducing the core running costs of the organisation and ensure that any proposed rent increase is affordable to tenants and justified in the context of service quality and costs;
- ensure that the Board has an accurate and current picture of performance in service delivery, financial management and tenant satisfaction;
- improve the quality of information provided to the Board to support decision making and in particular ensure that the financial implications of strategic decisions are fully examined;
- ensure that decisions made by the Board are fully acted on and that progress made is regularly and clearly reported to it;
- improve the level of support and guidance provided to Board members, addressing any weaknesses identified through a critical assessment of Board members' skills and development needs;
- address the imbalance in its Board membership, and develop a strategic approach to recruitment and retention of new board members and tenant members in particular;
- strengthen its internal management plan by establishing SMART targets for each of its objectives, and clearly prioritise objectives according to the relative importance and risks involved;
- improve its approach to identifying, reporting and managing risk in a systematic way;
- improve the focus and coverage of its audit programme, as part of a continuous programme of self-assessment;
- test long-term cashflow projections for sensitivity to key issues and report the potential financial impact on a regular basis; and
- highlight for discussion current and short term cash requirement to committee regularly.

We will agree and improvement plan with ANCHO for property maintenance, governance and financial management.

7. Next Steps

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

Ayrshire North Community Housing Organisation
Sovereign House
Academy Road
Irvine
KA12 8RL

TELEPHONE 01294 313121
EMAIL mail@ayrshirenorth.org
WEBSITE www.ayrshirenorth.org

Sources of evidence

Groups and third parties consulted

- Scottish Enterprise Ayrshire
- NHS Ayrshire & Arran
- Community Housing Advocacy Project
- North Ayrshire Council Housing Dept
- North Ayrshire Council Social Service Dept
- Castlepark and Eglinton Tenants & Residents Group
- Community Housing Advocacy Project
- Homepoint
- Communities Scotland Area Investment Team
- Dunfermline Building Society

Interviews / meetings

- Board Members
- Tenants
- Director
- Assistant Director (Finance)
- Housing Services Manager
- Property Services Manager
- Corporate Services Officer
- Administrative Assistants
- Senior Financial Services Assistant
- Property Services Officers
- Senior Property Services Assistant
- Housing Services Officers
- Senior Housing Services Assistant

Reality checks

- Case reviews
- Shadowed staff
- Estate/property visits
- IT system review
- Accompanied visits/interviews with Housing staff to tenants for settling-in, arrears, tenancy termination and in response to general enquiries
- 30 tenants contacted including repairs telephone survey, face to face and telephone interviews, and postal questionnaire.

Key documents reviewed

- Inspection submission
- Annual accounts for year ending 31 March 2004
- Budget 2004/05
- Management accounts
- Risk management strategy
- Register of benefits to committee members (schedule 7 Register)
- Internal Management Plan 2004/5-2006/7
- Tenant participation strategy
- Complaints policy
- Allocations policy
- Maintenance policies
- Arrears policy
- Annual Report 2003-04
- Annual performance and statistical returns to Communities Scotland
- Performance monitoring reports for arrears, allocation and repairs response times
- Committee agendas and minutes
- Minutes of management meetings
- Leaflets

Examples of positive practice

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

Access

ANCHO has developed a monthly newsletter for its housing applicants, which provides useful information on its lettings activity. It provides information on the houses that have been allocated and indications of the points required. It also explains the lettings plan and reports performance against it. This is helping ANCHO's applicants to make an informed choice about the location and type of housing they want.

Sustaining tenancies and preventing homelessness

ANCHO has taken a positive approach to this area through its participation in the Communities Scotland's Mortgage to Rent scheme. The scheme helps people who are in danger of having their home repossessed to stay in their home as a tenant. The property is sold to the landlord and then rented back to the household. We received positive feedback from the Executive on ANCHO's contribution to the initiative. To date the Association has helped 10 householders to retain their security of tenure, where they might otherwise have become homeless.

Glossary

Annual Statistical and Performance Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Average	The arithmetic mean – the sum of all the values divided by the number of values.
CMTSS	Continuous Monitoring Tenant Satisfaction Survey a rolling tenant satisfaction survey covering a proportion of tenant population each quarter and building up over three years to a 100% survey of all ANCHOs tenants.
Common housing register	A register of all applicants for social housing used by two or more landlords within an area.
Cyclical maintenance	Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames.
Focus group	A group of people brought together to have a structured discussion on a specific subject or set of subjects, facilitated by an independent person.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
ICT System	Information and Communications system.
Inspection submission	Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
LSVT	Large Scale Voluntary Transfer of stock which was agreed following a ballot of tenants.
National median	The central value of the ordered performance of all Scottish RSLs.

No fines concrete construction	A non traditional method of housing construction employing solid concrete walls.
Peer group	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs.
Performance indicator	A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Performance Standards	Housing standards for all social landlords in Scotland.
Planned maintenance	The planned renewal or maintenance of key property components.
Quartile	The range represented by one quarter of the ordered performance of all Scottish RSLs. So for example, the upper quartile is the top 25% of RSLs.
Serious arrears	Where a tenant owes more than 13 weeks rent payments and this is more than £250
Rechargeable repairs	Work that is the responsibility of the tenant but has been done by the landlord.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to Buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.

SFHA	The Scottish Federation of Housing Associations. The national body representing housing associations in Scotland.
Scottish secure tenancy (SST)	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
Scottish Housing Quality Standard	All property managed by registered social landlords must be brought up to a certain standard by 2015.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.

Regulation & Inspection

EDINBURGH

Rosebery House
9 Haymarket Terrace
Edinburgh EH12 5YA
Tel: 0131 313 3700

GLASGOW

Highlander House
58 Waterloo Street
Glasgow G2 7DA
Tel: 0141 226 4611