

Communities Scotland
Inspection report

Broomhouse Housing Association (1986)

June 2006

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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 the inspectors:
- spoke to staff and tenant members of the governing body;
 - visited the local area;
 - 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.

The inspection team

- 1.4 The lead inspector was Dave Le Sage (Associate Inspector) supported by Murray Smith (Financial Analyst). We were on site on 17 June 2005. We would like to thank everyone involved in the inspection, particularly the governing body and staff for their time and co-operation.

Responding to this inspection

- 1.5 We expect Broomhouse Housing Association (1986) Ltd to make the summary of this report available to anyone who wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report with an improvement plan to be agreed with us. We require that the summary of this report is issued to all tenants.

* see glossary

2. Context

About the Organisation

- 2.1 Broomhouse Housing Association (1986) Limited is located in one small estate on the eastern city boundary of Glasgow, close to Baillieston. The Association, which is an Industrial and Provident Society, was formed and registered in 1986. It was one of four pioneering small-scale transfers of housing stock into community ownership by the Council. Its management committee is made up entirely of local tenants.
- 2.2 We ask RSLs* to select a peer group* which best describes their organisation. Broomhouse selected the group described as small RSLs (under 250 units) that operate in urban areas. This is the group we used to compare the Association's performance.
- 2.3 The Association owns 98 properties. Most of these are 'four in a block' cottage flats, built mainly during the 1920s and 1930s; it also owns terraced houses built during the 1950s. It uses one property as an office. The Association improved and modernised all of its houses were in 1986/87, following the transfer.
- 2.4 The Association employs two part-time members of staff: a director and an administrative assistant. A repairs inspector is provided one day a week by another housing association under an agency management agreement.
- 2.5 The table below gives background information about the Association and shows trends over the last three financial years.

Key Facts

Broomhouse	2002-2003	2003-2004	2004-2005
Houses owned and rented	97	97	97
Employees (Part-time)	2	2	2
Annual turnover (£'000's)	151.6	163.1	161.1
Total possible rental income (£'000's)	152	163	161
Rental income from housing benefit (%)	41.9	43.7	43.6
Average* weekly rent (£)	31.70	31.70	31.70
Average rent increase (%)	7.5%	0	0
Houses re-let	6	7	16
Responsive repairs carried out	132	224	n/a
Maintenance spend per house (£)	567	655	1182

* see glossary

3. How good are the services?

Housing Management

Access

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

- 3.1 The Association maintains an open housing list and accepts applications from anyone aged 16 or over. It has an informal agreement to let houses to applicants nominated by Glasgow Housing Association (GHA). During 2004/05 Broomhouse let one house out of a total of 16 relets to an applicant nominated by GHA.
- 3.2 Broomhouse recently reviewed its housing list, by inviting existing applicants to re-apply using new application forms. The Association provided stamped addressed envelopes and gave applicants six weeks to return the forms. Applicants who did not respond had their application cancelled, although it did not exclude applicants who returned their applications late. As a result of the review the number of applicants on the housing list decreased from 203 to 53. The Association did not send applicants a reminder prior to cancellation. It did not notify applicants that their application was cancelled, how to reinstate it; or their right to an appeal.
- 3.3 Broomhouse places applicants onto its housing list within one day. It notifies them of the outcome of their application in writing. This includes information on stock turnover and advises applicants to also contact other housing providers. The Association has not suspended any applicants from receiving offers.
- 3.4 The Association collects equalities information on its applicants and allocations.

Meeting need and maximising choice

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

- 3.5 The allocations we reviewed were all to people with a housing need. In 2004/05, the Association let 44% (7) of its vacant houses to its own tenants and the same percentage to housing list applicants; the small number of other lets went to people nominated by GHA or referred to it under homelessness legislation.

* see glossary

- 3.6 At the time of the inspection the Association had recently approved a new allocations policy based on prioritising those entitled to reasonable preference* under the legislation, while still meeting the aspirations of its own transfer applicants. At the time of our inspection it was too early to assess the impact of this new policy.
- 3.7 The Association is working with Glasgow City Council to allow both organisations to meet their statutory duties in relation to homeless people. Although like other Glasgow RSLs, Broomhouse and the Council have not yet agreed a formal protocol. At the time of inspection Broomhouse had received and offered housing to one household referred under section 5 of the Housing (Scotland) Act 2001. No referrals have gone to arbitration.

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.

- 3.8 All the Association's tenants have Scottish secure tenancy* (SST) agreements.
- 3.9 Broomhouse provides information and advice to new tenants at the start of their tenancy, mainly through personal contact and an informative information pack. The Association has a good track record of working closely with those of its tenants who experience difficulties, in order to assist them sustain their tenancies.
- 3.10 Broomhouse takes eviction action only as a last resort. It obtained one order for recovery of possession in 2004/05, for rent arrears, and recently obtained vacant possession. This is the first eviction the Association has carried out. It has raised other actions on antisocial behaviour grounds but has been able to resolve these, avoiding the need for eviction.

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.

- 3.11 The Association's neighbourhood is well maintained, with many tenants keeping their gardens in a beautiful condition.
- 3.12 The local area has changed in recent years, with new housing for owner occupation being built around the Association's housing. Complaints regarding antisocial

* see glossary

behaviour have increased substantially over the past few years, with the exception of a dip in 2004. Complaints tend to relate to lifestyle differences.

- 3.13 Broomhouse is committed to dealing with antisocial behaviour and has used a variety of techniques, including working with other agencies, to achieve this. The Association is, however, finding it difficult to balance the increased level of work in this area with its other responsibilities, given the small and part-time nature of its staffing arrangements.

Property Maintenance

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.

- 3.14 Tenants can report repairs by telephone, letter or by visiting the office during its opening hours of 9.30 am to 2.30 pm, Monday to Thursday. Out with these hours, tenants can contact heating and hot water contractors directly. Tenants requiring other types of emergency or urgent repairs out with office hours need to contact a member of the management committee. Only committee members can contact non heating or hot water contractors directly to arrange for a repair. This system relies on availability of voluntary committee members and may present a risk to the Association; although it has been in place for 20 years and a recent tenant survey found most respondents consider the repairs service to be adequate and 96.4% do not feel inconvenienced by the present system.
- 3.15 The Association has had a statutory duty to provide tenants with right to repair since September 2002. The Association provides tenants with information on their right to repair annually but not when tenants report a qualifying repair. At the time of inspection Broomhouse had carried out all 52 qualifying repairs within target timescales.
- 3.16 The Association does not have a formal repairs appointment system, but it does informally offer a choice of access times, in half days. It told us that the level of 'no access' calls is low.

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.

3.17 Broomhouse had targets to complete emergency repairs within 24 hours, urgent repairs within 5 days and routine repairs within 20 days however they were less challenging than peer or national averages. Broomhouse has reviewed its targets and it now aims to complete emergency repairs within 6 hours, urgent within 3 working days and routine repairs within 15 days.

3.18 During 2004/05 reported performance for emergency repairs is better than peer or national figures. There was a slight dip for urgent repairs from 100% to 97.9% completed within target; however reported performance is still better than peer or national figures. Routine repairs also declined from 97% to 91.4% completed within target and performance is now below peer or national figures.

	Broomhouse Target response time	Performance				
		Broomhouse			National median 2004/05	RSL peer average 2004/05
		2002/03	2003/04	2004/05		
Emergency Repairs	24 hours	100%	100%	100%	98.9%	96.2%
Urgent Repairs	5 days	100%	100%	97.9%	95.0%	94.1%
Routine Repairs	20 days	97%	96%	91.4%	95.1%	93.7%

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.

3.19 Scottish Ministers have set a target that all social landlords' houses should meet a new Scottish Housing Quality Standard (SHQS) by 2015. Broomhouse was required to prepare a plan showing how they will achieve this, by April 2005. The Association has continuously renovated its properties over the last 20 years. It has satisfied itself that all its properties will meet the SHQS and has submitted its plan to Communities Scotland.

3.20 The Association undertook a substantial improvement programme for its houses after taking ownership in 1986. It is currently in the process of replacing kitchens in its houses, and has plans to renew central heating boilers after the kitchen programme is complete.

3.21 Broomhouse is required to carry out safety checks every 12 months on all gas appliances and flues it provides for its tenants' use. During the last year the Association has not fully met its statutory duty for carrying out gas safety checks. All

houses with gas appliances had a valid certificate in place at the time of our inspection, but the Association did not achieve continuity between safety checks for 16% of its houses with gas; the gap was more than one month in 9, or 9% of its houses. This represents a risk to the Association. The Association plans to begin its future programmes of checks earlier in future to ensure it is able to meet its duty.

- 3.22 The Association has previously supplied tenants with battery-operated spoke detectors for a minimal charge. Recent electrical safety checks have shown that a large number of alarms are either missing or have no batteries. The Association has indicated that it intends to install hard-wired detectors as part of its preparation for achieving the SHQS, although it has no firm timescale for this.
- 3.23 From May 2014 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. At the time of inspection Broomhouse had not yet complied with this duty. It had not produced an asbestos management plan or carried out any survey work. It has plans in place to address this.

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.

- 3.24 The Association's main methods of communicating with tenants are informative newsletters, annual reports and letters on specific issues and through word of mouth. Its small scale and the proximity of its office to its houses places the Association in a good position to obtain direct feedback from individuals. Nevertheless, more structured feedback also has an important role. It has carried out a one-off survey on the first phase of the recent kitchen replacement, which resulted in positive feedback. More broadly, however, it has not sought tenants' views across the range of its services for some years; this is a weakness. The Association intends to address this on completion of the kitchen replacement programme by carrying out a full tenant survey.
- 3.25 The Association has worked positively to consult tenants on specific changes in some of its policies, such as the recent review of the allocations policy. It also held public meetings to explain the change-over to Scottish Secure Tenancy and has asked for feedback on its proposed rent increases.

3.26 The Association receives few complaints about its services. We found that it responds to these appropriately and has changed its approach in light of issues raised by complaints.

4. 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.

4.1 The Association's rent, at an average of £31.17 per week in 2004/05, is very low compared with the peer average of £46.99. This low level of rent reflects the Association's very clear focus on ensuring that rents are affordable for tenants. We discuss the relationship between resourcing and service levels later in this section.

4.2 The table below summarises Broomhouse's performance in collecting rent.

	At March 2003	At March 2004			At December 2004
	Broomhouse	Broomhouse	Peer Average	National Median	Broomhouse
Total arrears as % of total gross rental income	1.5	1.9	6.4	6.4	1.9
Total current arrears as % of total gross rental income	1.5	1.9	5.4	4.6	1.9
Current arrears (non technical) as % of total gross rental income	1.2	1.6	3.3	3.4	1.9
Current arrears (technical) as % of total gross rental income	0.3	0.3	2.1	1.1	0
Total former tenant arrears (£)	16	26	-	-	99
As % of total gross rental income	0	0	1.0	1.8	0
Rent arrears written off (£)	0	0	-	-	126

4.3 The Association's performance in collecting rent is excellent. Although total arrears and non-technical arrears have increased between March 2003 and December 2004, the level of arrears is significantly lower across all categories compared with peer and national figures. This is an area of strength for Broomhouse.

4.4 The Association has excluded one tenant with continuous and substantial rent arrears from its kitchen replacement programme until their arrears improved. The Association's approach in this case is not in line with good practice.

4.5 The table below summarises Broomhouse's performance in letting houses that have become empty.

	2002-2003	2003-2004			2004-2005
	Broomhouse	Broomhouse	Peer Average	National Median	Broomhouse
Rental income lost due to empty houses (£)	293	472	-	-	1062
As % of total rental income	0.2	0.3	0.6	0.9	0.7
% of empty houses re-let in less than 2 weeks	50	71.4	42.4	39.1	75
% of empty houses re-let in 2-4 weeks	50	0	30.4	27.3	12.5
% of empty houses re-let in more than 4 weeks	-	28.6	27.2	36.6	12.5
Average time to re-let (days)	11	5	31	34	24

4.6 In 2004/05 Broomhouse lost 0.7% of its rental income because of houses lying empty, and took an average of 24 days to relet its houses. These figures are significantly worse than those of the previous year. However, they are influenced by two particularly difficult relets last year which – given the small number of lets overall – have had a disproportionate effect. With the exception of these two relets, the Association's performance was consistent with that of the previous year. Over the medium term and in comparison with the peer and national picture, Broomhouse's performance has been excellent.

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

4.7 The Association receives property maintenance services on an agency basis from Cordale Housing Association. It has recently changed provider and increased the time the agent spends with the Association from one half day per week to a full day. This increase reflects the requirements of the Association's current kitchen replacement programme.

4.8 The Association procures the contractors for major repair works and cyclical works through competitive tendering. It has a good approach to procurement and takes account of quality as well as cost factors in its decisions.

4.9 The overall cost of providing Broomhouse's service has increased in the last year, but is still lower than the Association's peer group average. This reflects the Association's tight staffing structure and its use of agents to supplement its core staff team.

2003/04 per unit costs	Broomhouse	Peer Group Average
Housing management costs (£)	289	600
Property management costs (£)	327	191

Performance management

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

4.10 Broomhouse has worked to the same aims and objectives for the past 20 years. However the Association has not developed a formal management plan setting out priorities and plans for the future. There is no performance management framework in place. Committee do not receive regular reports on key performance indicators; however they do receive adhoc reports when issues arise. The Committee also monitor rent arrears using a monthly updated wall chart.

5. Governance and financial management

Leadership and direction

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

- 5.1 The Association's Committee membership has increased from 8 to 11 members in 2004/05. All members are tenants. Attendance is above average compared to peer and national figures and at the time of inspection all meetings were quorate. Broomhouse's committee have a strong commitment to the Association and good local knowledge.
- 5.2 The Association makes available a range of training opportunities for committee members, although take-up has been fairly low. It also makes promotes opportunities for attendance at housing events and conferences.
- 5.3 A strong membership and good levels of participation at annual general meetings (AGMs) are important ways for a landlord to demonstrate accountability. Broomhouse has a very healthy membership for its size, with 138 members in early

2005. The attendance at recent AGMs has been falling: from 17% of members 2002, to 15% in 2003 - slightly higher than the national average of 13% - and 12% in 2004. The Association is aware that the AGM is an important way for it to be accountable to its tenants, and is planning to publicise its next AGM more actively to encourage a larger turn-out.

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.

5.4 Broomhouse operates in accordance with the statutory requirements relating to the granting of benefits covered by Schedule 7 of the Housing (Scotland) Act 2001. It also has an appropriate approach to identifying and managing conflicts of interests as they arise.

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.

5.5 The Association has recently drawn up a risk management strategy. It is aware that it needs to develop a more detailed risk action plan, in terms of mapping all possible areas and levels of risk.

Financial Viability and Management

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

5.6 Broomhouse is financially viable. The Association has recorded a small overall increase in turnover in recent years. It has achieved high gross and net surpluses, and overall financial performance has been good.

5.7 The Association has a fair approach to the budget setting process. It comprises a basic income and expenditure account, incorporates the agreed rent increase and the cyclical/planned maintenance programmes and the timing allows for committee approval prior to the start of the financial year.

5.8 Even allowing for its size and structure, Broomhouse has a poor financial management framework. The Association does not prepare periodic management accounts, although an annual budget review does allow for some monitoring of financial performance.

5.9 Broomhouse does not prepare either medium or long term financial projections. Even for a small organisation with relatively stable operating costs; this lack of formal financial planning represents a risk and means that they are unable to clearly demonstrate their medium and longer term sustainability.

6. Areas for improvement action

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

Across all of its areas of activity, the Association should:

- develop a planning and performance management framework appropriate to its scale and range of activities; and
- seek feedback from tenants regularly and in a structured way, covering the range of its services.

In property maintenance, the Association should:

- ensure it complies with its legislative duties relating to gas safety, for hard to access properties;
- meet all of its statutory duties on right to repair and asbestos management; and
- review its options for out of hours repairs service.

In governance and financial management, the Association should:

- develop its financial management framework.

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. When organisations are required to submit an improvement plan to us this should be submitted within eight weeks of the publication of this report.

7.2 Broomhouse's improvement plan should show how the organisation intends to respond to our findings. The plan will be agreed with us. We will follow up improvement plans.

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

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Glossary

Average	The arithmetic mean – the sum of all the values divided by the number of values.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
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 Annual Performance and Statistical Return to Communities Scotland.
Performance Standards	Housing standards for all social landlords in Scotland.
Planned maintenance	The planned renewal or maintenance of key property components.
Reasonable preference categories	Homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.
Scottish Secure Tenancy	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.

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