

**Pathfinder Inspection Report
Summary
August 2004**

Cernach Housing Association



Cernach Housing Association: Pathfinder Inspection Report Summary

1. Communities Scotland is responsible for the regulation and inspection of all Registered Social Landlords (RSLs). We inspected Cernach in February/March 2004. This summary report sets out the main findings from our inspection.

Cernach

2. Cernach was set up in 1990 and registered with Communities Scotland (Scottish Homes) in 1999 as a housing association without charitable status. The Association owns 298 houses in Drumchapel, Glasgow. Cernach also has shared ownership interests in 32 properties. The Association is embarking on a period of growth during which it will take on the management of over 600 houses owned by the Glasgow Housing Association and it hopes ultimately to take ownership of these with the tenants' agreement. Cernach is governed by a voluntary Committee which is elected at its Annual General Meeting.

Inspection Grades

3. These are the inspection grades achieved by Cernach:

Overall Performance	B	<p>Cernach is a good performer with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement overall are promising.</p>
Governance and Financial Management	B	<p>Cernach is a good performer in governance and financial management with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement in governance and financial management are promising.</p>
Housing Management	B	<p>Cernach delivers a good housing management service with many strengths, but with some areas where improvement is needed.</p> <p>The prospects for improvement in housing</p>

		management are promising.
Property Management	B	Cernach delivers a good property management service with many strengths, but with some areas where improvement is needed. The prospects for improvement in housing management are promising.
Property Development	A	Cernach delivers an excellent property development service with major strengths. The prospects for improvement in property development are promising.

- 3.1 Cernach has made a substantial contribution to the regeneration of West Drumchapel. Cernach is a good landlord. The results of tenant surveys carried out on the Association's behalf and feedback from a number of its service users during our inspection, indicate a high level of satisfaction with services and with the way they are provided by the Association's staff and its contractors.
- 3.2 The overall grade takes account of Cernach's performance in governance and financial management, performance in each service area, its organisational effectiveness, its commitment to social inclusion, and its likelihood of improvement.

Overall Performance

4. This section describes how good Cernach's services are overall and how well they are managed.
5. These areas are working well overall:
- ✓ Cernach has developed a stock of good quality housing that is in demand.
 - ✓ Cernach is, and is likely to remain, financially viable. It has a good financial framework in place covering budget setting, reporting and monitoring of performance.
 - ✓ Cernach makes good use of and is supportive of its staff. It has achieved and retained Investors in People accreditation.
 - ✓ The Association has effective strategic planning and performance management systems to help it manage the business.
 - ✓ Cernach communicates with its tenants effectively and is responsive to feedback.

- ✓ Cernach has a good understanding of its strengths and of the areas it needs to improve further.
- ✓ Cernach provides good housing services to its tenants and factored owners.

6. These areas could be working better overall:

- Consultation arrangements with service users, other than tenants.
- Management Committee numbers and attendance levels at meetings.
- Access to the house waiting list.
- Medium term financial planning.
- Rent and factoring arrears levels.
- Management of committee members' conflicts of interest in the area of rent arrears.
- Compliance with Gas Safety (Installation and Use) Regulations 1998.

7. These are our key overall recommendations:

- ❖ Cernach must improve its management of gas safety to ensure all properties are serviced within the 12 month period required by the gas safety legislation.
- ❖ Cernach should ensure rent arrears recovery procedures are being carried out consistently and that record keeping is adequate.
- ❖ Cernach should take all possible steps to increase the number of committee members, if necessary using its powers of co-option. It should try to attract members from under represented groups.
- ❖ Cernach should ensure that committee members operate the Association's Code of Governance for managing conflicts of interest concerning rent arrears.
- ❖ Cernach should ensure its allocations policy and procedures comply with the relevant legislation and include monitored arrangements for suspending applications. It should review and if appropriate, add to the waiting list, all applications that have been refused or cancelled.
- ❖ Cernach should ensure that applicants' housing needs are fully assessed at the time they are registered onto the housing list, and kept up to date. Assessments should be quality controlled.
- ❖ Cernach should prepare medium-term financial projections to translate the strategic objectives within its Internal Management Plan into financial terms.
- ❖ Cernach should provide applicants with more information on how their points have been calculated and their housing prospects.
- ❖ The Association should review the debt recovery procedures for its factoring service, ensure they are fully implemented and set targets to reduce the arrears over time.
- ❖ Cernach should obtain owner's views on the range and quality of its factoring services through regular service user feedback.

- ❖ Cernach should take a strategic approach to its wider action activities and measure and report on performance in this area.

Governance and Financial Management

8. This section describes how well Cernach's governing body of volunteer members control the organisation, and examines the wider opportunities for tenants and other members to become involved in managing Cernach. It also looks at Cernach's financial health and how it manages its finances.

9. These areas that are working well in governance and financial management:

- ✓ The Management Committee controls the Association competently.
- ✓ The Association has good ongoing arrangements for identifying committee and staff member's strengths and weaknesses.
- ✓ Membership levels are good; both tenants and factored owners are represented.
- ✓ Cernach has a good financial management framework in place covering budget setting, reporting and monitoring of performance.
- ✓ Cernach has 30-year cash flow projections in place that indicate that the organisation will remain viable in the long-term.
- ✓ Time recording provides a very good basis for staff cost allocations.
- ✓ Cernach has a good working relationship with its finance agent.

10. These are the areas that could work better in governance and financial management:

- Management Committee membership numbers and attendance levels at meetings.
- Committee Members' compliance with Code of Governance on conflicts of interest concerning rent arrears.
- Budget information.
- Medium term financial planning.

11. These are our key recommendations in governance and financial management:

- ❖ Cernach should take all possible steps to increase the number of Management Committee members, if necessary using its powers of co-option. It should try to attract committee members from under represented groups.
- ❖ Cernach should take immediate steps to ensure that committee members operate the Association's Code of Governance on conflicts of interest concerning rent arrears.
- ❖ Cernach should make improved attendance at committee meetings a priority. It should record attendance levels accurately.

- ❖ Cernach should prepare medium-term financial projections to translate the strategic objectives within its Internal Management Plan into financial terms.
- ❖ Cernach should review the budget report to the Management Committee; to set the information in a fuller context and establish a more robust case from which the Committee can monitor future performance.

Housing Management

12. This section summarises how well Cernach controls access to its houses and rents levels, and deals with empty houses and rent arrears. It also describes how Cernach manages its estates and deals with antisocial behaviour.

13. These are the areas that are working well in housing management:

- ✓ Cernach has good quality housing that is in high demand.
- ✓ The Association manages empty houses very well.
- ✓ The Association actively encourages people to apply for its houses.
- ✓ Cernach is good at providing tenants with tenancy information and benefits advice when they are housed and throughout their tenancy.
- ✓ The Association works successfully with partners to achieve common goals.
- ✓ Cernach completed signing up tenants to the Scottish Secure Tenancy well within the timescale allowed.

14. These are the areas that could work better in housing management:

- Rent arrears control.
- Access to the waiting list.
- Assessment of housing applications and advice to applicants.
- Monitoring how well it is meeting housing need through allocations.
- Consultation with tenants on increases in rent and service charges.

15. These are our key recommendations for housing management:

- ❖ Cernach should ensure rent arrears recovery procedures are being carried out consistently and that record keeping is adequate.
- ❖ Cernach should ensure its allocations policy and procedures comply with the relevant legislation and include monitored arrangements for suspending applications. It should review, and if appropriate add to the waiting list, all applications that have been refused or cancelled.
- ❖ Cernach should ensure that applicants' housing needs are fully assessed and kept up to date. Assessments should be quality controlled.

- ❖ Cernach should provide applicants with more information on how their points have been calculated and on their housing prospects
- ❖ Cernach should introduce reporting arrangements that can show how well it is meeting its policy objectives and that it is giving reasonable preference to the statutory categories of need .

Property Management

16. This section summarises how well Cernach maintains the fabric of its houses. It describes the quality of repairs that are done when they are needed (“responsive repairs”) as well as maintenance and improvements planned in advance. It also looks at how Cernach adapts houses so that tenants can stay in their homes when their needs change.

17. These are the areas that are working well in property management:

- ✓ Cernach’s challenging response times for completing repairs are being met.
- ✓ Tenants are provided with good information on the repairs service.
- ✓ Cernach uses a range of techniques to obtain tenants views on responsive repairs.
- ✓ Tenants satisfaction with the repairs service and the way it is provided by staff and contractors is good overall.
- ✓ Repairs quality is thoroughly monitored.
- ✓ Cernach has comprehensive up to date information on the condition of its housing stock.
- ✓ Cernach has assessed the long-term costs of maintaining and upgrading its houses and has made arrangements to ensure the necessary funding will be available.
- ✓ Cernach procures and manages contracts effectively.
- ✓ Good right to repair procedures are in place.

18. These are the areas that could work better in property management:

- Management of gas safety to ensure compliance with statutory requirements.
- Consultation with tenants on long-term maintenance and upgrading arrangements.
- The absence of standards for the adaptations service.

19. These are our key recommendations for property management:

- ❖ Cernach must improve its management of gas safety to ensure all properties are serviced within the 12 month period required by the gas safety legislation.
- ❖ Cernach should provide opportunities for tenants to contribute to the planning of major maintenance and repairs works to their homes.
- ❖ The Association should set standards for its adaptations service and report on performance to service users.

Property Development

20. This section summarises how good Cernach's newly built houses are. It also looks at how Viewpoint managed the construction of these houses.

21. These areas are working well in property development:

- ✓ Tenants are very satisfied with their homes.
- ✓ Cernach works effectively with strategic development partners.
- ✓ Cernach's housing has good energy efficiency, space standards and security features.
- ✓ Tenants views are obtained on each housing development.
- ✓ Tenants feedback is used to improve subsequent housing developments
- ✓ Cernach uses effective, appropriate procurement methods.
- ✓ Cernach has contributed to the tenure mix in its area.

Services to Owners

22. This section summarises how well Cernach is providing services to owners.

23. These are the areas that are working well:

- ✓ Information given to owners on factoring services.
- ✓ The range of services available to owners.
- ✓ Invoicing for services provided.

24. These are the areas that could work better:

- Recovery of arrears for factoring services..
- Obtaining and taking account of factored owners views on the service.

25. These are our key recommendations:

- ❖ The Association should review the debt recovery procedures for its factoring service, ensure they are fully implemented and set targets to reduce the arrears over time.
- ❖ Cernach should obtain owner's views on the range and quality of its factoring services through regular service user feedback and use these in developing the service

Wider Action

26. This section summarises how well Cernach undertakes activities over and above housing, which help to improve the economic, social and environmental conditions of individuals and communities.

27. These are the areas that are working well:

- ✓ Partnership working with voluntary and statutory bodies in wider action activities.
- ✓ Raising Cernach's profile as a community organisation through wider action activities.
- ✓ Measurement of the outcomes of some wider role initiatives for example, the community play area, CCTV crime prevention scheme and welfare benefit advice.
- ✓ Management of individual projects, for example the community play area.

28. These are the areas that could work better:

- Defining its wider action goals in an agreed strategy.
- Consistently measuring and monitoring its progress in achieving its wider action aims.
- Reporting on wider action activities to stakeholders including the costs to the Association.

29. These are our key recommendations:

- ❖ Cernach should develop a policy for achieving its commitment to community regeneration through wider action.
- ❖ Cernach should monitor and measure its progress in meeting wider action aims.
- ❖ Cernach should report on its wider activities, including the costs and should seek and take account of stakeholders' views.

30. Anyone can ask for a copy of the full inspection report. All reports are on the Communities Scotland website at <http://www.communitiesscotland.gov.uk>

31. This summary can also be made available on tape, in Braille, MOON, large print and community languages. For information please contact Janette Campbell on 0131 479 5162 or email campbellj@communitiescotland.gov.uk.
32. We have asked Cernach to produce an improvement plan within eight weeks of publishing the inspection report to show how it intends to respond to all our recommendations. We will agree the plan with the organisation. We will re-inspect Cernach in five years' time.