

Inspection report

Clydesdale Housing Association

April 2005

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Glossary

Summary

The inspection of Clydesdale took place in November 2004. We awarded Clydesdale the following grades:

Housing management	D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.
Property maintenance	D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.

Inspection Findings

Clydesdale Housing Association owns 645 houses, with a further 39 in shared ownership, in rural South Lanarkshire and the Clyde Valley. The Association has changed significantly in the last two years after getting nearly 200 houses from stock transfers and divesting itself of its Care and Repair project.

Clydesdale's management committee consists of knowledgeable and experienced members who are very supportive of the Association's staff. It is financially viable, but needs to put in place better financial planning to better predict its future position.

The Association recognises that it has been slow to involve tenants and service users, and it is not yet an organisation that is fully focused on its customers, but we saw that it is working to improve this.

The Association's current approach to how it plans, monitors, controls and reports its delivery of services for tenants is poor. This weakness underpins many of the poorer areas of service we identify in our inspection report.

Key strengths in Clydesdale's services:

- its houses are generally in good condition;
- most tenants are satisfied with their neighbourhood;
- it is meeting housing need when it lets its houses; and
- it gives almost all its tenants a full Scottish secure tenancy.

Key areas for improvement in Clydesdale's service:

- poor management of gas safety in its houses;
- poor performance in getting new tenants into its empty houses;
- poor performance in completing repairs on time and in managing its out-of-hours repairs service;
- collection of rent, particularly in how it communicates and works with tenants in arrears;

- how it handles applications for housing to provide full and open access to its houses;
- how it plans future maintenance work;
- how it uses legal action to enforce tenancy conditions;
- Right to Repair and asbestos management;
- the range and quality of information it gives to tenants, and how it helps them get any support they need to maintain their tenancies;
- demonstrating transparently how and why it allocates its houses;
- its management of neighbourhoods and antisocial behaviour;
- its management of its repairs contractors; and
- recovering the costs for rechargeable repairs.

Next steps

Clydesdale should produce an improvement plan to show how it intends to respond to our findings. The plan will be agreed with us.

How to get more information and contact details

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

Clydesdale Housing Association

St Kentigern's Church, St Kentigern's Court, 15 Hope Street, Lanark, ML11 7IZ

Telephone: 01555 665316

Email: mail@clydesdale-housing.org.uk

The full report is on our website at <http://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.

如需有關此文件之翻譯服務，請聯絡
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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 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 Clydesdale inspection was managed by Michael Cameron (Inspection Manager). The lead inspector was Eleanor Sneddon, who was supported by Louise Irving (Inspection Officer) and Luise Siekman (Financial Analyst). We were on site between 15 and 26 November 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 Clydesdale Housing Association was registered with Scottish Homes in 1987. It is an industrial and provident society and a registered charity, and its main purpose is to provide housing for the benefit of the community. The Association's office is located in Lanark. It owns 645 houses which are dispersed over a 22 mile radius of Lanark throughout the rural areas of South Lanarkshire and the Clyde Valley. Of these, 74% (463) have been built since 1982, and 63% (395) are either detached, semi-detached houses or cottage flats and the rest are flats.
- 2.2 The Annual Performance and Statistical Return asks Registered Social Landlords (RSLs) to select a peer group which best describes their organisation. Clydesdale selected the group described as RSLs that operate in rural areas that have more than 150 houses. This is the group we use to compare Clydesdale's performance.
- 2.3 Clydesdale is governed by a voluntary committee elected annually at its Annual General Meeting. Clydesdale currently has 12 committee members, 4 of whom are tenants of the Association. There is a mix between members who have been in place for some time and newer recruits to the committee.
- 2.4 The Association has undergone some major changes to its business in the last 2 years:
- the number of houses it owns and manages has increased by more than 25% since March 2002 through transfers of houses from Scottish Homes – it completed the transfer of 106 homes in Carluke in November 2003;
 - it successfully managed the transition of its Care and Repair project to an independent organisation during 2003 and 2004, including the transfer of seven members of staff; and
 - it has recently completed a move to a new office.
- 2.5 During 2003 and 2004, Clydesdale changed its organisational structure to respond to these developments. It restructured its staff team and recruited an additional housing officer, a maintenance officer and a part-time receptionist. The Association now employs a staff team of 11 people made up of the director, part-time finance manager, teams covering maintenance and housing management and a newly formed corporate services team. Staff turnover and sickness in its property maintenance team has prevented the Association from operating its new structure as fully as intended.
- 2.6 Managing these significant changes to its business and organisation has been the main focus for the committee and the director – supported by the finance manager – for much of the three years prior to our inspection.

2.7 Clydesdale is continuing to build new houses and directly manages its development activities; it has built 56 new houses since March 2002. The Association also provides factoring services to 39 owner occupiers and management services to 39 shared owners.

Key Facts

2.8 The table below presents a summary of key information for Clydesdale showing trends over the last three financial years.

	2001-2002	2002-2003	2003-2004
Houses owned	481	517	630
Employees	16	16	18
Annual turnover (£,000)	1,171	1,434	1,626
Total possible rental income (£,000)	938	1,202	1,409
Rental income from housing benefit	n/a	53%	54%
Average weekly rent (£)	43.19	41.85	44.16
Average rent increase	3.1%	2.9%	3.7%
Houses re-let	63	62	69
Responsive repairs carried out	545	811	1,194
Maintenance spend per house	n/a	£387.07	£789.70
Right To Buy sales	n/a	5	1

3. Housing management

3.1 The grade awarded for housing management is:

D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.
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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 simplify and maximise access to housing.

- 3.2 We found that Clydesdale operates an open housing list and people aged 16 or over can apply at any time. It advertises access to its list in the offices of other housing providers, in local community facilities and has useful information about the location and type of houses it owns on its website. The number of people on its list increased by 60% in the last two years to 876 at the time of our inspection. Clydesdale is letting 30 to 40% of its available houses to people nominated to it by South Lanarkshire Council and has started working with other local landlords to develop a common housing register.
- 3.3 We found, however, that the Association does not effectively or actively manage its housing list. The Association has a target of 28 days for completing the assessment of applications for housing, but does not monitor its performance in achieving this target. In the cases we reviewed Clydesdale took an average of 65 days to complete this process. The Association has not reviewed its list since 2001 and we saw examples of inaccurate and out of date information. Clydesdale suspends a large number of applications pending receipt of further information, but does not actively pursue this information; we found 64 applications that had been suspended for more than a year on this basis.
- 3.4 Clydesdale also has a number of weaknesses in the way it suspends applicants from receiving offers:
- it does not always suspend in line with its allocations policy;
 - it always places the onus for having suspensions lifted directly on to applicants, without providing or signposting to appropriate advice or support; and

- it is poor at providing clear information to suspended applicants on the reasons for suspensions, how suspension can be ended, review periods and the right to appeal.

The Association has recognised that it needs to be clearer about how and when it will suspend applications. It approved a draft suspensions policy during our visit and intends to consult on this with tenants, the Council and other local RSLs.

- 3.5 Clydesdale aims to collect basic information about the ethnicity of applicants and their households as part of the application process. However, the response rate is low and the Association has made limited use of the information which it obtains.
- 3.6 Significant weaknesses in handling applications, managing its list, and in its approach to suspensions undermine the Association's other activities aimed at giving open access to its houses.

Meeting need and maximising choice

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

- 3.7 Clydesdale prioritises allocations based on a range of housing needs which clearly reflect the statutory reasonable preference categories; all of the allocations we reviewed were to people with one or more of these needs. The Association and South Lanarkshire Council have not yet agreed a protocol to help both parties meet their duties to homeless people. While Clydesdale has not yet received any formal referrals under section 5 of the Housing (Scotland) Act 2001, it is working well with the Council and is already making a positive contribution to tackling homelessness: 75% of the lets we reviewed were to people with a homelessness need.
- 3.8 The Association gives applicants basic information on their points level, the areas they are interested in and how to appeal, but does not provide clear advice on applicants' prospects for rehousing or on wider housing options.
- 3.9 We found that Clydesdale's approach to matching applicants to empty properties is not always clear, and that its staff have been working without guidance or procedures on how to implement the allocations policy. This weakness was highlighted in the Association's last performance audit in 2000. Clydesdale put in place initial procedures on allocation in response to the audit, and introduced fuller procedures in September 2004. The Association ensures that all housing applications are assessed by two members of staff, but has not used any other mechanisms for the control and monitoring of quality of decision-making throughout the allocation process. Its new procedures have now introduced a further check by the housing

manager or another housing officer at the time of selection. We also found that Clydesdale does not always verify applicants' circumstances before making an offer of housing and only occasionally visits applicants in their homes. These weaknesses mean that the Association could not always demonstrate transparently how and why it makes allocation decisions.

- 3.10 Clydesdale's policy is to suspend people on its list after they refuse three offers of housing; it does not do so in practice, and so gives applicants a greater level of choice than its policy states. The Association has occasionally used innovative approaches where there is no demand from its housing list, such as open advertising of properties to let in the local press.
- 3.11 Clydesdale is achieving good outcomes in meeting the housing needs of people on its list, although the Association is not always clear about how and why it allocates its houses.

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.

- 3.12 Clydesdale has achieved sign up of 96% of its tenants to Scottish secure tenancy (SST) agreements through face-to-face interviews and currently has no tenants with a short SST. We saw one example where a short SST had been given for reasons other than those permitted by the Housing (Scotland) Act 2001, but the Association had already recognised its error and had advised the tenant that the tenancy was a full SST. The Association has a policy on the use of short SSTs but acknowledged that it needs to develop guidance for staff.
- 3.13 The provision of good information and access to appropriate support are important ways in which landlords can help to sustain tenancies. Clydesdale provides useful information to new tenants at sign-up interviews, but its tenant handbook is out of date. The Association does not carry out settling-in visits, nor does it have any other approaches to help it identify new tenants who may be experiencing early difficulties in maintaining their tenancies. In 2003/04, 11.3% of Clydesdale's houses become empty. We did see an example of Clydesdale working well with a vulnerable tenant's support providers to help maintain a tenancy which was at risk. The Association also makes a valuable contribution to care in the community through its development programme and partnership working with care providers.
- 3.14 Almost all the legal action that Clydesdale takes to recover possession of its houses is in response to rent arrears. In 2003/04 the Association issued notice of proceedings for recovery of possession to 89 of its tenants and qualifying occupiers and initiated court action against 27, but does not know

how many orders for recovery of possession it obtained. Seven tenants abandoned their homes after decree was granted but before the Association recovered vacant possession; this equates to eviction of 1.11% of its tenants and is significantly higher than the average of 0.13% for Clydesdale's peer group. In the first six months of 2004/05 Clydesdale issued 36 notices of proceedings, initiated 17 court actions and was granted 6 orders for recovery of possession. Of the six tenants who had an order for possession granted against them, all were still in their homes at the time of our inspection.

3.15 The Association's staff told us that it aims to work with tenants to reduce outstanding arrears to keep them in their homes, even after it has obtained decree. However, we found a number of weaknesses in the Association's use of legal action and how it manages occupation after it has obtained decree:

- it has no policy on when it will evict and provides no guidance to staff on when to use legal action, despite this being identified as a weakness in the last performance audit in 2000;
- the Association does not treat tenants in arrears in a consistent way when deciding whether to take legal action;
- it does not always notify the local authority when it initiates legal action;
- it continues to accept payments into rent accounts where decree has been granted, despite advice against this from its solicitor; and
- it does not clearly state its intentions when allowing tenants to stay after decree is granted, including whether and when a new tenancy will be granted - the Association recognises that it needs improve its communication with tenants in this situation.

3.16 Clydesdale is maximising security of tenure for residents of its houses. It is less effective at providing information and support to help people maintain their tenancies and it has a number of weaknesses in how it uses legal action against tenants.

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.

3.17 Most of Clydesdale's houses were built in the last fifteen years and it has relatively few common areas to manage. Clydesdale's survey of tenants in 2004 found that 82% of its tenants are satisfied with their neighbourhoods. The neighbourhoods we saw had little graffiti, vandalism or litter. At the time of the inspection, the Association had 25 ongoing complaints about estate matters, relating mainly to noise, children's behaviour and car-parking.

3.18 Clydesdale has set some standards for estate management, including commitments to annual estate visits and to respond to complaints in ten

working days. These targets are not particularly challenging, and we found that the Association is not always meeting them; we saw one case where it took four weeks to respond to a complaint. We also found that the Association is not always consistent or targeted in how it responds to reported problems. Clydesdale mainly relies on tenants to report problems or issues and we found that it does little proactive management of its estates.

- 3.19 The Association's approach to tackling antisocial behaviour is underdeveloped, although it has had to manage relatively few serious complaints.
- 3.20 Tenants are generally satisfied with the Association's neighbourhoods, although to date it has mainly relied on reactive management of its estates.

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.

- 3.21 Clydesdale's survey of tenants in 2004 found that 75% were satisfied with the Association as a landlord compared with its own survey benchmark of 86%. The survey also found that 89% of tenants felt that the quality of the Association's services had remained the same in last 3 years, while 7% felt these had deteriorated and only 3% felt they had improved.
- 3.22 The Association has recognised, through its monitoring of the implementation of its tenant participation strategy, that it has been slow to involve tenants in developing its housing management services. However, we did see that the Association:
- has recently started to develop a service delivery plan for housing management and plans to involve tenants in this through a series of focus groups;
 - consulted tenants on its annual rent increases and is looking to improve the information it gives tenants each year; and
 - has firm plans to consult tenants and others on its draft suspension policy.
- 3.23 The Association carries out four-yearly comprehensive satisfaction surveys, most recently in 2004. It has now started to use the findings of this survey to inform its development of service plans. This is a positive development. Clydesdale does not routinely collect and analyse feedback from users of its housing management services. We found little evidence that Clydesdale uses feedback from tenants – including that obtained from complaints and appeals – in a systematic way to improve services. We also found weaknesses in how the Association records complaints about the

service and that it does not routinely include information on the right to appeal or complain in its correspondence to service users.

- 3.24 The Association is committed to providing equal access to its housing management services, as shown by:
- its recent relocation to a new office which has a level access entry and accessible toilets;
 - further planned improvements including installing an induction loop and better signage for the facilities; and
 - providing access to translating services for clients.

3.25 The Association is developing corporate customer care standards which will include standards on openness and confidentiality. Its development of a service delivery plan for housing management will include setting service specific standards, but this work is at a very early stage.

3.26 Clydesdale has initiated a range of work to improve how it engages with and responds to users of its housing management services, but it is not yet an organisation that is fully focused on its customers.

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.

3.27 Clydesdale's survey in 2004 found that 95% of tenants considered that the methods available for paying rent were convenient. The Association is flexible on frequency of payment for tenants and offers a range of payment methods. It plans to introduce payment by swipe card and direct debit through Allpay.

3.28 The table below summarises Clydesdale's reported performance in collecting rent arrears.

	At March 2003	At March 2004			At Sept. 2004
	Clydesdale	Clydesdale	Peer Group	National Median	Clydesdale
Total arrears as % of total gross rental income	5.4%	6.3%	5.5%	6.2%	4.3%
Total current arrears as % of total gross rental income	4.9%	5.9%	4.0%	4.4%	3.8%
Current arrears (non technical) as % of total gross rental income	1.6%	2.6%	2.8%	3.0%	2.7%
Current arrears (technical)	3.3%	3.3%	1.2%	1.4%	1.1%

as % of total gross rental income					
% of current tenants in serious arrears	3.0%	3.7%	5.8%	-	1.8%
Total former tenant arrears	£6,473.00	£5,700	-	-	£7,789
As % of total gross rental income	0.5%	0.4%	1.6%	1.1%	0.5%
Rent arrears written off	£5,455	£6,303	-	-	£4,140

3.29 Clydesdale's total arrears as a percentage of its total rental income has increased over the last two years and was above the figure for its peer group at March 2004. Clydesdale had the fifth highest figure of the 17 RSLs in its peer group and was in the third quartile of all Scottish RSLs. Total arrears had decreased to 4.3% by the time of the inspection. The trend is similar for arrears for current tenants, although Clydesdale's figures for current non-technical arrears¹ are just below the figure for its peers at March 2004. The proportion of Clydesdale's tenants in serious arrears has also increased over the two years to March 2004, although by the time of the inspection this figure had reduced. Former tenant arrears have remained relatively steady at a level well below that of its peers and all Scottish RSLs, although the Association has written off a significant amount of these arrears over the last two years.

3.30 The Association has identified a number of issues around the payment of housing benefit which it considers have an impact on the level of technical arrears. Clydesdale introduced procedures in September 2004 to ensure that it accurately identifies the level of technical arrears for its tenants.

3.31 Clydesdale introduced corporate targets this year for managing non-technical arrears and has started monitoring progress against these. It has still to set targets for the reduction of arrears for individual housing officers. The Association does not provide staff with clear guidance on how they should deal with tenants in arrears and the escalation of action is left to housing officers' discretion with no management review of decisions. We saw examples of tenants being treated inconsistently as a result of these weaknesses. We found other weaknesses in how Clydesdale manages arrears:

- it makes only limited use of early personal contact with tenants in arrears;
- its letters to tenants about arrears are difficult to understand; and
- it refers few tenants to other advice agencies, particularly in the early stages of arrears.

3.32 The Association purchased arrears, at a discounted level, as part of its stock transfer of properties in Carluke; it has now successfully recovered the costs of this. It has achieved this, in part, by applying a proportion of

¹ Non-technical arrears exclude outstanding housing benefit not yet received by the landlord.

repayments of current arrears to these older debts. But we found that Clydesdale does not clearly explain these arrangements to affected tenants or the consequences for the level of their current arrears.

3.33 The table below summarises Clydesdale's reported performance in letting houses that have become empty.

	2002-03	2003-04		2004-05*	
	Clydesdale	Clydesdale	Peer Group	National Median	Clydesdale
Rental income lost due to empty houses	£20,174	£17,986	-	-	£11,404
As % of total rental income	1.7%	1.3%	1.2%	0.9%	0.7%
Total no. of re-lets	62	69	-	-	36
% re-let in <2 weeks	45.2%	34.8%	40.4%	39.1%	41.7%
% re-let in 2-4 weeks	29.0%	17.4%	27.1%	24.0%	19.4%
% re-let in >4 weeks	25.8%	47.8%	32.5%	36.6%	38.8%
Average time to re-let (days)	32	42	32	25	42

* For the period April to September 2004

3.34 In 2003/04 Clydesdale lost 1.3% of its rental income because of houses lying empty; this is the third highest figure of the 17 RSLs in its peer group and is significantly higher than the national median. The average time it takes the Association to relet its houses has increased over the last two years and is now well above the average for its peer group; Clydesdale had the second highest figure in its peer group at March 2004. The Association's performance deteriorated between 2002/03 and 2003/04, and has not significantly changed in the six months to September 2004.

3.35 We reviewed a number of recently let houses, none of which were identified as hard to let, and found that the average time to relet them was 55 days. While necessary empty house repairs were carried out to these properties within 7 days, we found that there were lengthy delays before the Association started its allocation process; in one case there was a delay of one month. In none of the reviewed cases did the Association visit the outgoing tenant prior to them leaving, nor did it attempt to select the next tenant before the house was ready to be let.

3.36 Clydesdale introduced new procedures for managing empty houses at the time of the inspection and has started regular meetings between its housing management and maintenance departments to improve internal communication. It is too early to assess the outcomes of these improvements.

3.37 Clydesdale's performance in letting newly built houses has deteriorated in the last year, with only 35% of recent lets being within 2 weeks of completion. The Association is aware of its performance in this area.

- 3.38 Clydesdale's costs for delivering its housing management services increased in 2003/04 to £480 for each of its house. Although this is an increase of 17% on the figure for the previous year, Clydesdale's costs are still below the average for its peer group for the previous year. The increase in costs is a consequence of the recruitment of a housing officer to reflect the increase in the number of houses the Association owns following the stock transfer in 2003.
- 3.39 In Clydesdale's survey of tenants 55% responded that the rent they pay is good value in terms of the quality of services they receive. This is lower than the Association's own benchmark of 64% for a range of other RSLs that used the same survey approach. The Association plans to review its staffing arrangements in 2005 to take account of outcomes from its development of service plans and consultation with tenants.
- 3.40 Clydesdale costs for delivering housing management services are relatively low, but its management of empty houses is a major area that needs to improve and its performance in collecting rent is also declining.

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.

- 3.41 Clydesdale's mission statement, set out in its Internal Management Plan, includes a broad statement on what it aims to achieve through the delivery of its housing management services. Beyond that, the Association does not have clear objectives, standards and targets for the full range of its housing management services. The targets the Association does use are limited to the key performance indicators on time to let its houses, rent loss due to empty houses and arrears. The Association sees its current work to develop a service plan for housing management as a way to address these weaknesses.
- 3.42 The Association's approach to performance monitoring and reporting is weak. The committee gets quarterly reports on housing management and monthly reports on performance against the limited range of service targets set out above. However, these reports are narrowly focused with little analysis of trends and only very limited benchmarking information; they do not report on the quality of service outcomes or provide user satisfaction or feedback information; nor do they routinely contain recommendations on proposed remedial actions and improvements. The Association's senior staff rely solely on these committee reports to manage performance in its housing management services, and we saw little evidence of more routine and systematic monitoring of performance. Clydesdale's recent governance review identified the need to review its approach to performance reporting.

3.43 Clydesdale does not have policies and procedures for all areas of its housing management services. Where these are in place, we found that they are not always comprehensive, clear or up to date. We also found little use of quality control systems by Clydesdale's management to ensure the effective implementation of policies and procedures. As a result of these weaknesses, we found that staff are often working without guidance or that practice does not match documented policies and procedures.

3.44 To date, many of the Association's reviews of policies have been superficial and have not always considered the effectiveness of policies in meeting service users' needs or its business needs.

3.45 The Association has a stated commitment to achieving better services for its tenants and service users. We found that Clydesdale was aware of some of the weaknesses in housing management we identify in this report, accepted many of our early findings and has shown a willingness to begin to address these. However, its housing management services are in the main provided on a reactive basis and it has had a poor track record of delivering improvement; there are a number of recommendations from the performance audit in 2000 that have not been implemented. The Association's work on a service plan for housing management is a useful starting point, but weaknesses in its management of the service mean that it is not clear that it yet has the capacity to translate its efforts into actual improvements.

Grade and overall assessment of housing management

3.46 Our overall assessment is that Clydesdale's housing management service is poor. While we found some strengths, we also found major areas where improvement is needed and a range of significant weaknesses that directly impact on service users. We also found significant weaknesses in how Clydesdale delivers and manages these services. We set out below the key factors we have taken account of in coming to our overall assessment.

3.47 Clydesdale has some strengths in areas that directly impact on the user of its housing management services, particularly in housing people in need – including homeless people – and maximising security of tenure for its residents. Also, its tenants are generally satisfied with their neighbourhoods. The Association also has significant weaknesses that impact on users and which undermine these achievements:

- significant delays in processing of housing applications, poor management of its list, and its use of suspensions undermine open access to its houses;
- there are weaknesses in how it helps people to maintain tenancies and how it uses legal action against tenants;

- its reactive management of its estates, places the onus almost entirely on tenants to identify and report problems or potential improvements; and
- it is not as responsive to service users' views and priorities as it needs to be.

3.48 Clydesdale's management of empty houses is a major area that needs to improve; its reported performance is declining both over time and against that of its peers. Performance in collecting rent is has declined in the two years to March 2004, although it had improved by the time of our inspection; we found a range of weaknesses in Clydesdale's management of this activity.

3.49 Clydesdale does not yet have a firmly established performance culture. Its performance planning and management framework for housing management services is a major weakness, and this is poor for an organisation of 18 years' standing. The Association has stated its commitment to achieving better services for its service users and has some awareness of its strengths and weaknesses, but it does not have a strong track record of achieving improvement.

4. Property maintenance

4.1 The grade awarded for repairs & maintenance is:

D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.
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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 Clydesdale's responsive repairs service is accessible during its office opening hours: tenants can report repairs by phone, in writing, by email, fax or by calling in person at the office. Clydesdale publicises access arrangements for its repairs service through its tenant handbook, newsletters and on its website. We found that the Association's staff are responsive where tenants had particular needs in accessing the service.
- 4.3 The Association uses a single contractor to provide its out-of-hours repairs service and gives tenants a telephone number to use to report repairs when its office is closed. However, it gives tenants little guidance on how to use the out-of-hours repairs service, and does not monitor its use. As a consequence, Clydesdale does not know whether tenants can always access this service.
- 4.4 The Association issues copies of repair orders to all tenants who report repairs during office hours. These contains useful information confirming the work required, who the contractor is and the target timescale for the work; this information is also provided verbally when a tenant reports a repair by phone. The Association does not operate an appointment system for responsive repairs, but does give tenant contact details to contractors to allow them to agree access arrangements.
- 4.5 The weaknesses in Clydesdales out-of-hours repairs service undermine its provision of open access to its repairs service.

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.

- 4.6 The target Clydesdale sets itself for completing repairs it categorises as urgent is more challenging than the national median of 3 days, and its target for routine repairs is in line with the national median. Its target of completing emergency repairs in 24 hours is not as challenging as the national median of 6 hours. The table below summarises Clydesdale's performance against these targets over the last three years.

	Clydesdale's target response time	Performance				
		Clydesdale			National median 2003/04	Peer group 2003/04
		2001/02	2002/03	2003/04		
Emergency Repairs	24 hours	84.2%	80.2%	89.4%	99.2%	96.1%
Urgent Repairs	2 days	81.1%	77.7%	84.4%	96.0%	92.6%
Routine Repairs	10 days	76.4%	84.5%	88.4%	95.7%	91.9%

- 4.7 Clydesdale has improved its reported performance in completing repairs against its target timescales in all repair categories over the last three years, but it still compares poorly with its peers and with the sector as a whole. Clydesdale has the third lowest figure of the 17 RSLs in its peer group for emergency repairs completed in time and its reported performance is significantly lower than the national median. Its reported performance for urgent repairs is poorer than its peer and national figures, although Clydesdale's target for this category of repair is better. The Association's reported performance for routine repairs is its most improved, but it has not yet achieved the average for its peer group and is ranked 10th out of 17.
- 4.8 Clydesdale does not effectively control repairs that tenants report when its office is closed; in 2003/04 this work was valued at approximately £11,000. The Association has no records on individual repairs reported in this way, nor does it include these in its reported performance in completing repairs against its targets. This is a very significant weakness in Clydesdale's management of repair and means that it does not accurately know how it is performing in this area. The Association was not aware of this weakness until we highlighted it during the inspection, but immediately accepted that it should take early action to tackle this.
- 4.9 Pre- and post-inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. Clydesdale agreed criteria for the selection of which repairs to pre-inspect in October 2004; prior to this, staff only occasionally pre-inspected repairs and tended to select only those repairs which appeared unusual or complicated. Before

this year Clydesdale did not carry out any post-inspections of completed repairs, but is now working to achieve a target of inspection of 20% of all completed repairs. It has also introduced a repairs satisfaction survey which staff get tenants to complete during post-inspections. These are positive developments and, while the Association has not yet achieved its monthly target on post-inspections, early results show some improvement in levels of tenant satisfaction with the quality of repairs (in its 2004 tenant survey 84% of those who had reported a repair in the last year were satisfied with the quality of work). We also saw evidence that Clydesdale follows up with its contractors issues raised by tenants in the post-inspection survey, and in one case this led it to stop using a contractor.

4.10 The Association did not introduce the statutory Right to Repair scheme for its tenants until this year, and has not yet extended this to cover those repairs reported when its office is closed. We also found that Clydesdale has provided tenants with some good information about their rights and the operation of the scheme, but its tenants handbook has not yet been updated to provide details on Right to Repair. This is an area of significant weakness, particularly given the Association's relatively poor performance in completing repairs against target timescales. The Association has had to make a payment to a tenant retrospectively for a repair carried out before it introduced the scheme.

4.11 The Association's 2004 survey found that 72% of tenants were satisfied with the day to day repairs service. Clydesdale's performance in completing repairs in target timescales is poor and it is not yet fully meeting its statutory obligations on Right to Repair. It is now starting to put in place a framework to control the quality and cost of repairs, but there remain significant weaknesses in Clydesdale's management of performance in responsive repairs.

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.

4.12 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords are required to prepare a plan showing how they will achieve this, by April 2005. As the Association had not completed its plan at the time of our inspection, it is too early to assess how it will be implemented. Clydesdale has begun considering the implications of the SHQS. It has received early indications from its consultants that the majority of its stock will meet the standard by 2015 using existing improvement programmes. The Association has recognised that the widespread use of electric heating in its houses in rural areas presents challenges in achieving the SHQS

standard on energy efficiency. It has started working with an energy consultant to investigate how it can meet this standard in all its houses.

- 4.13 The Association currently has full information on the physical condition of 15 of the 106 houses it took into its ownership in 2003 and for 181 of its other houses; this equates to 31% of all its houses. The Association identified that it needed to have full information on the condition of 80% of its houses by 2006 to be able to plan future work effectively. However, it is not on target to achieve this, mainly because it did not do the survey work it planned to do during the last three years. The Association has recently restarted its programme of surveys, but it currently has gaps in its information base for planning the future maintenance of its houses.
- 4.14 Clydesdale has life cycle costing information and a 30-year planned maintenance programme. It uses its annual budget setting process to plan the work it will undertake each year and how it will be funded. However, this annual approach, and the weaknesses in its financial planning, have made it difficult for the Association to always deliver its major and cyclical repair work as planned.
- 4.15 The Association is aware that it needs to plan future investment in its houses more effectively. It recently appointed a financial consultant to review its draft financial plans and projections using the Association's stock condition and life cycle costing information. However, the gaps in its information about the condition of its houses may limit the effectiveness of this exercise.
- 4.16 All the Association's houses have hard-wired smoke detectors, all common entries for flats have door entry systems and there are no lead pipes in any of Clydesdale's houses. Its new homes have been designed and built to good standards. Clydesdale is also good at using feedback from tenants of newly built houses to improve future building projects. In its recent developments its houses:
- are built to Secure by Design standards to create safe homes and minimise the risk of crime and anti social behaviour – two thirds of all its houses have achieved this accreditation;
 - are almost all flexible enough to accommodate the range of housing needs that people may have through their lifetime; and
 - have good levels of energy efficiency.
- 4.17 Clydesdale is required to carry out safety checks every 12 months on all gas appliances and flues which it provides for its tenants' use. In the last year, Clydesdale did not do gas safety checks within one year of the previous check for 61% of the 178 of its houses which have gas appliances and flues; 31% of checks were not done until more than three months after the date on which they should have been completed. We reviewed information for 10

houses and found, that for 8, checks were not done until more than one year after the date on which they should have been completed, and that flue defects were found in 2 of these. Clydesdale's performance in this area is poor and places residents and the Association at significant risk. The table below summarises Clydesdale's performance in carrying out gas safety checks.

	September 2004	
	Number of houses	%
Houses with gas appliances	178	
Houses with current gas safety certificates	177	99.4%
Houses where safety check was carried out within 12 months of previous check	70	39.3%
Houses where safety check was up to 1 month late	21	11.8%
Houses where safety check was between 1 and 3 months late	31	17.4%
Houses where safety check was more than 3 months late	55	30.9%

- 4.18 The Association's risk management strategy did not identify gas safety as a key risk, and we found significant weaknesses in its system for managing gas safety checks. Clydesdale recognised its poor performance in this area in July 2004, has now identified gas safety as a key risk and has reviewed the procedures it uses to manage gas safety.
- 4.19 From April 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Clydesdale has undertaken visual surveys in some of its common areas and advises contractors where it knows or thinks asbestos may be present. However, it has not yet prepared an asbestos management plan, which is part of its statutory duty, nor has it set a clear timescale to do this.
- 4.20 Clydesdale does not have a formal standard on the condition it expects its houses to be in when they are relet; although it does offer a redecoration allowance to prospective tenants for houses that have been refused three times because of the poor decoration. The Association does not ask new tenants of re-let houses for their views on the condition of their new homes, nor does it analyse information from people who have refused an offer of a house to identify whether physical condition is a factor in such refusals.
- 4.21 Clydesdale's houses are in good condition. The Association has a number of weaknesses in its approach to planning and funding its future maintenance needs, but is starting to tackle these. Clydesdale is not fully meeting its legislative duties on gas safety and asbestos management; the weakness in its management of gas safety checks is very significant.

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.

4.22 The key results of Clydesdale's survey of tenants in 2004 are set out above at 3.21 and 4.9.

4.23 As in housing management, the Association has been slow to develop tenant involvement in its property maintenance service, although it has done some useful work with tenants in agreeing some areas of specification for its planned maintenance programme. Clydesdale recently started to develop a service delivery plan for property maintenance services and plans to involve tenants in this through a series of focus groups.

4.24 Clydesdale does not have a well established framework to obtain and use tenant feedback to evaluate and improve its property management service. However, we saw some examples of this happening and a number of positive developments:

- it uses feedback from tenants of newly built houses to improve future building projects;
- it uses occasional one-off exercises to get tenants' views on particular service areas, such as ground maintenance;
- it has introduced a repairs satisfaction survey which staff get tenants to complete during post-inspections; and
- we saw early evidence of it using this information to make service improvements, including how it allocates work to its contractors.

4.25 We found that Clydesdale does not routinely include information on the right to appeal or complain in its correspondence to users of its property maintenance service.

4.26 Clydesdale has made some improvements to how it engages with and responds to users of its property maintenance services, but – as with housing management – it is not yet an organisation that is fully focused on its customers.

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.

4.27 Clydesdale's cost for delivering its property maintenance services decreased slightly in 2003/04 to £175 for each of its house. This is

approximately 12% below the average for its peer group in the previous year.

- 4.28 Clydesdales recognises that its performance in recovering the costs of rechargeable repairs is weak. It has not invoiced any tenants for rechargeable repairs for over two years and during the last two years it recovered less than 3% of the £25,000 tenants now owe the Association. We found that it is not always or consistently identifying repairs which should be recharged to tenants, particularly for repairs reported and done when its office is closed. The Association recently introduced a new system to manage the recovery of rechargeable repairs, but it is too early to assess the impact of this.
- 4.29 Clydesdale manages the procurement of its property maintenance effectively using competitive tendering, and has introduced a balancing quality and price approach for consultants. However, the Association does not regularly review its list of approved contractors and we found gaps or inaccuracies in the information it hold on contractors.

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.

- 4.30 We found the same weaknesses in Clydesdale's planning and management of performance in property maintenance as we identify for housing management at 3.41 to 3.44.
- 4.31 We found that Clydesdale was aware of some of the weaknesses in property maintenance we identify in this report, accepted many of our early findings and has shown a willingness to begin to address these. However, it has had a poor track record of sustaining performance and delivering improvement. The Association's work on a service plan is a useful starting point, and we saw evidence that it is starting to tackle some weaknesses in its management systems for property maintenance, albeit in a reactive and piecemeal way.

Grade and overall assessment of property maintenance

- 4.32 Our overall assessment is that Clydesdale's property maintenance service is poor. Clydesdale has some strengths in its property maintenance service, but it has a number of very significant weaknesses. These are early signs that Clydesdale is starting to tackle some of the weaknesses we identify in this report and some improvements are starting to come through, but the overall level of current performance is still poor.

4.33 In coming to our overall assessment we have taken account of the balance of the strengths and areas that need to be improved across the service. Clydesdale's houses are in good condition, and we saw early signs of improvement in levels of tenant satisfaction with the quality of reactive repairs. We also saw some significant weaknesses in the Association's maintenance of its houses that impact on tenants:

- its performance in completing repairs in target timescales is poor;
- it does not know if tenants can always access its out-of-hours repairs service; and
- it is not yet fully meeting its statutory obligations on Right to Repair.

4.34 There are a further two areas where Clydesdale is not fully meeting its legislative duties: gas safety and asbestos management. The weakness in its management of gas safety checks is very significant, although it has started to address this.

4.35 The Association has a number of weaknesses in its approach to planning and funding its future maintenance needs, but is starting to tackle these. We also found significant weaknesses in how Clydesdale plans, delivers and manages these services. These weaknesses are most evident in the Association's poor management of out-of-hours repairs. This is poor for an organisation of 18 years' standing and it does not have a strong track record of achieving improvement. It is now starting to put in place some elements of a more effective framework to manage its performance, but there remain significant weaknesses.

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 Clydesdale sets out its vision for the future of the Association in its Internal Management Plan (IMP). The committee reviews the IMP every year at a joint away-day with staff, links this with its budget setting process and then reviews progress against the plan at quarterly committee meetings. This is a good level of involvement by committee in the Association's strategic planning.
- 5.2 While the committee's involvement is good, there are some weaknesses in the Association's planning framework. Last year, it extended the period of its IMP to two years and it has started to draft some longer-term plans in conjunction with the development of its financial plans, but it still has a short-term approach to planning. Clydesdale makes only limited use of objective setting within its IMP, and those it does have are not SMART². It does not translate its broad aims and objectives into specific objectives, standards and targets for all of its activities. These weaknesses make it difficult for the Association to set clear direction and guidance for staff and to measure or quantify its effectiveness in achieving its aims and objectives. Clydesdale has started to develop a series of service delivery plans which will address some of the weaknesses in its strategic planning framework.

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.

- 5.3 The committee works well with, and is very supportive of, the Association's staff. However, the weaknesses in planning and performance reporting limit the ability of the committee to effectively guide and control the activities of the Association.
- 5.4 Clydesdale's corporate approach to performance monitoring and reporting is weak. The Association makes little use of targets and does little ongoing monitoring and review of the outcomes from, and quality of, the services it delivers. The committee gets basic quarterly reports on its activities and narrowly-focused monthly performance reports. The Association's senior staff rely solely on these committee reports to manage performance and we saw little evidence of more routine and systematic monitoring of

² SMART objectives are Specific, Measurable, Achievable, Relevant and Timebound.

performance. We also found that the Association is not always aware of how it is performing, or of its strengths and weaknesses.

- 5.5 Clydesdale's recent governance review identified the need to improve its approach to performance monitoring and reporting. In response, the Association has made some early and positive changes, including:
- rationalising its governance and reporting structures;
 - its work to develop a service delivery plans to set out clearer standards and objectives for its key services;
 - reviewing the range and content of reports it uses;
 - introducing monthly performance reports (although these are limited in their scope); and
 - restructuring to create a corporate services team to focus on service improvement and performance management.

Developing capacity

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

- 5.6 Clydesdale's committee members have a wide range of skills and considerable experience in housing and governance. The Association is good at supporting committee members to develop their skills and knowledge, and it tailors support to the needs of individual new members. Committee members we spoke to felt that they are well supported to fulfil their roles. We also saw a number of positive developments by the Association to help the committee in its role:
- it is looking at ways of using succession planning to minimise risks in the turnover of key office bearers;
 - it has completed job descriptions for the office bearers; and
 - it recently reviewed the overall committee performance and has started to make changes to improve its performance.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 5.7 A strong membership and good levels of participation at Annual General Meetings (AGMs) are important ways for a landlord to demonstrate accountability. Clydesdale allows a broad range of people to become members of the Association, but it does not promote membership effectively; membership levels have declined slightly in the last 3 years to 179. Sixteen percent, or 103, of Clydesdale's tenants are members. Clydesdale's last three AGMs were attended by on average 11% of its members; this is in line with the national average. This is equivalent to only 20 people, 12 of whom are committee members. The geographical spread of the communities Clydesdale serves presents it with some challenges, but its membership and

AGMs are important ways for it to be accountable to its tenants and service users, particularly given that it has not yet achieved a high level of participation in other ways. The Association has always provided transport to its AGMs and is exploring different ways to attract more people to attend its AGM, including combining the AGM with an Open Day.

- 5.8 Clydesdale has 12 elected committee members and one who has been co-opted. The Association has made good progress in achieving committee representation that better reflects its community: tenants now make up 33% of the committee and there are more women members. Clydesdale identified tenants who may be interested in joining the committee through its recent satisfaction survey, and now intends to follow this up.
- 5.9 Social landlords should place the people they serve at the heart of their work and be responsive to their views and priorities. The Association's tenant survey in 2004 found that 52% of tenants thought that the Association was good at taking account of their views, compared to its own survey benchmark of 71%. The Association recognises that it has been slow to involve tenants in its key service areas, but it is making progress in broadening the ability of tenants and residents to influence its activities. It worked with tenants in agreeing its tenant participation strategy and action plan, monitors its progress in implementing these and reports this to tenants in its newsletter along with any proposed improvement actions. Other positive developments include:
- its recent work on drafting a service delivery plans using focus groups of tenants;
 - its use of a focus group to help set the questions for its satisfaction survey; and
 - it is supporting a group to become its first Registered Tenants Organisation.
- 5.10 Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance. In its recent survey, 90% of its tenants reported that they felt that Clydesdale is good at keeping them informed about its activities and services; this compares to the Association's own survey benchmark of 88%. The Association has improved its public reporting recently, and its annual report, regular newsletters and website now include details of its progress against its key performance indicators. This is a positive development. Further improvement in its public reporting of performance is likely to be difficult to achieve until the Association tackles its weaknesses in performance planning and management.

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.

5.11 Clydesdale has a strong awareness of the importance of both staff and committee members maintaining the highest ethical standards. We found that Clydesdale acts in accordance with statutory requirements relating to the granting of benefits in Schedule 7 of the Housing (Scotland) 2001, and it achieves high standards in managing potential conflicts of interest.

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.

5.12 Clydesdale's risk management policy was reviewed in 2004 and covers both strategic and operational risks. The Association encourages all staff and committee to be aware of risk, and we saw some examples of positive innovations including the introduction of an individual Risk Map and Risk Management Log for each new development project. However, we found that Clydesdale does not have a robust view of the range of risks it faces nor does it adequately cover risks at an operational level which could have implications for service users. Examples of this weakness include the failure of its risk management systems to identify performance problems in its management of gas safety, out-of-hours repair work and empty houses.

5.13 Clydesdale did not report to its committee on any internal audit work in 2002/03 and 2003/04. This is a significant weakness given the Association's performance and its track record in making improvements. It re-started its programme of internal audit during 2003/04 and is now reporting the outcomes of this work to its committee.

5.14 The Association has some strengths in governance, but weaknesses in its strategic and service planning and performance management frameworks make it difficult for the committee and managers to give clear leadership and direction to the Association and control its performance. This is poor for an organisation of 18 years' standing. Clydesdale is not yet achieving good levels of participation by tenants and service users in the governance of the Association, but we saw evidence of some improvements in this and that it is working to achieve further improvement. Clydesdale has a strong awareness of the importance of maintaining the highest ethical standards.

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.

- 5.15 The Association showed a strong financial performance to 2003, but since then it has declined. Clydesdale's poor performance in managing empty houses, the increase in the level of rent arrears and its weakness in planning and performance management may have a negative financial impact in future years if not tackled.
- 5.16 Planning further than one year ahead has not been a feature in Clydesdale's financial planning framework. Clydesdale does not have any medium-term financial plans and its longer-term plans have not been finalised. This is a very significant weakness for an association of Clydesdale's age, and was a criticism raised in our performance audit in 2000.
- 5.17 Clydesdale has drafted initial cash flow projections to consider its long-term sustainability. These were developed by a joint staff and committee working group, included expert advice from stakeholders and consultants, and were presented to committee in February 2004. At that time, the Association identified that further work was need to review its financing arrangements on borrowings, and to achieve reliable sample sizes for stock condition surveys in order to accurately plan for the future maintenance of its houses. Clydesdale's draft projections identified potential problems in future years, but it recognises that the projections are not robust. The Association has now appointed consultants to review its draft projections and reorganise its borrowings, and it hopes to have this work completed during 2005.
- 5.18 Clydesdale has a fair annual budget setting process. It presents a draft budget to its committee in January which leaves enough time to make any changes before the final version is presented for approval by the committee in February. Clydesdale also follows good practice and revises its budget part way through the year.
- 5.19 The committee monitors the Association's performance against the budget using quarterly financial reports. These compare Clydesdale's actual income and expenditure with the budget but do not always provide a full explanation of the underlying reasons for large differences. It also uses the reports to monitor the Association's performance in some key areas; however, its results in these key areas are not measured against any targets.
- 5.20 Clydesdale is financially viable, with reasonable exposure to financial risk, and should remain so in the medium term. It has areas of weakness that

may have a financial impact if not addressed. It has some strengths in how it manages its finances, but financial planning is a very significant weakness.

6. Recommendations 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 activities, Clydesdale should:

- tackle the weaknesses in its corporate and service planning and performance management frameworks, to help it make improvements in its delivery of services and to establish an effective performance culture; and
- put in place a range of effective ways for tenants and residents to influence its governance and its delivery of services, to build on its recent work in tenant participation.

In housing management, Clydesdale should:

- improve its performance in managing empty houses, particularly in how efficiently it lets houses;
- improve its performance in collecting rent, particularly around how it communicates and works with tenants in arrears;
- minimise delays in processing of housing applications, actively manage its list, and change its use of suspensions to ensure that it provides full and open access to its houses;
- establish a clear and consistent approach to its use of legal action to enforce tenancy conditions, including how it manages occupation after it has obtained decree;
- improve the range and quality of information it gives to tenants, and how it gets them support, to help maintain their tenancies;
- always demonstrate transparently how and why it allocates its houses; and
- manage its neighbourhoods more actively and have a clear approach to how it will tackle antisocial behaviour.

In property maintenance, Clydesdale should:

- ensure that it complies with its legislative duties relating to gas safety;
- improve its performance in completing repairs on time and start to manage its out-of-hours repairs service more effectively;
- plan future maintenance work over a longer time period than it currently does and should ensure that this links to its financial planning;
- meet all of its statutory duties on Right to Repair and asbestos management;
- improve its management of its list of repairs contractors; and
- improve its performance in recovering the costs for rechargeable repairs.

In governance and financial management, Clydesdale should:

- put in place a sound financial planning framework including robust medium term financial plans; and
- strengthen its risk management systems to ensure that all activities are covered and all risks are appropriately managed.

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 Clydesdale's improvement plan should show how the organisation intends to respond to our findings. 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 Clydesdale's improvement plan you should contact:

Clydesdale Housing Association
St Kentigern's Church,
St Kentigern's Court
15 Hope Street,
Lanark, ML11 7IZ

Telephone: 01555 665316
Email: mail@clydesdale-housing.org.uk

Appendix 1

Sources of evidence

Groups and third parties consulted

- South Lanarkshire Council
- Communities Scotland Area Team
- Communities Scotland Tenant Participation Team

Interviews / meetings

- Members of the Association's Committee
- Director
- Housing manager
- Finance manager
- Frontline staff
- Discussions with a range of tenants and service users

Reality checks

- Review of arrears cases
- Review of legal actions against tenants
- Review of anti-social behaviour cases
- Review of gas safety documents
- Review of complaints
- Review of reported repairs
- Review of housing list applications and allocations
- Review of empty house management records
- Review of information for applicants and tenants
- Shadowing arrears visits
- Shadowing repairs post-inspection
- Shadowing tenancy sign-up
- Estate visits
- Observation of the provision of information and advice
- Observation of committee meeting

Key documents reviewed

- Inspection submission
- Annual accounts for year ending 31 March 2004
- Budget 2004/05
- Management accounts (Quarter ending 30 June 2004)

- Risk management strategy
- Register of benefits to committee members (schedule 7 Register)
- Internal Management Plan 2004-06
- Internal audit reports
- Tenant participation strategy
- Complaints policy
- Allocations policy
- Maintenance policy
- Arrears policy
- Annual Report 2003-04
- Annual performance and statistical returns to Communities Scotland
- Performance monitoring reports for arrears, allocation and repairs response times

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.
Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
Care and Repair	A scheme which aims to help elderly owner occupiers to repair their homes
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.
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.
National median	The central value of the ordered performance of all Scottish RSLs.

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
Statutory reasonable preference categories	People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions.
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.

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.

Shadowing

An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.