

# Pathfinder Inspection Report

May 2004

# Eildon Housing Association



# Contents

1.	Introduction .....	1
2.	Context .....	4
3.	Overall Performance .....	8
4.	Governance & Finance .....	19
5.	Housing Management .....	27
6.	Property Management .....	42
7.	Property Development .....	47
8.	Services for Owners.....	51
9.	Wider Action .....	52
Appendix 1	List of Evidence Sources	
Appendix 2	Key Examples of Positive Practice	
	Glossary	
	Key Financial Terms Explained	

# 1. Introduction

## The role of Communities Scotland

- 1.1 Communities Scotland is the executive agency for regeneration and housing, directly accountable to Ministers. Our aim is to work with others to improve the quality of life for people in Scotland.
- 1.2 The Housing (Scotland) Act 2001 gives Communities Scotland the role of regulating Registered Social Landlords (RSLs) and the landlord, homelessness and factoring services of local authorities. Our purpose as a regulator is to promote quality, continuous improvement and good practice in these services, for the benefit of current and future tenants, and other service users. One way we do this is through the inspection of RSLs and local authorities. Inspections provide an in-depth, independent assessment of an organisation, its service quality and its ability to improve. Our *Guide to Inspection* describes how we carry out inspections.

## The standards we use

- 1.3 We have published *Performance Standards* with the Convention of Scottish Local Authorities (CoSLA) and the Scottish Federation of Housing Associations (SFHA). These standards set out our joint expectations for the performance of all social landlords and homelessness functions. The inspection process assesses how well these standards are being met. We tailor our inspections to take account of the RSL's role, the local context in which it operates and the standards the RSL has agreed with its own tenants and service users.
- 1.4 The *Guide to Inspection* and *Performance Standards* are available on our website at <http://www.inspection.communitiesscotland.gov.uk>

## How we assessed performance

- 1.5 We inspected Eildon Housing Association in January 2004. Our inspectors asked three key questions about Eildon:
  - How good are the services we have inspected?
  - How well are the RSL and its services being managed?
  - Are the services and the RSL likely to improve?
- 1.6 In order to answer these questions inspectors:
  - spoke to tenants and staff at Eildon and to members of Eildon's governing body;
  - asked other organisations that work closely with Eildon for their views;

- visited homes that it owns and manages;
- saw and tested first hand how well services were being delivered and how well Eildon responds to its service users, by doing things like shadowing staff, sampling cases, mystery shopping, and phone surveys;
- checked the key policies and publications and information for service users; and
- took account of Eildon’s self-assessment submission.

You will find more details about who we spoke to, what kind of checks we carried out and what documents we reviewed in Appendix 1.

1.7 Following our assessment, we awarded grades for:

- the overall performance of the RSL;
- governance and financial management;
- housing management services;
- property management services; and
- property development services.

1.8 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 significant areas where improvement is required
D	Poor	Major areas where improvement is needed

1.9 We also assess the RSL’s likelihood to improve and we describe this overall, and in each service, as:

Excellent  
 Promising  
 Uncertain, or  
 Poor

**The inspection of Eildon**

1.10 The inspection team for Eildon was led by Joyce Stewart (Inspector) and supported by Mark McCabe (Inspector), Christine Emmett (Inspection Officer) and Luise Siekman (Financial Analyst). We were on site at Eildon between 12 January and 2 February 2004. We would like to thank everyone involved in the inspection, particularly the Board, staff and tenants for their time and co-operation.

1.11 This report presents our findings and recommendations. It is published on our website at <http://www.communitiesscotland.gov.uk>. Eildon must make the summary available to anyone that wants it, and report our findings to tenants and other stakeholders. Eildon must also implement an improvement plan to respond to our recommendations and the issues raised in this report.

## **2. Context**

### **Eildon Housing Association**

- 2.1 Eildon Housing is a group of organisations made up of:
- Eildon Housing Association Ltd, a Registered Charitable Housing Association formed in 1973;
  - Eildon Tweed Valley Housing Association Ltd, an unregistered Housing Association created in 1990 to carry out Agency Services for other non Charitable housing organisations; and
  - The Eildon Trust, a Charitable Trust formed to attract donations and grants which are redistributed by the Trustees to deserving individuals in need of help or who require funds for education or research programmes that will benefit the overall understanding of those it tries to help.

We have inspected Eildon Housing Association Ltd only.

- 2.2 Eildon is governed by a Committee of Management. Its aim is to work in partnership with local communities and others to provide a wide range of affordable and secure high quality houses and related support and care services for those in need.
- 2.3 Eildon operates over a large geographical area, having over 1,800 properties in over 100 developments within the Scottish Borders. The bulk of its houses are located in the towns of Peebles, Hawick, Galashiels, Kelso, Tweedbank and Melrose. Eildon provides its services from three offices in Melrose, Galashiels and Peebles. It employs over 110 staff, with around 60% of these providing a variety of care and support to tenants and residents in Eildon's five sheltered and very sheltered housing developments and two registered care homes.
- 2.4 In providing its services Eildon gives particular attention to the fact that the Borders has more than twice the national average number of people over 75 years old, has relatively poor transport links, has a low wage economy with a relatively low take-up of benefits and has seen an economic decline in traditional industries. These factors have created low demand "hotspots" and heavily influence the types of service Eildon needs to deliver.

### **Key Statistics**

- 2.5 The table immediately below gives summary contextual information for Eildon, showing trends over the last three financial years.

## Key Statistics

	2000/01	2001/02	2002/03
Number of properties owned	1,427	1,486	1,585
Number of shared ownership properties	175	179	165
Number of properties factored	0	0	7
Number of members	N/A	370	378
Number of board members	15	12	12
Number of tenant board members	3	3	2
Number of employees (FTE)	96	104	111
Annual turnover	£4.82m	£5.16m	£5.68m
Value of development programme	N/A	£7.18m	£7.18m
Total possible rental income	£4.21m	£4.63m	£5.10m
Rental income from housing benefit (%)	N/A	39.0%	28.8%
Average weekly rent	£36.94	£39.08	£41.30
Average rent increase (%)	2.2%	4.1%	4.0%
Number of new lets	118	87	83
Number of relets	207	203	218
Number of applicants on the housing list	N/A	1,060	1,287
Number of responsive repairs	2,916	2,762	2,532
Number of Right To Buy Sales	0	3	4

Source: 2002/03 APSR and Annual Accounts

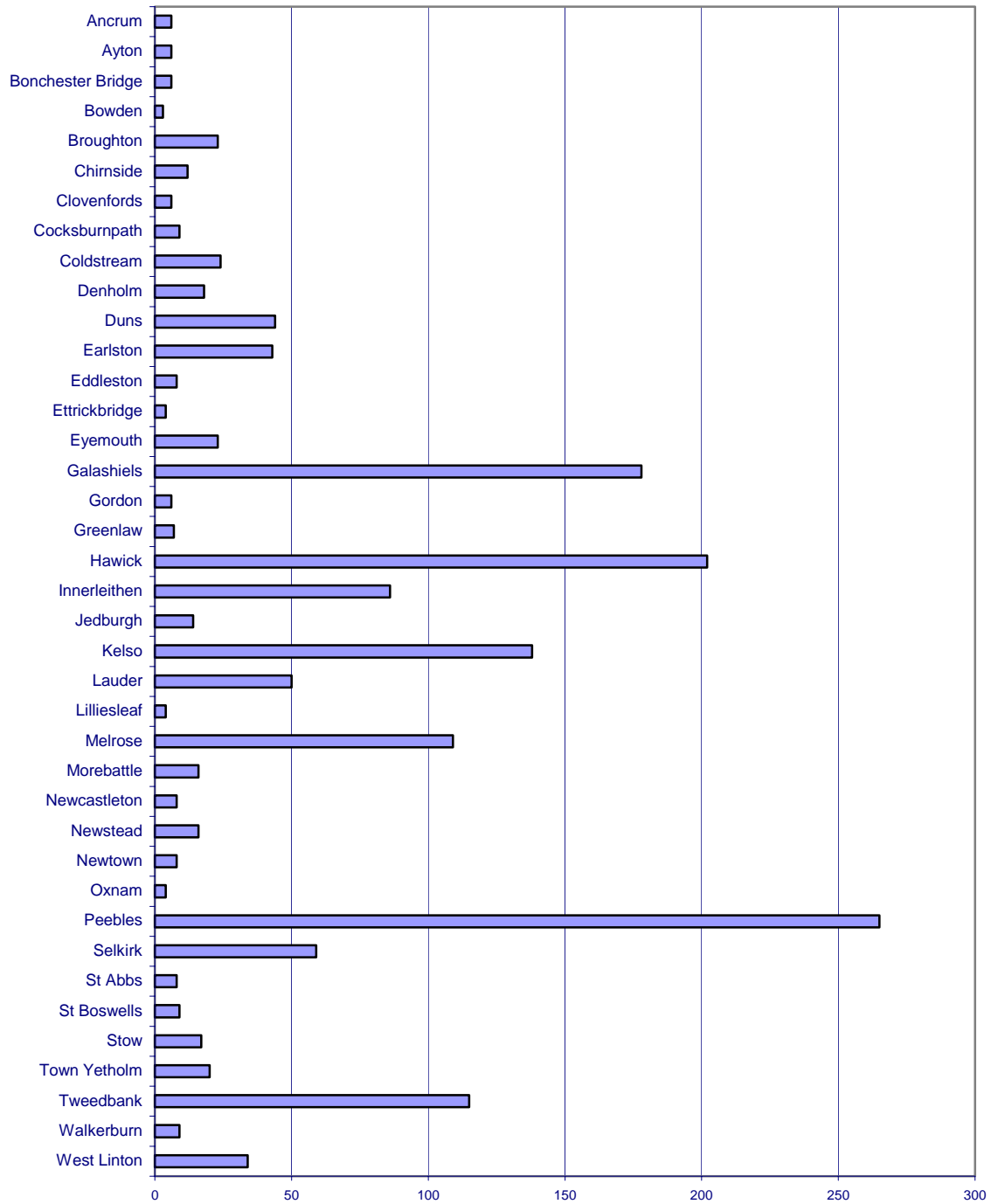
2.6 Eildon owns homes that range in size from those suitable for one to eight people.

	Person Size								Total
	1p	2p	3p	4p	5p	6p	7p	8p	
Houses	27	42	45	183	118	49	1	7	472
Flats	348	647	83	62	1	2	0	0	1143
<b>Total</b>	<b>375</b>	<b>689</b>	<b>128</b>	<b>245</b>	<b>119</b>	<b>51</b>	<b>1</b>	<b>7</b>	<b>1615</b>

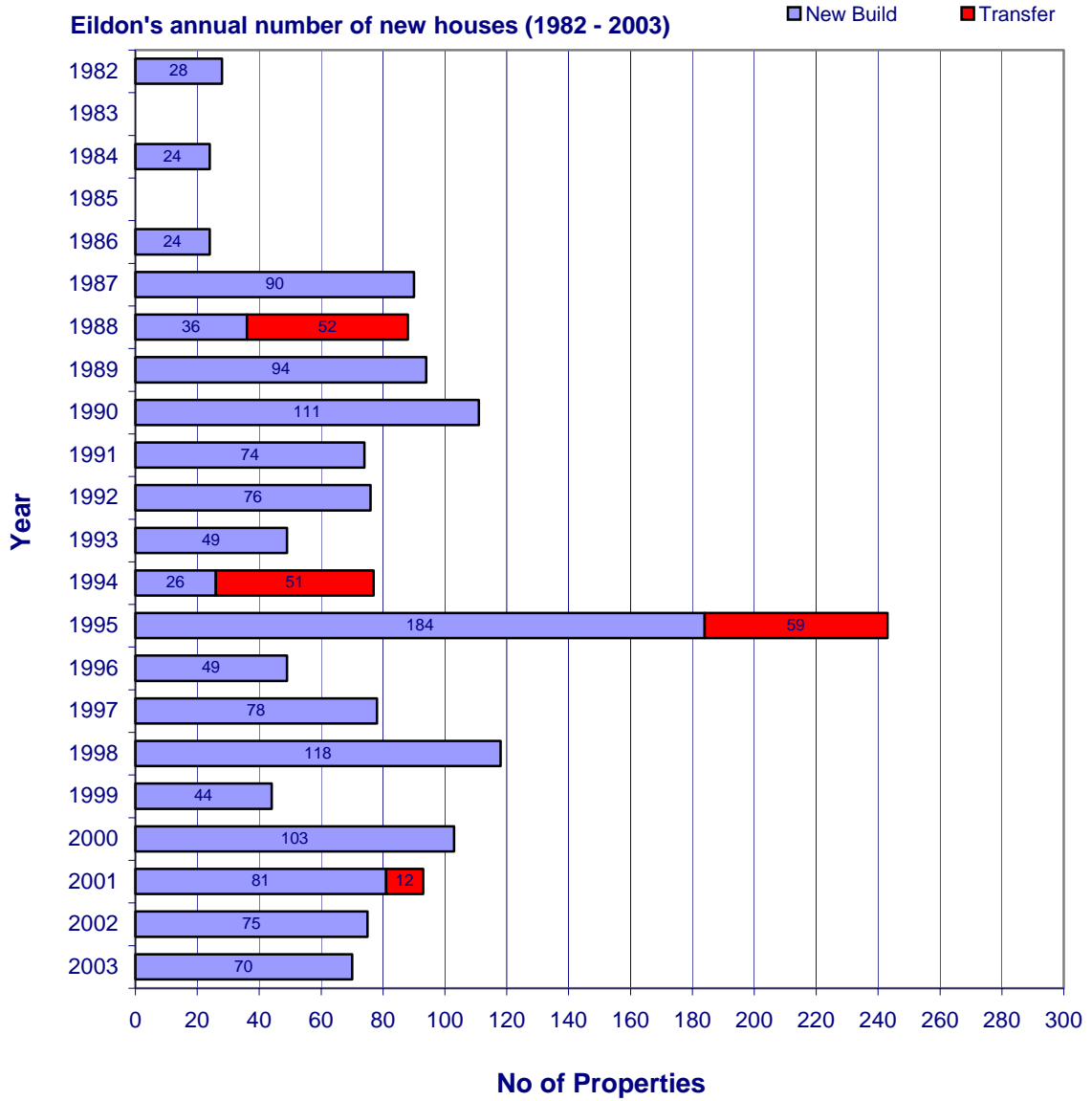
Source: Eildon's own data 25/11/03

2.7 Eildon's houses are spread across more than 100 developments in 39 towns and villages in the Borders, as shown in the graph below.

**Eildon's Rented Properties as at 25/11/03**



2.8 The graph below shows the age profile of Eildon's houses.



### 3. Overall Performance

- 3.1 Eildon Housing Association is an excellent landlord overall. The organisation is well managed and financially sound. It has a proven track record of building high quality housing that meets local housing needs and it demonstrates strong performance across all of its services. Eildon has a very strong performance culture; it is very effective in monitoring its performance and taking action to address performance issues.
- 3.2 We have awarded Eildon an A grade for its overall performance, based on the fact that it provides high quality housing and services, it has effective structures in place for managing performance and takes action to address any weaknesses. The overall grade takes account of Eildon's performance in governance and finance, performance in each service area, its organisational effectiveness, its commitment to social inclusion, and its likelihood of improvement.

A	Eildon is an excellent performer with major strengths.  Its prospects for improvement overall are excellent.
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- 3.3 These are the inspection grades achieved by Eildon for its main areas of service delivery:

<a href="#"><u>Governance &amp; Financial Management</u></a>	A	Eildon is an excellent performer in governance and financial management with major strengths.  Its prospects for improvement in governance and financial management are excellent.
<a href="#"><u>Housing Management</u></a>	A	Eildon delivers an excellent housing management service with major strengths.  Its prospects for improvement in housing management are excellent.
<a href="#"><u>Property Management</u></a>	B	Eildon delivers a good property management service with major strengths but with some areas where improvement is needed.  Its prospects for improvement in property management are excellent.

<a href="#">Property Development</a>	A	<p>Eildon delivers an excellent property development service with major strengths.</p> <p>Its prospects for improvement in property development are excellent.</p>
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3.4 The areas we have identified throughout the report are working well in Eildon are:

- ✓ Eildon's services are accessible to tenants and other service users.
- ✓ Eildon gives good priority when letting its houses to applicants in greatest housing need.
- ✓ Eildon provides a comprehensive range of support services for tenants.
- ✓ Eildon provides a valuable welfare benefits service that has significantly increased tenants' incomes and reduced rent arrears.
- ✓ Eildon communicates well with its service users, providing them with high quality information and advice.
- ✓ Eildon is responsive to tenants' views and uses them to influence service delivery.
- ✓ Eildon is working to promote equality of opportunity, both as a landlord and as an employer.
- ✓ Eildon has helped to create popular and sustainable communities.
- ✓ Eildon has a very effective strategic planning framework, and shows a high level of awareness of its own strengths and areas where further improvements can be made.
- ✓ Eildon has a comprehensive range of very good policies and procedures to support staff in delivering services.
- ✓ Eildon makes good use of its staffing resources and has achieved Investors in People status.
- ✓ Eildon manages its financial resources and associated risks very effectively.
- ✓ Eildon builds high quality homes.
- ✓ Eildon has a good procurement process for housing development that meets Communities Scotland's Building a Better Deal guidance.
- ✓ Eildon works effectively in partnership with other local RSLs, Scottish Borders Council and its partners in the Borders Construction Industry Forum (BCIF)

The key areas we have highlighted that could be working better are:

- Eildon is not ensuring that it carries out gas safety checks every 12 months.
- Eildon is not always housing applicants who are awaiting a housing support assessment at the earliest possible opportunity.

- Eildon does not always provide early support to tenants against whom it is taking eviction action, in particular where it is dealing with vulnerable tenants.
- Although Eildon deals effectively with almost all neighbour nuisance complaints, it also needs to be able to deal effectively with more serious cases of antisocial behaviour when they arise.
- Eildon's approach to procurement of goods and services other than for new build housing is not transparent.
- Eildon has not reviewed its standing orders to reflect all current practices.
- Eildon's long term financial projections could be more detailed.

3.5 These are our key recommendations. They are broadly in order of significance:

- ❖ Eildon should ensure that it carries out all gas safety inspections within the 12 month period required by the gas safety legislation.
- ❖ Eildon should ensure that applicants who require a housing support assessment are not being disadvantaged in the time they are waiting to be housed.
- ❖ Eildon should ensure that it is taking a consistent approach to both providing early support to tenants when recovering rent arrears and liaising with other agencies when progressing eviction action. Eildon should ensure that it can deal effectively with all situations of serious antisocial behaviour.

## **How good are the services overall?**

3.6 This section assesses how good the services are overall that people receive from Eildon. We have considered services against the five broad criteria of accessibility; participation and responsiveness; accountability; equalities; and sustainability. Some issues outlined here are dealt with in more detail in later parts of the report. We have not, therefore, repeated recommendations about service improvements in this section.

### **Accessibility**

3.7 Eildon provides tenants and the general public with an excellent range of good quality and easy to access information about its houses, services and policies as well as related services provided by other organisations. It provides this information in a variety of ways including its tenants' handbook, website, newsletters, posters and leaflets. This is highlighted in more detail as an example of good practice in Appendix 2.

- 3.8 Eildon has made its services very accessible. It takes action to deal with the difficulties of operating over a large rural area and having a relatively high proportion of elderly residents. This includes providing:
- a good level of face-to-face contact with tenants and applicants in their homes;
  - a wide range of ways for tenants to pay their rents; and
  - easy access for reporting repairs and making a complaint.
- 3.9 Eildon's two public offices are in central locations within Galashiels and Peebles and are accessible for wheelchair users. It is also extending its main office in Galashiels to improve front-line service delivery.
- 3.10 Tenants and applicants are able to refer themselves directly to Eildon's housing support and welfare benefits advice services. This makes it easy for people to get assistance if they need it.
- 3.11 All the tenants we spoke to gave very positive feedback about being able to access Eildon's services.

### **Participation and responsiveness**

- 3.12 Eildon is fully committed to involving its tenants in the development of its services. It takes a structured approach to putting this into practice based on its Tenant Participation Strategy.
- 3.13 Tenants are encouraged to play a regular role in influencing Eildon's services through Eildon Tenants' Organisation (ETO). ETO is registered with Eildon and recorded in its publicly available register of tenant organisations. In addition to providing ETO with financial support, Eildon also provides it with a very good level of administrative support to allow it to carry out its role effectively and actively encourages new tenants to become ETO members through the tenancy sign-up process. At present however, Eildon has had limited success in persuading tenants to take up this opportunity. ETO only has around eight members and is not representative of Eildon's tenant population.
- 3.14 However, Eildon also involves other tenants in developing its services in a more focused way through their participation in working groups for specific projects. These working groups have covered a good range of projects, including the design of Eildon's survey of residents and assessing the quality of care and support services. They have produced some very positive outcomes, for example the tenants' handbook.

- 3.15 Eildon has developed a very good approach to participation within its sheltered, very sheltered and registered care homes that is more tailored to residents' particular needs. It has developed this approach in line with the National Care Standards and it provides residents, and where appropriate, their families and key agencies, with an excellent opportunity to influence and improve its services. From what it calls its "quality assurance" meetings, Eildon produces a detailed action plan for each location, which it reports to Committee and monitors on a regular basis.
- 3.16 Eildon's experience is that its tenants' involvement in service improvement is generally low. However, it is actively trying to address this. For example, through its tenancy sign-ups and post-allocation visits, it is trying to recruit tenants for an opinion panel, although it has had limited success to date. It is also planning to significantly strengthen its approach to participation by employing a Tenant Participation Officer as a dedicated resource to develop further opportunities for working with tenants.
- 3.17 Eildon has on occasion carried out very locally based consultation, for example consultation on the introduction of the Scottish Secure Tenancy. Tenants we spoke to expressed an interest in being consulted this way. Eildon may wish to consider adding a regular locally based consultation approach to its existing range of tenant participation activities.
- 3.18 In striving for continuous improvement, Eildon adopts good practice by regularly asking its tenants and service users for their feedback on the quality of service it provides. It currently seeks feedback across its key services including; the quality of new homes, repairs, adaptations, complaints and its welfare benefits advice service. It is about to extend this by asking people reporting neighbour nuisance complaints for their views on how they were dealt with. Eildon actively monitors the feedback collected and has used it positively to improve its services, for example recording applicants' changes of circumstance in a more systematic way. It is also open about the feedback it receives, formally reporting the outcomes to Committee on an annual basis. However, Eildon could extend its good practice by telling tenants how useful their feedback has been in helping them improve services.

<p>Recommendation</p>
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<p>To encourage tenants to give feedback Eildon should tell them about what it has found from the information they provided and how it intends using it to improve services.</p>
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- 3.19 Because Eildon's independent survey of residents in 2000 achieved a high response rate of 61% of all tenants, it has used this as a reliable source of

information on tenants' views of its services. Eildon is currently developing a new survey to be carried out during 2004 and is planning to extend its coverage to applicants on its housing list.

### **Accountability to service users**

- 3.20 Through its award winning annual reports and its quarterly newsletter, Eildon provides a range of good quality information about its performance to tenants and other service users. This includes a range of information on financial performance as well as the outcomes of housing developments, the results of its tenant satisfaction survey and details of how rents are spent. However, it does not tell tenants about its performance against its agreed set of key performance indicators, which it regularly reports to its Committee of Management.

<p>Recommendation</p>
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<p>Eildon should improve its accountability by providing key performance information to tenants and other service users.</p>
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- 3.21 To improve its direct accountability to tenants Eildon has taken the positive step of guaranteeing tenants three places on its Committee of management. At the time of our inspection it had two tenants on the Committee, with the final place vacant.
- 3.22 Another way that Eildon demonstrates its accountability is in its handling of complaints. Eildon operates a very clear policy for dealing with both formal and informal complaints. Its policy reflects recognised good practice principles. It publicises this policy well through its tenants' handbook, its offices and website and has also published a user-friendly complaints leaflet that summarises the policy for service users.
- 3.23 Eildon also has a clear "whistle-blowing" procedure for staff that is included within its comprehensive staff handbook. This is a very good procedure that incorporates good practice principles, for example highlighting external agencies that staff can approach to report any suspected malpractice. We found no instances where staff had needed to use this procedure.
- 3.24 During the first half of 2002/03 Eildon received 14 complaints from tenants. We found that Eildon dealt effectively with the individual complaints it received and that it has used complaints as feedback to make service improvements.

- 3.25 Neither the Scottish Public Services Ombudsman nor the Care Commission for Scotland has received any complaints about Eildon. The Ombudsman considers Eildon's complaints policy and procedures to be clear and comprehensive but suggests that Eildon could further improve them by making clear the time limit for complainants taking a complaint to the Ombudsman, as defined in section 22 of the Scottish Public Sector Ombudsman Act 2002.

### **Promoting equality and embracing diversity**

- 3.26 During 2002, Eildon took part in our thematic regulation study that assessed equalities in practice. Our in-depth assessment highlighted that Eildon was performing very well in this area, demonstrating a number of strengths including: its overall commitment to equalities; its provision of training; its flexible approach to consultation and its good level of equalities monitoring.
- 3.27 Eildon has responded very positively to the results our thematic study, having developed an "equalities in practice" action plan to address our recommendations for improvement. All actions within its plan have appropriate timescales for completion and Eildon has made good progress in achieving them. Examples of improvements include integrating equalities into training programmes and identifying the impact on equalities in all Committee of Management reports.
- 3.28 Eildon is an equal opportunities employer. It has been independently assessed by the Employment Service as being positive about employing disabled people and can display the Disability Symbol.

### **Sustainability**

- 3.29 Eildon's approach to sustainability is guided by its detailed sustainability policy and action plan agreed in January 2003. In developing its policy Eildon identified the benefits of having an accredited environmental management system and is in the process of working towards the ISO 14001 standard.
- 3.30 Eildon contributes to community sustainability through its development of new houses and estates. It does this by taking into account factors that can prevent problems of nuisance and antisocial behaviour in the house design process. This ensures that it minimises any potential community conflict caused by the physical environment.

- 3.31 Eildon takes account of energy efficiency issues through its developments, for example, with designs for new buildings having high levels of thermal insulation.
- 3.32 Other areas where Eildon is working to ensure the sustainability of properties, communities and tenancies include:
- supporting the Borders Construction Industry Forum;
  - incorporating a SMART House in the proposed Mossilee development;
  - encouraging the use of local Furniture Recycling Projects; and
  - providing specialist advice to young tenants.

## **How well is Eildon managed overall?**

### **Planning and performance management**

- 3.33 Eildon has a strong performance culture, with a focus on delivering high quality services integrated into all its activities. It develops its activities through a structured planning process that is informed by a good range and quality of performance information. Its Committee of Management and senior staff provide effective and clear leadership for the organisation and staff at all levels are clear about the objectives and targets they are trying to achieve.
- 3.34 The Committee of Management is actively involved in setting the future direction for Eildon, developing key plans and reviewing progress against these. Over and above its meetings, the committee also uses away days as a key opportunity to develop future strategies for the organisation.
- 3.35 Eildon's activities are clearly linked to its detailed and well structured 3 Year Strategic Plan. This strategic plan is Eildon's key planning document and through it Eildon defines its aims and objectives as well identifying the key external factors, organisational challenges and financial considerations that will influence Eildon's activities over this period. The strategy also contains a detailed three-year internal management plan. This plan clearly identifies target completion dates and training requirements and links operational and financial performance by clearly identifying the time, staff and financial resources needed. This is explained further in section 4.
- 3.36 Eildon makes its three year Strategic Plan and three year Finance Plan available on its website.
- 3.37 Eildon reviews its own performance on a regular basis:
- It carries out a full mid-year review of departmental objectives against targets.

- Frontline staff monitor performance of their areas with managers on a monthly basis.
- 3.38 Eildon has a very effective performance monitoring system. This involves reporting performance against its recently developed 10 key performance indicators (KPIs) and a large number of supplementary indicators to its Committee of Management on a quarterly basis. The quality and range of its performance information is extremely good and key variances between targets and actual performance are explained. This information provides a sound basis for decision making. Although Eildon has put a lot of good work into developing its KPIs it recognises that these should be developed further and has clear plans to extend the information to give a more comprehensive view of performance over a wider range of service areas.

### **Policies and procedures**

- 3.39 Eildon's work is guided by a set of comprehensive policies and procedures for staff. Its key policies reflect current legislative requirements and good practice and it has an effective system for regularly reviewing them to make sure they are up to date and achieving their targets. Eildon lists its key policies in a policy index, which is publicly available in its offices and can be downloaded from its website. It makes copies of all its policies publicly available from its offices and its complaints policy can be downloaded from its website.
- 3.40 Eildon has also developed very good and detailed procedures for staff to support them to deliver its policies. These procedures are contained in a comprehensive staff manual.

### **Managing its resources**

- 3.41 Eildon is very effective in developing and supporting its Committee and staff to deliver high quality services. It has a structured induction process for new Committee members and provides them with necessary training to allow them to carry out their role effectively. It also operates very good annual staff training and development programmes linked to a comprehensive staff appraisal system. This includes supporting members of staff to train towards professional qualifications. It has also developed an excellent training manual that details its approach to training and development and this is highlighted as an example of good practice in Appendix 2.

- 3.42 Eildon has successfully attained Investors in People status on two occasions, most recently in March 2002. We found that it has effective arrangements in place for developing and supporting its staff resources.
- 3.43 Eildon has a staff association that comprises members of staff at all levels within the organisation. The staff association provides a good opportunity for staff to influence Eildon's policies and services and other key decisions that directly affect staff, for example the 3 yearly review of salaries.
- 3.44 Eildon has a clear IT strategy, which it reviewed during 2002/03. From this review it has taken action to make better use of its IT resources by:
- improving the information contained its main housing management software, for example benefits information;
  - encouraging staff to use the software more effectively; and
  - working with its software supplier to make changes that enable it to calculate its key performance indicators efficiently.
- 3.45 Eildon's staff also make good use of a number of in-house databases and spreadsheets to help them deliver services more effectively. This includes a database for housing applicants and spreadsheets for 30 year planned maintenance projections and for doing 'balancing quality and price' calculations as part of the procurement process.
- 3.46 Eildon is also using its IT resources to provide better information to tenants and potential service users. In particular, it has developed a very user-friendly website that allows them to view properties and download documents. It is also looking to make its website interactive, to allow it to provide more easily accessible services for tenants in the future.
- 3.47 In building new houses Eildon secures value for money, with its approach to procurement and strategic partnering with contractors being in line with Communities Scotland's Building a Better Deal guidance. However, we found its procurement of some other goods and services to be less transparent, with a lack of clear evidence to support its decisions not to tender sizeable contracts on the basis of time or other constraints.
- 3.48 Eildon's staff provide services to other organisations through its subsidiary Eildon Tweed Valley Housing Association. The amount of staff time Eildon provides to these organisations is clearly set out in detailed agency agreements. It is very effective at monitoring that staff stick to these agreements to ensure that there is no cross subsidisation of resources between the respective organisations.

## How likely is Eildon to improve?

3.49 We consider Eildon's prospects for improvement overall are excellent because:

- its Committee of Management and staff are clearly committed to making Eildon better ;
- it has an excellent understanding of its performance and the context it is operating in;
- it actively looks for ways to develop its services and has a clear track record of improving its performance;
- it uses its very effective planning and performance management framework to identify performance issues early and acts quickly to resolve them; and
- it involves service users in making improvements.

## 4. Governance & Financial Management

### Overall Assessment of Governance & Financial Management

- 4.1 Eildon is effectively governed and has a sound financial position. Members of the Committee of Management have a wide variety of skills and experience and are committed to the aims and objectives of Eildon. The financial position is very strong and current projections indicate long-term financial viability is sustainable. Eildon is managing resources intelligently and has sound risk management arrangements in place. A key influencing factor in the grading is our confidence in the likelihood of continuing improvement.

A	<p>Eildon is an excellent performer in governance and financial management with major strengths.</p> <p>The prospects for improvement in governance and financial management are excellent.</p>
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### These are our Key Findings in Governance & Financial Management

- 4.2 These areas are working well in Eildon:
- ✓ Eildon has a strong Committee of Management, which exercises effective control over the organisation.
  - ✓ Eildon is a well-established organisation with significant cash balances and a sound financial position.
  - ✓ Eildon has a good approach to risk management.
  - ✓ Eildon's approach to budget setting, financial reporting, and performance monitoring is very good.
  - ✓ Eildon prepares detailed management accounts.
  - ✓ Eildon produces high quality planning documents, such as its three year Strategic Plan.
  - ✓ Eildon operates an excellent Treasury Management Policy.
- 4.3 These areas could be working better:
- Eildon's internal audit planning is currently short-term and only covers one year.
  - Eildon has developed a basic model to predict its long-term financial position but it is not yet detailed enough.

## **Our recommendations**

- 4.4 These are our key recommendations. They are broadly in order of significance:
- ❖ Eildon should set a target date for the completion of its more detailed long-term financial forecasts and include it in its Internal Management Plan.
  - ❖ A longer-term plan for the internal audit function should be developed and implemented.

## **Context for Governance and Financial Management**

- 4.5 Eildon's Committee of Management currently has 15 members and meets on a regular basis.
- 4.6 Eildon appointed a new Finance Director in August 2003 who is supported by a finance manager, an accountant, two full-time and one part-time accounting administrators.
- 4.7 Eildon provides financial services to Moray Housing Partnership. Its staff also provide a full agency service, including financial services, to Rural Stirling Housing Association through its subsidiary Eildon Tweed Valley Housing Association.

## **How Good are Governance and Financial Management?**

### **Membership**

- 4.8 Eildon is good at promoting membership and operates an open membership policy. All members are eligible to be elected to the Committee. Every new tenant is encouraged to apply to join Eildon and membership is also promoted through newsletters. Eildon set targets to encourage membership and performance is reported and reviewed. However one of the other things Eildon could do is to promote membership on its website.
- 4.9 Eildon provides all its members with high quality annual reports and newsletters. It arranges meetings for the membership in accessible locations and takes into account the difficulties of transport in its rural area. As a result, meetings like the AGM are well attended.

## Governing Body

- 4.10 Eildon has a strong Committee of Management, which exercises effective control over its activities. Members of the Committee have a wide range of skills and experience. They have an excellent understanding of Eildon's business and participate in high level discussions.
- 4.11 Attendance by Committee members in the current financial year is 75% which is slightly higher than the national average of 72.4%.
- 4.12 The number of Committee members has never fallen below the minimum number required. Eildon experiences problems recruiting new Committee members especially due to the large geographical area covered by its activities. However Eildon has been able to recruit new Committee members when required and has recently confirmed that three places are guaranteed for tenants. The Committee would like to attract younger members to participate and are keen to look at ways of achieving this but the action to date has been limited.

<p>Recommendation</p>
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<p>Eildon should take action to actively promote membership of the Committee of Management to its tenants and young people in the area.</p>
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- 4.13 Eildon provides all new and existing Committee members with access to an effective training programme.
- 4.14 Eildon's Committee of Management recognises that it is dealing with a large volume of information. It has improved the decision making process by delegating specific issues to short life working parties and these have been effective in developing a customer satisfaction survey and considering development opportunities.
- 4.15 Formal records are kept of the business of the Committee of Management and the working parties, and there are clear records of how recommendations were agreed.
- 4.16 Any benefits Eildon grants under Schedule 7 of the Housing (Scotland) Act 2001 are approved by designated members of the Committee of Management, recorded in the register and verbally reported at Committee of Management meetings. Eildon should consider producing written reports on all such benefits granted to allow the Committee to confirm that they have been granted in accordance with the legislation.

- 4.17 Eildon has arrangements for dealing with gifts and hospitality to ensure that it is not subject to any undue influence. Although we saw no problems, there have been some incidences where the hospitality accepted could potentially have led to conflicts of interest. This could also impact on people's perception of the fairness in which Eildon awards contracts. The Committee needs to be clear that staff have guidance on the level and type of gifts and hospitality they can accept as well as instances when accepting or declining is the most appropriate course of action.

Recommendation

Eildon should develop guidance for staff on accepting gifts and hospitality. It should record the value of gifts and hospitality offered and accepted or refused in the register and report this to the Committee on a regular basis.

## Risk Management

- 4.18 Eildon has an excellent approach to the identification, management and reporting of risk. Eildon makes sure its staff and Committee members are aware of the importance of assessing the risks involved in all of its activities by:
- identifying risks in its three year Strategic Plan together with proposals to minimise these;
  - linking the risks identified and the associated proposals effectively with its Internal Management Plan;
  - annually reviewing risk in conjunction with its internal auditor; and
  - including a risk assessment matrix on all committee papers.
- 4.19 Eildon uses a standard method of assessing risk for committee consideration based on good practice guidance. The matrix presentation of indicating risk is good and clearly highlights to members which agenda items may potentially have a significant impact on the organisation.
- 4.20 Eildon makes good use of internal audit, which is currently carried out by a firm of Chartered Accountants. As well as providing individual reports on the separate functions audited, the internal auditors present an annual report to Eildon's Committee. This report sums up their assessment of Eildon over the past year. It also summarises the progress Eildon has made against implementing any recommendations made in previous internal audit reports.

- 4.21 Eildon’s Committee agrees its internal audit plan annually for the coming year. The internal auditors prepare the plan using information from Eildon’s Internal Management Plan. Eildon is aware the internal audit function could be strengthened by taking a longer-term view to ensure all the important areas of the organisation are covered over a three to five year period.

<p>Recommendation</p> <p>Eildon should implement a long-term internal audit plan to be reviewed on an annual basis.</p>
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### Financial Viability

- 4.22 Eildon is a well-established and financially viable organisation. Its own three-year financial forecasts show it is continuing to produce surpluses. Table 1 below summarises Eildon’s key financial ratios.

**Table 1: Key Financial Ratios for Eildon**

	<b>National Median 2002/03</b>	<b>2002/03</b>	<b>2001/02</b>	<b>2000/01</b>
Interest Cover (%)	187.5	203.3	218.6	198.8
Net Housing Debt per Unit (£)	5,743	6,519	6,457	6,427
Gross Surplus/(Deficit)(%)	28.5	30.7	35.6	32.7
Net Surplus/(Deficit)(%)	8.8	10.8	13.8	16.0

Source: Eildon’s annual accounts

- 4.23 Eildon’s interest cover ratio is very strong and is very good compared to other housing associations. It shows it generates enough cash to cover the interest payments due on its loans.
- 4.24 Eildon’s net housing debt per unit ratio is high, however this is not a significant concern for Eildon because it is able to meet its loan repayments.
- 4.25 Eildon has consistently produced good levels of surpluses and these are forecast to continue. Eildon performs well in this area compared to other housing associations. Eildon uses its surpluses to set up adequate reserves, which it can call upon if the need arises. Eildon’s prudent

approach to its finances has also allowed it to build up a cash balance to help back up its reserve figures.

- 4.26 At the moment information on long term financial planning is limited but the initial work carried out by Eildon does indicate that it will continue to be viable in the longer term.

## **Financial Management**

- 4.27 Eildon's financial management is very good. Significant changes have taken place in areas such as management accounting since August 2003. Eildon has been astute in slightly shifting the focus of the Financial Services team to help the organisation meet the new challenges and opportunities arising within the housing sector.
- 4.28 Eildon's annual budget setting process is good. It operates a timely budgeting process with senior managers and budget holders taking an active role. The process is timetabled and good information is kept on file to show how the figures are arrived at.
- 4.29 Currently the presentation and the content of the budget is under review and will change for financial year 2004/05 to reflect the new reporting structure already implemented in the management accounts. Eildon 's budget papers should continue to include an income and expenditure statement, demonstrating a split between revenue and capital items, narrative and assumptions. The need for a forecast balance sheet and cash flow statement has been recognised and it is intended to include these in the 2004/05 budget papers. This will give the Committee a complete picture of Eildon's intended budget for the coming year.

<p><b>Recommendation</b></p>
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<p>As part of the annual budget, a forecast balance sheet and cash flow should be included.</p>
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- 4.30 Eildon has good reports in place to monitor financial performance. The Committee monitors financial performance using quarterly management accounts as well as a quarterly Performance Indicator report.
- 4.31 Eildon's Audit, Finance and Performance Committee reviews its quarterly management accounts. The presentation of the management accounts has changed significantly in recent months and now provides the committee and senior management team with more detail. To support the change in presentation, its chart of accounts is also in the process of

being reviewed. These changes will help Eildon to make more informed decisions particularly in relation to managing costs and improving efficiency.

- 4.32 The new presentation of the management accounts is good and has been designed to meet the needs of the organisation more readily. Work is also currently underway on additional reports, with a view to further improving the way in which Eildon monitors its financial performance. It prepares a comprehensive set of management accounts, which includes useful narrative to explain variances between the budgeted and actual figures. Eildon acknowledges that the time taken to prepare and present its management accounts to Committee could be shortened.

Recommendation

Eildon should work towards reducing the length of time taken to prepare and present the quarterly management accounts to Committee.

- 4.33 Eildon also monitors its financial performance quarterly using a range of key performance indicators and financial ratios. The report is detailed and clearly highlights the 10 indicators that are critical to its success. Because a forecast balance sheet was not prepared for financial year 2002/03, some of the financial indicators do not have a target to measure them by. Once Eildon has included a forecast balance sheet in the annual budget papers it will resolve this issue as has already been recommended above.
- 4.34 Eildon's short to medium term financial forecasting is very good. However, it recognises that its longer term planning is not yet as robust. Eildon has assessed its long-term financial health and is now planning to refine the process and work on preparing a more sophisticated model.

Recommendation

Eildon should set a target date for the completion of its long-term financial forecasts and include it in its Internal Management Plan.

- 4.35 Eildon operates an excellent Treasury Management Policy. It is detailed and includes:
- delegated authority limits;
  - an assessment of investment and borrowing risks with proposals to minimise them; and
  - a requirement for the Committee to approve a range of reports including a list of investment institutions and products as well as a list of lenders.

### **How likely is Governance & Financial Management to improve**

4.36 Eildon is performing well in Governance and Finance and the prospects for improving are excellent because:

- it has a good track record;
- it has good committee involvement;
- it is very financially aware;
- it has good performance information;
- it has good staff; and
- it actively responds to new challenge areas.

## 5. Housing Management

### Overall assessment of housing management

- 5.1 Eildon provides an excellent housing management service, with relatively few areas where we found improvement was needed. Tenants are very satisfied with the quality of services it delivers. Eildon manages its housing management services very well and has a high level of self-awareness of its performance. We saw clear evidence of actions to deliver ongoing improvements in its housing management service.
- 5.2 Our grading takes account of the areas of excellent performance as well as Eildon's identification of areas for potential improvement. A key influencing factor in the grading is our confidence in the likelihood of continued improvement.

A	<p>Eildon delivers an excellent housing management service with major strengths.</p> <p>The prospects for improvement in housing management are excellent.</p>
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- 5.3 These are the areas that are working well:

- ✓ Eildon provides open access to its housing list and minimises suspensions.
- ✓ Eildon's allocations policy gives relevant priority to greatest housing need.
- ✓ Eildon carries out a detailed analysis of housing demand and applicants' needs.
- ✓ Eildon monitors the housing needs it meets through its housing lets.
- ✓ Eildon has made excellent progress in signing up tenants to its Scottish Secure Tenancy.
- ✓ Eildon provides new tenants with excellent information about their tenancy.
- ✓ Eildon provides very good housing support for vulnerable tenants.
- ✓ Eildon has a sound approach to setting the rents for its houses.
- ✓ Eildon gives tenants excellent benefits advice and its welfare benefits advice service is having a significant impact on both arrears and tenants' income.
- ✓ Eildon has comprehensive arrangements for the management of antisocial behaviour.
- ✓ Eildon manages and maintains its estates to a very high standard.

- ✓ Eildon recognises weaknesses in its performance and takes action to address them.

5.4 These are the areas that could work better:

- Eildon is not always housing applicants who are awaiting a housing support assessment at the earliest possible opportunity.
- Eildon does not always provide early support to tenants against who it is taking eviction action, in particular where it is dealing with vulnerable tenants.
- Although Eildon deals effectively with almost all neighbour nuisance complaints it also needs to be able to deal effectively with more serious cases of antisocial behaviour when they arise.

5.5 These are our key recommendations. They are broadly in order of significance:

- ❖ Eildon should ensure that applicants who require a housing support assessment are not being disadvantaged in the time they are waiting to be housed.
- ❖ Eildon should ensure that it is taking a consistent approach to both providing early support to tenants when recovering rent arrears and liaising with other agencies when progressing eviction action.
- ❖ Eildon should ensure that it can deal effectively with all situations of serious antisocial behaviour.
- ❖ Eildon should consider using alternatives to suspension for antisocial behaviour.

### **Context for housing management**

- 5.6 Eildon delivers its housing management services to all its houses across the Scottish Borders from its two offices in Galashiels and Peebles.
- 5.7 Eildon owns approximately 5% of the total housing stock in the Borders. It has built around 80% of its 1,600 houses and these are designed to a high standard. Its rents are comparable with other RSLs in the Borders.
- 5.8 Eildon has a housing list of over 1200 applicants and received an average of 135 new applications per month during 2003. This represents a notable increase in the demand compared with the previous year. In contrast, it creates about 300 new tenancies each year, around two thirds of which are from relets with the remaining third from new lets.

## How good is the service?

### Access to houses

- 5.9 Eildon provides fair and open access to its housing list, accepting all applicants aged 16 and over in line with legal requirements. It uses a range of methods to widely and actively promote its role as a social landlord and the availability of its housing, including:
- displays at its offices;
  - its website;
  - adverts in key locations, such as post offices, GP surgeries, mobile libraries, and Citizen Advice Bureau offices; and
  - newspaper adverts for new developments.
- 5.10 Eildon provides applicants with a helpful guide to completing an application form and will provide a copy of the full allocations policy on request. Staff will also help applicants to complete their application and health self-assessment form if required and provide information and advice about accessing a wider range of housing options. For example, Eildon participates in the HOMES scheme and this is advertised in its offices and on its website.
- 5.11 Eildon actively manages its housing list to ensure that it is accurate and up-to-date. It formally reviews its housing list at least annually and as part of this review process it provides applicants with detailed information on their housing prospects.
- 5.12 Eildon maximises access to housing by minimising suspensions from its housing list. It reviews suspended applications every three months and at the time of our inspection had only 8 suspended applications from a housing list of over 1200 applications. Eildon suspends applicants on the grounds of rent arrears and antisocial behaviour and treats both transfer and other applicants the same. We found that where applicants were suspended the basis for the suspension was consistent with the law.
- 5.13 Although Eildon has a policy for the use of a Short Scottish Secure Tenancy, it does not currently make use this tenancy as an alternative to suspending applicants who have previously been evicted for antisocial behaviour. This is provided for in Schedule 6 of the Housing (Scotland) Act 2001 and is something Eildon should consider in refining its approach to reflect good practice.

#### Recommendation

Eildon should consider alternatives to suspending applicants on the grounds of antisocial behaviour.

- 5.14 Eildon's commitment to simplifying access to social housing is demonstrated through its work with Scottish Borders Council and the other local RSLs to develop a common housing register (CHR) for the Borders. In January 2004, Eildon and its partners submitted a joint bid to the Scottish Executive for funding to pilot a CHR along with a system of choice based lettings in Hawick by April 2005.
- 5.15 In common with the principles of a CHR, Eildon is also working with the other RSLs in the Borders towards a unified health assessment for housing applicants. This will allow applicants applying to more than one landlord in the area to complete a single, shared health assessment form and to have only one landlord validating their health related housing need.

## **Lettings**

- 5.16 Eildon's analysis of housing demand and applicants' needs through its housing list is excellent. It collects a range of information on demand on a quarterly basis and has regularly used this to make incremental, positive changes to its allocation policy that meet both legislative requirements and identified local needs.
- 5.17 Eildon's allocation policy gives reasonable preference to people in defined housing need and has been well designed to give priority to those people in the greatest housing need, for example those who are homeless, threatened with homelessness and living in temporary accommodation. This is reflected in Eildon's outcome information, which shows that for the first half of 2003/04 it has let more than one third of its houses to applicants without secure accommodation. While this is a positive outcome, Eildon could make it clearer how lettings compare to demand.
- 5.18 Eildon actively promotes housing choice and places no restrictions on the number of offers of housing applicants can receive. Whilst consistent with recommended good practice, this may be having a direct influence on its ability to relet its houses quickly. This is explained in more detail in paragraph 5.38.
- 5.19 Prior to making any housing offers Eildon uses home visits to check the accuracy of applicants' circumstances and housing requirements, to assess any housing support needs and to explain the responsibilities of being an Eildon tenant. As part of their check, Housing Officers verify any health needs that applicants have stated in their health self-assessment form. This ensures that any health points awarded are directly related to housing need as opposed to purely medical condition.

5.20 When selecting applicants for an offer of housing Eildon takes a proactive approach to assessing their support needs to maximise the likely success of future tenancies and to develop sustainable communities. However, a downside to this approach is that when selecting applicants for an offer of housing, Eildon is bypassing a small number of applicants who have been identified as possibly needing support but who are waiting for a support assessment to be completed. In this situation, applicants in housing need who may not necessarily need or want support may not be receiving housing offers at the earliest opportunity. Although Eildon is still rehousing these applicants within a relatively short period of time, it is actively looking to improve its ability to carry out support assessments quickly. It also needs to closely monitor these situations to ensure people requiring an assessment are not being disadvantaged in the time they are waiting to be housed.

Recommendation

Eildon should ensure that applicants who require a housing support assessment are not being disadvantaged in the time they are waiting to be housed.

5.21 In addition to bypassing applicants awaiting a support assessment, Eildon regularly bypasses significant numbers of other applicants at or near the top of its housing list. This is mainly because Eildon's IT system produces a shortlist with a much larger number of potential applicants than are interested in a particular type of property or location. Its audit trails showing why applicants have been bypassed could sometimes be clearer. Eildon does, however, have a quality control process for housing lets that involves the Housing Manager checking 10% of all monthly lets. With around 25 monthly lets on average this results in only about 2-3 lets being checked. Due to the significant number of applicants being bypassed, checking a larger number of lets would better inform staff that the decisions they have taken are appropriate.

Recommendation

Eildon should increase the number of lets that it checks through its quality control process.

5.22 To date, Eildon has not received any referrals from the local authority under section 5 of the Housing (Scotland) Act 2001. It is, however, working with Scottish Borders Council and the three other local RSLs to

establish a Borders-wide Homelessness Protocol that will set out how these referrals will work in future.

### **Tenancy sign-ups**

- 5.23 Eildon's Scottish Secure Tenancy Agreement (SST) is based on the model SST with variations to reflect local issues agreed through consultation with its tenants. It provides all tenants with the SST, with the exception of residents of its registered care homes who have an occupancy agreement. This occupancy agreement maximises residents' rights.
- 5.24 Eildon is signing up existing tenants to the new SST through face-to-face interviews - an approach consistent with recommended good practice – and at the time of our inspection, had made excellent progress in signing up 97% of tenants to its SST. It is working to sign-up its remaining tenants before April 2004.
- 5.25 Eildon's new tenancy sign-up process is very thorough with a comprehensive range of good quality information. We saw Housing Officers fully explain details of the SST to new tenants and make them aware of their rights as well as Eildon's duties as a landlord. New tenants we spoke to also generally expressed satisfaction with the tenancy sign-up process and with the level and quality of information provided by Eildon.
- 5.26 Eildon's policy is to carry out post-allocation visits to new tenants 4-6 weeks after the beginning of their tenancy. During accompanied visits we found that the issues staff covered were comprehensive and tenants we spoke to found them very useful.

### **Supporting tenants**

- 5.27 Eildon's provision of care and support services is a significant part of its work, with its care and support staff representing over 60% of its employees. It provides an extensive range of support to a variety of tenants, all of which is funded through Supporting People Grant.
- 5.28 Eildon's sheltered and very sheltered accommodation and its two registered care projects are of a very high quality. Their design and facilities are often used by other organisations as a quality benchmark. In addition, the Care Commission has assessed the quality of care and support that Eildon delivers through its two registered care projects as being very high.

- 5.29 Eildon also provides short-term housing support to its mainstream tenants and applicants through its housing support service. This support is focused on providing a wide range of practical skills and knowledge that tenants may need to manage their tenancy. Eildon is very effective at identifying applicants and tenants who may need short-term housing support. It does this by assessing details on their application form, through effective partnership working with other agencies supporting the applicant or through their personal contact with Housing Officers. During 2003 Eildon's housing support service:
- identified 224 people as potentially needing short-term housing support;
  - carried out assessment visits for 102 of these people (although many more were contacted but did not respond to letters or visits); and
  - provided support to a total of 92 tenants.
- 5.30 Eildon provides a very good range of pre-tenancy support services to assist people to gain the skills to manage a tenancy. It targets pre-tenancy support towards young people and the advice it gives them is recognised as good practice, having been published by HomePoint in 2002 as "At Home: A Guide for Young People Preparing for a New Tenancy".
- 5.31 As part of its overall provision of support, Eildon gives excellent benefits advice to tenants on benefits related issues. It does this on a case-by-case basis through its Welfare Benefits Officer and more generally through its quarterly newsletter where it provides answers to frequently asked questions.
- 5.32 Eildon has reviewed its standards of housing support to ensure they are in line with the National Care Standards and is actively implementing measures to deal with any shortfalls, for example developing induction and training for staff. It monitors the standards it provides in its supported accommodation through quality assurance meetings with staff, tenants and interested agencies. Tenants receiving housing support and relevant agencies we spoke to showed a very high level of satisfaction with the services provided.

### **Empty houses**

- 5.33 In certain areas Eildon's performance in letting its houses is being heavily influenced by the context it is working in. It has classified around 7.5% of its properties as being slower to let. The factors influencing Eildon's ability to let some of its properties include:

- economic decline, limited employment opportunities and poor transport links impacting on demand in certain towns and villages; and
- certain characteristics of its houses that do not meet applicants' current aspirations in small, one person properties.

5.34 Table 2 below summarises Eildon's performance in reletting its properties.

**Table 2: Empty properties**

	<b>National Average 2002/03</b>	<b>Eildon 2002/03</b>	<b>Eildon 2001/02</b>
Average relet time (general tenancies)	32.5 days	37 days	30 days
% of annual rent lost from empty houses	2.2%	1.5%	1.1%

Data source: Annual Performance and Statistical Return and Communities Scotland's Scottish RSL Statistics

- 5.35 Although Eildon is managing its empty houses well, with systematic monitoring and management of all empty houses on a weekly basis, its efforts to relet its houses quickly are not fully reflected in its key performance indicators. The above table shows that Eildon's average relet time during 2002/03 of 37 days was longer than both its previous year's performance and the national average. Excluding its slower demand properties, Eildon's average relet time in 2002/03 was significantly lower at 25 days. Eildon's analysis of relet performance excluding its slower demand properties shows that for the first half of 2003/04, average relet time for general needs housing is 22 days. This shows performance to be improving in the current year.
- 5.36 When looking at the impact relet times has had on its income, Eildon lost 1.5% of annual rent through empty houses during 2002/03. This compares well with the national average of 2.2% even though it is higher than the previous year's loss of 1.1%. However, its performance for the first half of 2003/04 is 0.9%, which is better than its target of 1.4%.
- 5.37 While its average relet time looks relatively poor, Eildon is able to identify from its effective monitoring system those properties that have adversely affected its overall performance. Eildon uses its monitoring system to provide a clear analysis of slower demand properties and to explain exceptional circumstances affecting other properties in its quarterly performance reports to Committee of Management.
- 5.38 Eildon has a very good understanding of the reasons causing slower demand and is actively trying to address slow demand in several ways including: redeveloping less desirable housing to create demand;

- advertising the availability of slower to let properties; and writing to applicants on its housing list in an attempt to broaden their choices. In addition, it is considering other positive initiatives to improve its ability to let its houses more effectively. These include, the use of a choice based letting system, carrying out weekend viewings and viewings with multiple applicants and adopting an 'estate agent' model by advertising each vacant property using a schedule.
- 5.39 Eildon promotes good practice in promoting housing choice by not restricting the areas applicants can choose or the number of housing offers they can receive. We found though that applicants frequently refuse housing offers and that this is impacting on Eildon's ability to relet its houses quickly. To build on its existing knowledge and identify the reasons behind refusals Eildon is piloting two locally based initiatives. In one area it is surveying all applicants who have refused an offer of housing. In another area a member of staff outwith the housing management section is sending out a questionnaire to people who have refused housing offers. The purpose of the two different approaches is to find out whether people are giving different reasons to frontline staff. At the time of our inspection Eildon had only recently introduced these pilot exercises and had not yet reported any findings.
- 5.40 Eildon's survey of residents in 2000 showed a high number of tenants (86%) were satisfied with the condition of their house at the start of their tenancy. Of the minority who expressed any dissatisfaction, poor internal decoration was given as the main reason. To try and improve its ability to let its houses quickly Eildon has since developed a lettable standard that requires a certain standard of decoration, reflecting applicants' housing aspirations.

## **Rents**

- 5.41 Eildon has a clear and effective structure for setting its rents. Rents are set using a formula that establishes a base rent, which is then weighted up or down to reflect variations in size, type or amenity of each type of property. Eildon has, however, identified that its rent setting system can be further refined to reflect a more comprehensive set of property characteristics and plans to carry out a fundamental review of its policy during 2004.
- 5.42 In 2002/03 Eildon charged an average weekly rent of £41.30. This is below the national average of £43.23 and comparable with other RSLs in the Borders, whose average rents ranged between £38.16 and £44.36.

- 5.43 For 2004/05, Eildon's average rent increase is 3.6% and service charge increase is 2.6%, following its traditional methodology of increasing rents by RPI + 1% and service charge by RPI only. Although Eildon follows a standard methodology, its increases are based on a full financial assessment of viability, detailed comparisons with other RSLs in the Borders and tests against the SFHA's latest measure of affordability.
- 5.44 Eildon's survey of residents in 2000 showed that 94% of tenants considered their rents to be good or fair value for money. However, six in ten wanted more information on how Eildon spends the money they pay in rent. Eildon has responded very well to this finding by using its newsletter to give tenants good information on how it spends its rental income and to consult them on proposed rent increases, giving them four weeks notice in line with its statutory duty.

## Arrears

- 5.45 Table 3 below summarises Eildon's performance in collecting rent arrears.

**Table 3: Arrears Performance**

<b>Performance Indicator</b>	<b>National average 2002/03</b>	<b>Eildon 2002/03</b>	<b>Eildon 2001/02</b>
Total non-technical arrears as % of rental income	4.4%	5.1%	4.5%
Current tenants' non-technical arrears as % of rental income	3.0%	2.8%	3.0%
Former tenants' non-technical arrears as % of rental income	1.4%	2.3%	1.5%
% of tenants in serious arrears	3.9%	4.5%	4.9%

Data source: Annual Performance and Statistical Return and Communities Scotland's Scottish RSL Statistics

- 5.46 Eildon's total non-technical arrears have increased over the past two years and at 5.1% are above both the national average and that of other RSLs in the Borders. The table above highlights that its performance in collecting rent from current tenants has improved over this period, although this has been offset by a significant growth in its level of former tenant arrears.
- 5.47 Eildon has clearly identified that tackling rent arrears is one of its key priorities. To improve its performance Eildon has developed a rent arrears prevention strategy (RAPS) through which it has made several key improvements as outlined below.

- Eildon has issued tenants with an informative leaflet explaining how it deals with rent arrears, how it can help tenants with difficulties and giving contact details for getting independent advice.
- Eildon actively encourages tenants to pay their rent by direct debit and as a result now has one in three tenants paying by this method.
- During 2003 Eildon also extended tenants' options for paying rent through the introduction of a convenient swipe card system that enables them to pay their rent at a large number of locations across the Borders.
- Eildon employs its own Welfare Benefits Officer. This person works in partnership with housing staff, helping tenants and former tenants to fill in forms and carry out benefits appeals, and with staff from the Department of Work and Pensions (DWP) to raise benefits awareness. In addition to preventing arrears, since November 2001, the welfare benefits service has generated income to clear £60,000 of Eildon's arrears and around £½m of additional benefits income per year for its tenants. As such, the welfare benefits service is not only having a direct impact on Eildon's arrears but also having a wider impact on the local economy.
- Eildon has recently employed a Rent Accounting Officer to improve the housing benefit information held in its housing management system and to pursue former tenants' arrears. To complement its Rent Accounting Officer, Eildon has also begun using a debt collection agency to recover former tenants' arrears. As this initiative has only been introduced recently, we have been unable to assess its impact.

5.48 Eildon's arrears prevention strategy is having a positive impact on performance with its current arrears level at the end of September 2003 being 1.0%.

5.49 We found that Eildon could complement the positive development of its RAPS through more effective management of arrears cases when they arise. Although its approach to tackling arrears is based on a very good arrears policy and procedures, which include a good level of personal contact with tenants, in practice we found:

- staff have generally little or no contact with tenants before they have significant levels of arrears;
- problems with 6 monthly housing benefit reviews not always being identified quickly;
- a lack of clear evidence that repayment arrangements are affordable; and

- that weekly repayment arrangements are not being effectively monitored.
- 5.50 By using its Rent Accounting Officer to improve the benefits information available in its housing management system Eildon is aiming to enable Housing Officers to pursue arrears more effectively. Although Housing Officers monitor rent accounts on a monthly basis to reflect Eildon's rent payment cycle, more frequent monitoring could more effectively identify emerging arrears for early follow-up action.
- 5.51 Eildon is also working to improve the effectiveness of its arrears recovery process. It is currently piloting a rent account demand where it presents tenants' rent accounts in the form of a bill to see if this has any impact and is planning to introduce a solicitor's letter as an additional stage in the process before taking legal action. This is recognised as being good practice.
- 5.52 Almost all the legal action that Eildon takes to recover possession of its properties is in response to rent arrears. All proposed legal actions need approval from the Committee of Management, which, in line with good practice, considers each case on an anonymous basis. The Committee's decisions on whether to take legal action and repossession of a house are based on criteria within the rent arrears policy. This includes using legal action to recover arrears, but not to repossess a property where the tenant is vulnerable because of age, mental or physical health or disability.
- 5.53 Between April 2002 and January 2004 Eildon evicted 10 tenants for rent arrears<sup>1</sup>. In two cases we found that Eildon had evicted vulnerable tenants – both having been in receipt of incapacity benefit. In these and other cases we found there were delays in contacting and providing support to the tenants concerned, particularly in relation to resolving benefits issues, and a failure to refer vulnerable tenants to other support agencies. Additionally, although Eildon's staff were referring tenants to the Welfare Benefits Officer for assistance, this was sometimes very late in the process, providing little or no opportunity to influence the outcome. In addition, we found a lack of evidence to demonstrate that Eildon consistently notifies Scottish Borders Council social work and/or homeless unit when it carries out an eviction.

#### Recommendation

Eildon should ensure that it provides early support to tenants when escalating action to recover rent arrears.

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<sup>1</sup> One eviction was a joint action for rent arrears and antisocial behaviour.

Where the decision to evict tenants is taken, Eildon should ensure that it is always making links with other agencies so that they can provide the appropriate services to these tenants.

## Antisocial behaviour

- 5.54 Eildon considers the level of neighbour nuisance and antisocial behaviour to be an increasingly significant issue for its tenants. This is reflected in the 67 complaints it recorded during 2003/04 being an increase of around 20% on the 56 complaints received during 2002/03. The bulk of these complaints, however, are neighbour nuisance complaints, with only around a quarter being classified as antisocial behaviour.
- 5.55 To enable it to deal effectively with neighbour nuisance and antisocial behaviour, it has developed a comprehensive policy that includes:
- clear tenant and landlord responsibilities;
  - clear definitions of what constitutes antisocial behaviour;
  - a strong emphasis on how it aims to prevent antisocial behaviour;
  - five different categories of complaint, with target response times;
  - approaches to dealing with the various types of antisocial behaviour;
  - details of partnership working, especially where tenants have particular needs; and
  - a clear framework for monitoring and review.
- 5.56 We saw that generally Eildon is responding well to neighbour nuisance and antisocial behaviour complaints, with staff following its procedures and communicating well with those involved. Although serious antisocial behaviour cases reported to Eildon are not common, we did see a current case where Eildon's response could have been more user centred and its partnership working with other relevant agencies could have been more effective in trying to resolve the complaint.

### Recommendation

Eildon should ensure that its staff are adequately trained and supported to deal effectively with potentially difficult situations of serious antisocial behaviour.

- 5.57 Eildon actively uses its pre-allocation home visits, tenancy sign-up process, post-allocation visits and housing support service to emphasise, on a personal level, tenants' responsibility to show respect for others. This approach is complemented by written information in its tenants'

handbook and in a helpful information leaflet on neighbour problems that has been sent to all tenants and is available in its offices. This leaflet also gives contact details for a range of other relevant agencies that can help resolve neighbour problems.

- 5.58 All of Eildon's new houses meet Secure by Design standards. This will help to minimise conflict or fear arising from by the physical environment. Eildon also demonstrates good practice in adopting a 'project team' approach to the design of new developments. This involves input from housing management staff, to ensure that potential problems for living in and managing the developments are taken into account in the design process. This process pays particular attention to those factors that can prevent problems of nuisance and antisocial behaviour.
- 5.59 Eildon provides its Committee of Management with good information about its performance in dealing with complaints of neighbour nuisance and antisocial behaviour. This includes monitoring the number of cases received on a quarterly basis and reporting annually against the indicators contained in its policy. Eildon aims to strengthen this information by getting feedback from tenants on how they feel their complaints have been dealt with.

### **Estate management**

- 5.60 Eildon has a pro-active and strategic approach to the management of its houses and local neighbourhoods. Its standards for estate management are set out in a clear policy and procedures that reflect established good practice.
- 5.61 Eildon maintains its properties and the surrounding environments to an extremely high standard. Eildon's survey of residents in 2000 found that tenants' satisfaction with their neighbourhood was high (86%) with only 5% expressing any degree of dissatisfaction. Tenants we spoke to reflected the survey findings, being very satisfied with their houses and neighbourhoods.
- 5.62 To support its delivery of estate management, Eildon has established an Estate Improvement Fund (EMF). It uses this fund to finance small improvement projects that enhance the quality of its neighbourhoods and that would not be met through normal maintenance expenditure. Tenants have a major influence on applications to the EMF, giving them a greater say in improving their environment. Eildon's EMF for 2003/04 was £5,000 and at the time of our inspection it had used this to fund five projects.

## **How well is the service managed?**

- 5.63 Eildon has a strong culture of good service delivery, guided by strong leadership at management and committee level, an excellent understanding of the context it is working in and a comprehensive range of very good policies and procedures. As a result, Eildon is generally managing its housing services well, making them responsive to tenants and other service users.
- 5.64 Eildon has a very good framework for monitoring and reporting performance across the housing management service, particularly:
- its weekly voids and allocations meetings that include all Housing Officers and staff from the housing support service;
  - monthly performance monitoring reports used for discussion between Housing Officers and the Housing Manager;
  - its detailed quarterly reporting against key performance indicators to the Committee of Management that includes progress against targets and trend information; and
  - its tracking of progress against housing management objectives in the internal management plan.

## **How likely is the service to improve?**

- 5.65 Eildon has a track record of good housing management and we consider its prospects for future improvement to be excellent because:
- We saw that it is continuing to seek ways to improve its housing management service.
  - It is very aware of most of the areas where performance could be improved and has plans in place to address these.
  - Recent improvement actions it has introduced are having a positive impact on performance.
  - It demonstrates a clear commitment to tackling common housing issues within the Borders in partnership with the local authority and other local RSLs.
  - It asks tenants and other service users for feedback on its services and acts on the results of this.

## 6. Property Management

### Overall assessment of property management

- 6.1 Eildon provides an excellent repair service and its housing stock is generally maintained to a high standard. The Association faces challenges due to its houses being spread over a wide area and due to a limited availability of skilled maintenance contractors in the Borders. Despite these challenges, Eildon has continued to deliver very high levels of service.
- 6.2 We have awarded a B grade for property management. Our grading reflects the fact that Eildon provides high quality, well maintained houses and has a good planning process for property management. Although Eildon has many strengths in this area, the grade also takes account of a serious weakness in meeting gas safety regulations, which applies to a relatively high proportion of its houses supplied with gas.

B	Eildon delivers a good property management service with many strengths but with some areas where improvement is needed.  The prospects for improvement in property management are excellent.
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- 6.3 These are the areas that are working well:
- ✓ Eildon's houses are maintained to a high standard.
  - ✓ Tenants are very satisfied with the property management service.
  - ✓ Eildon's performance for completing responsive repairs is excellent.
  - ✓ Eildon's staff provide good advice and information on repairs.
  - ✓ Eildon is complying with the Right to Repair.
  - ✓ Eildon uses tenant feedback to improve the quality of the responsive repairs service.
  - ✓ Eildon manages its repairs in a cost efficient way.
  - ✓ Eildon has comprehensive information on its housing stock.
  - ✓ Eildon has a 30 year costed programme for maintaining its properties and reviews these costs annually.
  - ✓ Eildon carries out medical adaptations effectively.
- 6.4 These are the areas that could work better:
- Eildon does not carry out gas safety checks every 12 months for a relatively high proportion of its houses supplied with gas.
  - Eildon needs to improve the information it provides to tenants about planned maintenance.

- 6.5 These are our key recommendations. They are broadly in order of significance:
- ❖ Eildon should ensure that it carries out gas safety checks on all gas appliances every 12 months.
  - ❖ Eildon should provide tenants with information regarding the proposed timescales of future planned maintenance contracts.

### **Context for Property Management**

- 6.6 Approximately 80% of Eildon's stock has been built with grant funding from Communities Scotland and is built to Eildon's design guide standards. Most of its houses are new build although a number are older properties, which have been comprehensively improved. Eildon acquired some houses through stock transfer from Scottish Homes and within three years of transfer they had been improved to the same standard as the other stock.
- 6.7 Eildon's housing is spread over a wide geographical area. It has an approved list of maintenance contractors, which covers its area of operation. Most of its stock is relatively new and the average number of repairs carried out annually is around 2700.

### **How good is the Service?**

#### **Responsive repairs**

- 6.8 Eildon's houses are maintained to a high standard through both reactive and cyclical maintenance programmes.
- 6.9 Eildon's tenants can easily access the repairs service by phone, in writing, by e-mail or by calling in person at any of its offices. Eildon's staff have a good understanding of all aspects of the repairs service and provide good advice and information to tenants reporting repairs, in a courteous and professional manner. The quality of written information available to tenants about the repairs service is good. Staff advise tenants of both parties' repairs responsibilities at the tenancy sign up, and the tenant handbook, and newsletters have helpful information on repairs.
- 6.10 Eildon's tenants also expressed satisfaction with the contractors employed to carry out reactive repairs. They stated that the contractors were courteous and, where possible, carried out work at times that suited tenants.

- 6.11 Eildon sets challenging targets for the completion of emergency and responsive repairs, in particular, its target for emergency repairs is shorter than the RSL national average. Eildon's performance in 2002/03 has exceeded the national average and is consistently good, with only relatively minor variations in performance over time.

**Table 4: Eildon's responsive repair performance**

<b>Category</b>	<b>Emergency</b>	<b>Urgent</b>	<b>Routine</b>
Target timescale	2 hours	3 days	20 days
2000/01	100%	98.6%	98.1%
2001/02	100%	97.9%	96%
2002/03	100%	97.4%	96.9%

**Table 5: Average Scottish RSL responsive repair performance**

<b>Repair Category</b>	<b>Emergency</b>	<b>Urgent</b>	<b>Routine</b>
Target timescale	6 hours	3 working days	10 working days
2001/2002	97%	94%	95%

Source: Eildon's Annual Performance and Statistical Returns and Communities Scotland's Scottish RSL Statistics 2001-2002.

- 6.12 Gas safety regulations require that landlords carry out safety checks to all their gas appliances every 12 months. Eildon has good quality gas systems with safety cutout features and 100% of the properties checked in the last 12 months have met safety requirements.
- 6.13 Although Eildon has gas safety certificates in place for 96% of its properties at any one time, it does not achieve continuity between certificates in a significant proportion of its stock. In 2003/4, 36% of certificates were in place by the anniversary date, increasing to 85% within a month and 97% within 4 months. This lapse in cover was caused by significant weaknesses in the Association's procedures.
- 6.14 At the time of inspection, Eildon had detailed procedures in place for checking gas systems. However, these did not take account of the time it might take to agree access, or to obtain warrants should these be required, and they allowed too much time to elapse while tenants were contacted regarding access problems.
- 6.15 Our sampling highlighted this issue and when we raised it with the Association, it undertook a gas safety compliance review, which provided the figures we have reported. As a result, Eildon has already changed its procedures and arrangements for reporting compliance and it has shown a strong commitment to achieving improvement in this area.

- 6.16 Quality control of the annual safety checks is carried out well by a qualified member of staff. A monthly sample of 10%, including a regular spread of all relevant contractors, is used to identify and resolve any failures, and this information is used in assessing contractors' performance and retention.

Recommendation

Eildon should ensure its procedures are designed to achieve the servicing of all properties within the 12 month period required by the gas safety legislation.

### **Lifetime maintenance**

- 6.17 Eildon has comprehensive information on its housing stock and is committed to ensuring that the quality of its houses is maintained. Each year a 10% sample stock survey is carried out and the results are added to the Life Cycle Repairs model to assist in predicting future modernisation and maintenance costs. This allows Eildon to re-categorise and reprioritise projects by increasing its budgets or altering the timing of other projects.
- 6.18 Stock transferred from Scottish Homes was modernised effectively, to a standard equivalent to Eildon's new build houses, within three years of the transfer. Eildon takes account of tenants' views when planning modernisation programmes. Feedback from tenants confirmed that smaller houses were unpopular. Eildon addressed this problem by re-configuring some house types into larger homes. This has been successful in improving the popularity of previously difficult to let houses.
- 6.19 Eildon tries to consult with tenants but its feedback from tenants regarding the planning of planned maintenance projects indicates that consultation doesn't always take place. Tenants stated they would like more information on timescales for planned maintenance contracts and this information could be included in the Newsletters circulated by Eildon.

Recommendation

Eildon should provide its tenants with information on the proposed timescales for planned maintenance contracts.

## **Adaptations**

- 6.20 The level of grant available from Communities Scotland to fund adaptations has increased over the past few years and Eildon has made good use of the funding available. This has reduced the waiting time for tenants requiring this type of work.
- 6.21 Reports to the Management Committee confirm that tenants are very satisfied with the adaptations carried out to their houses. Tenants have also confirmed that they had been kept informed of the progress with the adaptations and that the work had proved to be of benefit to them.

## **How well is the service managed?**

- 6.22 Eildon is generally managing its property maintenance services very well, resulting in services that are very responsive to tenants. Staff providing the services are well trained and supported with good quality policies and procedures. The only exception to this is the management of annual gas safety checks.
- 6.23 Eildon uses a good range of information to manage its service, including:
- detailed information against which to monitor performance;
  - comprehensive information on its stock to predict future costs; and
  - good information on tenants views about its services.

## **How likely is the service to improve?**

- 6.24 There are a number of signs that performance will continue to improve across the property management service. We consider the prospects for further improvement are excellent because:
- Eildon is aware of the level of service in property management it has achieved and how the service can be improved.
  - Eildon has put in place plans and timescales to make further improvements to the service.
  - Eildon has an excellent track record for achieving improvements.

## 7. Property Development

### Overall Assessment of Property Development

- 7.1 Eildon has an excellent record and reputation for building high quality homes in the Scottish Borders. It links development to the needs identified in its area and works in partnership with other housing providers in the Borders. Eildon consistently delivers its development programme and achieves its annual targets.
- 7.2 We have awarded an A grade in recognition that Eildon develops high quality housing that meets a range of housing needs, that it involves tenants in development and that it is very effective in managing the development process and the risks involved.

A	<p>Eildon delivers an excellent property development service with major strengths</p> <p>The prospects for improvement in property development are excellent.</p>
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### Key Findings and Recommendations in Property Development

- 7.3 These are the areas that are working well:
- ✓ Eildon provides high quality new housing and meets the housing needs it has identified in the Borders.
  - ✓ Eildon's has high quality written policies and procedures to guide and support staff.
  - ✓ Eildon has delegated authority for approving land and development proposals to the Acquisition and Development Working Group.
  - ✓ Eildon has good internal consultation procedures in place at strategic, planning and operational levels to include views of Housing Management and Maintenance sections.
  - ✓ Eildon consults tenants at the planning stage.
  - ✓ Eildon receives good information from Tenant Satisfaction Surveys and responds by improving designs and project management.
  - ✓ Eildon has shown a commitment to Building a Better Deal.
  - ✓ Eildon has systems in place to assess and manage risk.
  - ✓ Eildon successfully develops housing for specific target groups.

## **Context for Property Development**

- 7.4 Eildon is recognised as the main developer of social housing in the Borders. It has an impressive track record of producing high quality homes for a range of housing needs.
- 7.5 Eildon and the three other locally based RSLs have formed the Borders Housing Network and have submitted a joint SDFP to facilitate a more strategic approach to the development programme in the area. Eildon's capital works programme is approximately £10 million annually, which includes the works carried out on behalf of other Associations.

## **How good is the Service?**

### **Partnership working**

- 7.6 Eildon has established good working relationships to take forward the development of new housing in the Borders. The main partners who work with Eildon are Communities Scotland and the other RSLs who are involved in the Borders Housing Network, namely, Waverley, Berwickshire HA and Scottish Borders HA. Eildon's Chief Executive is also a member of the Social Inclusion Partnership and this helps it understand the needs of the community and how Eildon can assist in meeting them.

### **Physical Quality**

- 7.7 Eildon has an excellent record of building well-designed, high quality housing. For over 20 years it has been the main developer of a wide range of housing and community care projects in the Borders.
- 7.8 The houses Eildon has built all have the following features:
- Secured by Design accreditation;
  - energy efficiency levels above the minimum standard with the exception of a small number of houses;
  - meet the basic standards for housing for varying needs; and
  - average room sizes that meet or better the minimum standards.
- 7.9 Tenants surveys confirm the tenants are very happy with their new homes. Eildon has taken action to address any problems arising regarding quality of workmanship and response times to outstanding defects.
- 7.10 Eildon has a Sustainability Policy, which it is implementing and which affirms the organisation's commitment to energy efficiency and the reuse of materials. This has been highlighted earlier in the report.

- 7.11 We found that houses at one recent development project did not achieve the minimum energy efficiency standards. Eildon explained that this is due to a number of factors including, the physical restraints of the building, the method of heating available and planning constraints on the project.

### **Tenant involvement in development**

- 7.12 Eildon has a good record of involving its tenants and the wider community in developing its programme of work. When recently asked by a particular needs group for assistance in finding suitable accommodation Eildon responded positively. The first phase of specially adapted houses for the group is complete with the second phase due to start.
- 7.13 Eildon regards feedback from residents in all completed projects as important and vital to the planning of future projects. Resident satisfaction surveys are completed approximately 12 months after practical completion. The results are analysed and the information is used to improve design features and standards. Information on the results and action taken by Eildon are circulated to all residents who participated in the surveys.

## **How Well is the Service Managed?**

### **Development Planning**

- 7.14 Eildon is very good at managing its property development programme as well as individual projects. It has a good relationship with all its strategic partners and has good information on housing needs and priorities and matches development projects to meet them. Eildon demonstrates a good awareness of the risks involved in managing a development programme and how to minimise their impact.
- 7.15 Eildon submitted a joint SDFP on behalf of the Borders Housing Network. The group is made up of the four locally based RSLs and their common aim is to improve the housing conditions in the Scottish Borders. It is recognised that this strategic working will allow constructive forward planning on an area basis.
- 7.16 There is an Acquisition and Development Working Party that allows Eildon to;
- react quickly to opportunities;
  - approve costs and accept tenders and report back to the Committee on any key issues; and
  - manage projects effectively on an ongoing basis.

## **Building a Better Deal**

- 7.17 As we have said earlier, Eildon is using new innovative methods of procurement in line with the guidance on Building a Better Deal. Eildon is demonstrating that by using Key Performance Indicators it can make good decisions and achieve Value for Money.
- 7.18 Eildon has developed and is using a training manual for members of Selection Panels involved in Balancing Quality and Price exercises. It has also created a spreadsheet that automatically calculates the results of Balancing Quality and Price exercises. This makes it faster and easier for staff to operate this process.

## **Quality of development management**

- 7.19 Eildon has very skilled and experienced development staff and its development activities are backed by effective policies and procedures.
- 7.20 Eildon is good at delivering its agreed Development Programmes on time and within budget. On the few occasions when the annual target has not been achieved the reason has been outwith Eildon's control. Eildon has good planning arrangements to allow it to take advantage of additional resources when become available.
- 7.21 At the time of inspection a cost overrun in one project had been identified after practical completion of the works. Detailed reports confirmed that the problem was not due to poor implementation of Eildon's policies and procedures. On the basis of the report received, the Management Committee has approved the appointment of an adjudicator. The problem is being well managed and the appropriate steps are being taken.

## **How Likely is the Service to Improve?**

- 7.22 Eildon is performing well in Property Development and the prospects for improvement are excellent because:
- it has a strong commitment to reviewing its activities;
  - it responds to changes in legislation;
  - it achieves VFM targets;
  - it acts upon feedback from its tenants and other service users; and
  - it works well in partnership with other organisations.

## **8. Services to owners**

### **Overall Assessment of Services to owners**

#### **House sales**

- 8.1 As a registered charity most of Eildon's tenants do not have the right to buy their homes. Only those tenants whose houses transferred to Eildon from Scottish Homes retain their right to buy. Eildon processes on average three Right to Buy applications per year. File checks on completed and pending applications confirmed that Eildon completes the sales within the set targets. In the majority of files a second member of staff countersigned the discount calculation, however, in others this verification was not on file.

#### **Factoring**

- 8.2 Eildon provides a factoring service to nine owners in transfer stock who had a preserved Right to Buy. There are 179 Sharing Owners but most of the properties involved are terraced and have few common parts.
- 8.3 Although factoring is not a significant activity for Eildon, it is currently reviewing its factoring services in line with current legislation and proposed future changes.
- 8.4 Eildon organises repairs that affect sharing owners and after consultation with all the residents they arrange for the works to be carried out and the owners recharged. Accounts to owners are sent out annually and pursued appropriately.

## **9. Wider Action**

### **Overall Assessment of Wider Action**

- 9.1 Eildon has a strong commitment to providing additional services to its tenants and the wider community. It currently provides a limited number of these additional services and is looking to extend this in the near future. When it has taken on additional projects these are well planned and managed. Eildon is currently reviewing its strategy regarding its long-term involvement in the social economy and how these non-core activities should be managed.

### **Wider Action Involvement**

- 9.2 Eildon has recognised that its activities need to go beyond core housing provision and although it is involved in wider action in a limited way, is doing well. In the past Eildon has worked with individual communities and examples of the additional facilities it has developed include a soft ball play area for autistic children, a community woodland and play areas.
- 9.3 Eildon has purchased a community vehicle and arranged for staff to be suitably qualified to use it. It has also taken on responsibility for co-ordinating the activities of the Borders Construction Industry Forum. Eildon is currently completing proposals to offer a Care and Repair Service in Scottish Borders. Its plan includes providing a 'handyman service' and an adaptations service targeted at owner-occupiers on low incomes.
- 9.4 Eildon reports targets and outputs for its wider role activities to the Committee of Management. It also regularly reviews its activities to ensure that the delivery of the core activities is not being affected and that all risks are minimal.
- 9.5 Eildon is committed to being involved in Wider Role projects providing they do not compromise its core activities, are not subsidised by its core activities, that they are based on proper contracts and Business Plans are approved by the Committee.
- 9.6 The Association is currently reviewing its strategy regarding its long-term involvement in the social economy and how these non-core activities should be delivered through the wider group.

## **APPENDIX 1**

### **Groups and third parties consulted:**

- Scottish Public Services Ombudsman
- Communities Scotland: Edinburgh Area Office, Investment & Performance Division and Regeneration Division
- Scottish Borders Council (Planning & Development Section, Homelessness Section,
- Scottish Borders Housing Association
- Rural Stirling Housing Association
- Moray Housing Partnership

### **Interviews / meetings:**

- Chairman
- Vice-Chairperson
- Chief Executive
- Director of Housing & Care
- Director of Technical Services
- Director of Finance
- Community Care Manager
- Personnel Manager
- Finance Manager
- Accountant
- Accounting administrator
- IT Manager
- Property Manager
- Development Manager
- Senior Housing Officer / Acting Housing Manager
- Senior Support Worker
- Housing Officers (x4)
- Housing Assistant (x2)
- Maintenance Assistant
- Welfare Benefits Officer

### **Reality checks:**

- Observation of a Committee of Management meeting
- Observation of a weekly voids and allocations
- Housing application file checks
- Allocations file checks
- Rent arrears file checks

- Evictions file checks
- Gas servicing file checks
- Complaints file checks
- Neighbour nuisance and antisocial behaviour complaints file checks
- Response repairs file checks
- Void management file checks
- Estate visits
- Shadowing of property viewing with potential new tenant
- Shadowing of sign-up interview with new tenants
- Shadowing of post-allocation visits

**Key documents reviewed:**

- Minutes of Committee of Management meetings (various)
- Strategic Plan for 2003-2006 - May 2003
- Internal Management Plan
- Equal Opportunities Policy
- Equalities Action Plan
- Complaints Policy
- Tenant Participation Policy
- Common Housing Register Development Funding Bid
- Allocations Policy
- Information pack for new tenants
- Tenants Handbook
- Scottish Secure Tenancy Agreement
- Summary Scottish Secure Tenancy Agreement
- Community Care Policy
- Housing Support Service Annual Report 2003
- Void Management Policy
- Rent Setting Policy
- Rent Collection policy
- Rent Management Policy
- Policy on Responding to Neighbour Nuisance and Antisocial Behaviour Policy
- Anti-Social Behaviour Order Procedures
- Neighbour Problems Information Sheet
- Estate Management Policy
- Housing Management Services Report – July to September 2003
- 2003 Quality Assurance Annual Report
- Committee reports:
  - Tenant Satisfaction with Stage 3 Adaptations
  - Annual Overview of Antisocial Behaviour
  - Score update 2002/03
  - Rent Arrears Prevention Strategy and Action Plan

- Financial Statements for year ending 31 March 2003
- Business Plan Summary – Financial Projections - March 2003
- Draft Risk Management Policy
- Quarterly committee report on performance indicators
- Annual Performance and Statistical Return 2002/03
- Management Accounts
- Annual Budget for 2002/03
- Treasury Management Policy
- Performance Indicator Report
- Long-term financial model
- Year-end Audit File
- Internal Audit Reports (various)
- Eildon News (various)
- Annual Reports – 2000/01, 2001/02 and 2002/03
- Investors in People Feedback Report - March 2002
- Guide for Young people to Manage a Tenancy

## **APPENDIX 2 - Key Examples of Positive Practice**

These areas are working particularly well, taking account of Eildon's operating context:

### Good Practice Example 1

Eildon has developed a range of high quality leaflets to give information about its services and developments. This includes separate leaflets for each of its sheltered housing developments and its registered care homes that contain specific information and photos of the development. These leaflets are freely available in its offices.

For its more general housing developments Eildon's staff can provide the public with any of the information published on its website.

### Good Practice Example 2

Through its website Eildon provides an excellent range of user friendly information on its houses, services, plans and policies, job vacancies and on contacting people within the organisation. This includes:

- a range of photos of the exterior and interiors of typical houses in each development along with key information on property age, specification and rent and service charges;
- details about its recent and future housing developments;
- guidance on applying for a house and the ability to download an application and health assessment form;
- information about the range of services it provides for tenants and shared owners, including those services for tenants with particular needs e.g. older people, learning disabilities, dementia/respite, housing support and adaptations;
- details of its long term programme for upgrading and maintaining its houses, including estimated costs;
- an online version of its newsletters for tenants and staff;
- key contact information for its offices and the names of its governing body and key members of staff;
- the ability to download its 3 year strategic plan, its annual accounts, an index of its key policies and a copy of its complaints policy; and
- details of job vacancies and a downloadable application form

### Good Practice Example 3

In one of its areas Eildon is currently piloting a rent account demand in the form of a bill. By presenting the information in this format it is trying to encourage more tenants to pay their rent on time.

### Good Practice Example 4

As part of its welfare benefits service Eildon provides tenants with a lot of very useful information on benefits in its quarterly newsletter. This information is presented in a question and answer style with the questions on benefits reflecting the most popular questions that people ask the Welfare Benefits Officer. This includes questions about the various types of benefit, new benefits that have been introduced or changes to existing benefits.

### Good Practice Example 5

#### Care Home for Older People with Dementia at Craw Wood, Tweedbank

This development was specifically designed to meet the needs of residents with dementia and to also provide short-term respite breaks.

The development consists of three houses, which are grouped around a landscaped area. Residents have their own bedroom with en-suite facilities and there are communal living rooms, dining rooms and kitchens in each of the houses. The design of the development has been well researched to ensure that the physical, domestic, personal and social needs of each resident are catered for.

The reputation of the design and services provided at Craw Wood is attracting interest from other parts of the country and the Association receives regular requests for information and permission to visit the development.

### Good Practice Example 6

Eildon has introduced a comprehensive training manual, which has been designed to assist members of the Management Committee who are involved in the Balancing Quality and Price procedures for the procurement of consultants and contractors.

### Good Practice Example 7

To assist in the process of Balancing Quality and Price procedures, Eildon has developed a computer spreadsheet, which automatically calculates the scores for Balancing Quality and Price procedures and, therefore, has substantially reduced the amount of time spent manually calculating the scores.

## Glossary

<b>Annual Statistical and Performance Return (APSR)</b>	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.
<b>Balanced Communities</b>	Term used to describe communities, which reflect the wider population.
<b>Balancing Quality and Price (BQP)</b>	Technique used for the selection of consultants or contracts where both the quality of the service and the fees are considered.
<b>Benchmarking</b>	A process used by organisations to systematically compare service processes and performance to identify best practice.
<b>Common Housing Registers</b>	A register of all applicants for social housing used by two or more landlords within an area.
<b>Convention of Scottish Local Authorities (COSLA)</b>	The membership body for local authorities in Scotland.
<b>Focus Groups</b>	A group of people brought together to have a structured discussion on a specific subject or set of subjects, facilitated by an independent person.
<b>Housing for Varying Needs</b>	Design guidance for building or renovating housing to suit as many people as possible. Complying with this guidance is a condition for receiving grant funding.
<b>Housing List</b>	A list of applicants for housing, which is used by the RSL to allocate its housing stock.
<b>Housing Association Grant (HAG)</b>	Capital grant paid to an RSL by Communities Scotland or a local authority to meet part of the cost of rehabilitation and new-build housing projects.
<b>Investors in People</b>	A national standard for effective training and development of people to achieve organisational goals.

<b>Life Cycle Costing</b>	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
<b>Mystery Shopping</b>	Technique used to gather information on the quality of customer services.
<b>Operating Costs</b>	Operating costs include the money needed to pay for repairs and maintenance to houses, staff costs etc.
<b>Ombudsman</b>	The independent body appointed to investigate individual complaints against Registered Social Landlords (RSL).
<b>Partnering</b>	A structured contract management approach to improve efficiency and reduce confrontation between the RSL and its consultants and contractors. Partnering requires formalised objectives, agreed problem solving methods and an active search for continued measurable improvements.
<b>Peer Group</b>	A group of organisations facing similar tasks and challenges with which comparisons can be made.
<b>Performance Audit</b>	A method of assessing how well an RSL is meeting pre-set Performance Standards, involving an inspection and other examination of activities and outcomes. These were carried out before inspections, by Scottish Homes, the housing Regulator before Communities Scotland.
<b>Performance Indicator</b>	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.
<b>Planned Maintenance</b>	The planned renewal or maintenance of key property components.
<b>Procurement</b>	The way an organisation obtains services or materials from other organisations or agents.
<b>Responsive Repairs</b>	Also called reactive repairs, response repairs or day-to-day repairs. This is repair work carried out as the problem arises.

<b>Re-lets</b>	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
<b>Right to Repair</b>	If a tenant has reported a qualifying repair to his or her landlord and after a reasonable period the repair has not been carried out, the tenant will then have the “Right to Repair” privately and have the bill issued to the landlord.
<b>Registered Social Landlord (RSL)</b>	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
<b>SAP ratings</b>	Standard Assessment Procedure for energy rating of dwellings. Minimum rating standards are set by Communities Scotland as a condition of grant funding.
<b>Scottish Secure Tenancy</b>	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
<b>Scottish Federation of Housing Associations (SFHA)</b>	The membership body for RSLs in Scotland.
<b>Secured by Design</b>	An accreditation by the Police Authority for the standard of security and fire prevention in new-build and renovated properties. Communities Scotland expects grant-funded projects to receive this accreditation.
<b>Shadowing</b>	Accompanying and observing staff while they carried out their day-to-day tasks.
<b>Standing Orders</b>	Rules drawn up by an RSL, which set out the basis, on which business should be conducted.
<b>Stock condition survey</b>	A survey of stock to establish the level of existing defects and to allow planning for future repairs.
<b>Sustainability</b>	Improving the economic, social and environmental circumstances of the wider communities to create and maintaining communities where people positively want to live.

<b>Tenancy Agreement</b>	Legal document or contract between landlord and tenant setting out the rights and responsibilities of each.
<b>Tenure</b>	The method by which a person occupies a property i.e. tenant, lodger, owner-occupier.
<b>Trickle Transfer</b>	A method of changing ownership of houses from one landlord to another, as houses become empty.
<b>Void</b>	A property without a tenant. Voids occur in the period between one tenant leaving and another taking over the tenancy.
<b>Wider Action</b>	RSL community regeneration activities that are carried out in addition to the landlord role

## Key Financial Terms Explained

### Interest cover

Most RSL's take out loans from their banks or building societies in order to help finance, for example, the building or purchase of houses. Such loans attract annual **interest** payments due to the banks or building societies. It is important that the RSL can afford these payments.

The RSL should be able to pay the annual interest out of the rental income it receives from its tenants. It must, however, first use its rental income to pay for its operating costs. **Operating costs** include the money needed to pay for repairs and maintenance to houses, staff costs etc. The amount of money remaining is called the **gross or operating surplus**. The operating surplus is used to pay for the annual interest payments to the banks.

The **interest cover** ratio indicates how many times the annual interest payments could be made from the operating surplus. If the operating surplus is large compared to the annual interest payments then this could be viewed as a strength for the organisation. As an example, 110% (or 1.1 times) interest cover indicates that gross surplus covers interest payments 1.1 times.

### Net housing debt per unit

An RSL's housing debt is the total amount of money it has borrowed from banks or building societies to help with, for example, paying for the building of new houses. **Net debt** is the amount it has borrowed from banks less the amount of cash that the RSL has in its bank account. The **net housing debt per unit** is the net debt figure divided by the number of houses the RSL owns. A higher value suggests that the RSL has higher borrowings and as a result, will have higher interest costs to pay from operating surpluses.

### Gross surplus (or operating surplus)

The RSL receives an income mainly from the rent paid to it by its tenants. This rental income is called **turnover** and is used to pay for the RSL's operating costs. Such costs include paying for maintenance and repairs to houses, staff salaries etc. Any remaining money, once the operating costs have been deducted from turnover, is called the **gross surplus**. The **gross surplus ratio** shows the gross surplus as a percentage of the RSL's turnover. If the percentage is high this could be interpreted as a sign that the RSL is operating efficiently.

## **Net surplus**

Net surplus is all the RSL's income less all of its costs, including interest payment, in the year. The net surplus ratio shows the net surplus as a percentage of the RSL's turnover (described above). If the ratio is high then this could indicate that the RSL is performing well as it is generating more money than it is spending.