

Communities Scotland
Inspection report

Hillcrest Housing Association

October 2005

Contents

Summary

| | | |
|----|---|----|
| 1. | Introduction | 1 |
| 2. | Context | 3 |
| 3. | Housing management | 7 |
| 4. | Property maintenance | 25 |
| 5. | Governance and financial management | 34 |
| 6. | Areas for improvement action | 46 |
| 7. | Next steps | 48 |

Appendix 1 Sources of evidence

Appendix 2 Examples of positive practice

Summary

This inspection was carried out by Communities Scotland under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of Performance Standards. The inspection of Hillcrest Housing Association took place in April and May 2005. We awarded Hillcrest the following grades:

| | | | |
|----------------------|---|------|--|
| Housing management | B | Good | Many strengths and some areas where improvement is needed. |
| Property maintenance | B | Good | Many strengths and some areas where improvement is needed. |

Inspection Findings

Hillcrest Housing Association owns 4,974 houses. Its stock is of varied age, size and demand in both rural and urban locations over five local authority areas: Dundee, Angus, Edinburgh, Perth & Kinross, and Fife. The Association has grown significantly since 2003 as a result of mergers with Gowrie HA and Old Town HA and a partial stock transfer from Haven HA. This has resulted in a 30% increase in stock and an expansion in its geographical areas of operation. Hillcrest is a major provider of new housing and has an active housing development programme. Hillcrest makes a significant contribution to the Scottish Executive's Wider Action* agenda.

Hillcrest is run by a highly skilled and experienced Committee of Management of 14 members. Committee members have a clear vision of the Association's purpose and work well with senior staff. The Association is aware that there are a number of issues about the effectiveness of their governance structure which need to be addressed.

Hillcrest is financially viable in the medium term, and its financial risks are low. However, the Association needs to update its long term projections to demonstrate that is viable in the long term. This needs to take account of the Association's recent expansion. Hillcrest has a good financial management framework.

* see glossary

Hillcrest is now entering a period of consolidation, and has put in place a new infrastructure designed to ensure that its staffing, systems and procedures are implemented effectively across all of its areas of operation. While much of this is still work in progress, the Association had recognised most of its areas of weakness prior to our inspection, and had already started to tackle them.

Key strengths in Hillcrest's services are:

- it manages its estates well;
- its houses are generally maintained to a high standard;
- it maximises access to housing and widens choice for applicants through its participation in common housing* registers;
- it offers a range of services to support tenants and has good links with agencies who can provide specialist support;
- it carries out regular and well managed maintenance programmes;
- it is good at dealing with antisocial behaviour and neighbour nuisance; and
- it has good and improving systems in place for monitoring its performance.

Key areas for improvement in Hillcrest's services are:

- failure to comply with statutory duties on gas safety and asbestos;
- its approach to reviewing the housing list†;
- the way it procures contractors for response repairs;
- the time it takes to complete repairs;
- the accuracy and transparency of allocations decisions;
- its management of rent arrears;
- the high number of tenants it evicts;
- its management of occupancy after an eviction decree has been granted; and
- its approach to equalities and tenant participation.

Next steps

Hillcrest should produce an improvement plan to show how it intends to respond to our findings. The actions to deal with our findings in governance will be agreed with us.

How to get more information and contact details

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

Hillcrest Housing Association Ltd
4 South Ward Road
Dundee
DD1 1PN

* see glossary

† see glossary

Telephone: 01382 224083
E-mail: reception@hillcrest.org.uk

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

اپنی کمیونٹی میں بولی جانے والی زبان میں اس دستاویز کے ترجمے کے بارے میں معلومات کیلئے برائے مہربانی
جیٹ کیمل Janette Campbell کو 0131 479 5162 پر فون کریں یا اس پتے پر ای میل کریں

janette.campbell@communitiesscotland.gsi.gov.uk

如果索取這文件的翻譯版本，請致電 **Janette Campbell**
0131 479 5162，或電郵以下地址
janette.campbell@communitiesscotland.gsi.gov.uk

আপনার সম্প্রদায়ের ভাষায় এই দলিলপত্রের অনুবাদের জন্য জ্যানিট ক্যাম্বেল-কে 0131 479 5162 নম্বরে
ফোন করবেন অথবা janette.campbell@communitiesscotland.gsi.gov.uk ঠিকানায় ই-মেইল
করবেন।

لمزيد من المعلومات عن ترجمة هذا المستند الى لغة جاليتكم، الرجاء الإتصال ب:
Janette Campbell على رقم الهاتف 0131 479 5162. أو عن طريق البريد الإلكتروني على
التالي: janette.campbell@communitiesscotland.gsi.gov.uk

1. Introduction

About this inspection

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

How we assessed performance

1.2 Our inspectors asked two key questions:

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

1.3 In order to answer these questions inspectors:

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

1.4 We have awarded grades for the housing management, and property maintenance. This is what our grades mean:

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

The inspection team

1.5 The inspection was managed by Hilary Third, (Inspection Manager), supported by Scott Crossley, Jean Harper, Morag MacLeod, Elaine Whyte (Inspectors), Lynne Bell (Financial Analyst) and Jeanette Boyd (Tenant

Assessor^{*}). We were on site between 26 April and 12 May 2005. We would like to thank everyone involved in the inspection, particularly Hillcrest's committee, staff and tenants for their time and co-operation.

Responding to this inspection

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

^{*} see glossary

2. Context

About the organisation

2.1 Hillcrest Housing Association was registered with the Housing Corporation in Scotland (now Communities Scotland) in 1976. It is an Industrial and Provident society* with charitable status and its main purpose is to improve the quality of life for individuals and foster community well being. Hillcrest is governed by a voluntary Committee of Management elected annually at its Annual General Meeting. The Association currently has 14 committee members, one of whom is a tenant of Hillcrest.

2.2 Hillcrest has recently undergone major changes in its business:

- a merger with Gowrie Housing Association in July 2003;
- a merger with Old Town Housing Association in December 2003; and
- a partial stock transfer from Haven Housing Association in January 2004.

These changes have resulted in a 30% increase in stock owned and managed by Hillcrest, and an expansion in its areas of operation. In addition, a new subsidiary, Gowrie Care, was formed which brought together the care and support functions of Gowrie, Old Town and Haven housing associations. Gowrie Care is a major provider of care and support services, employing over 500 staff working in 40 workplaces across six local authority areas. The administration of the mergers was well managed, and shortly after they were completed, the Association increased its rating under Investors in People.

2.3 Hillcrest Housing Association is the parent organisation of the Hillcrest Group (see also 5.13). All the subsidiaries in the group exist to extend the range of activities compatible with the overarching aims of Hillcrest Housing Association but which the Association itself cannot undertake because of its charitable status. In line with key policy objectives set by the Scottish Executive, Hillcrest is committed to tackling social exclusion in the communities within which it operates, and is actively seeking opportunities to achieve this goal. Working through its subsidiaries and in partnership with other organisations Hillcrest supports and promotes a number of innovative training, employment, educational and financial initiatives that impact positively on the day to day lives of many of its tenants. Some of these are described in the positive practice section of this report at appendix 2.

2.4 Although Hillcrest Housing Association and its subsidiaries are involved in a wide range of important activities, the scope of our inspection is limited

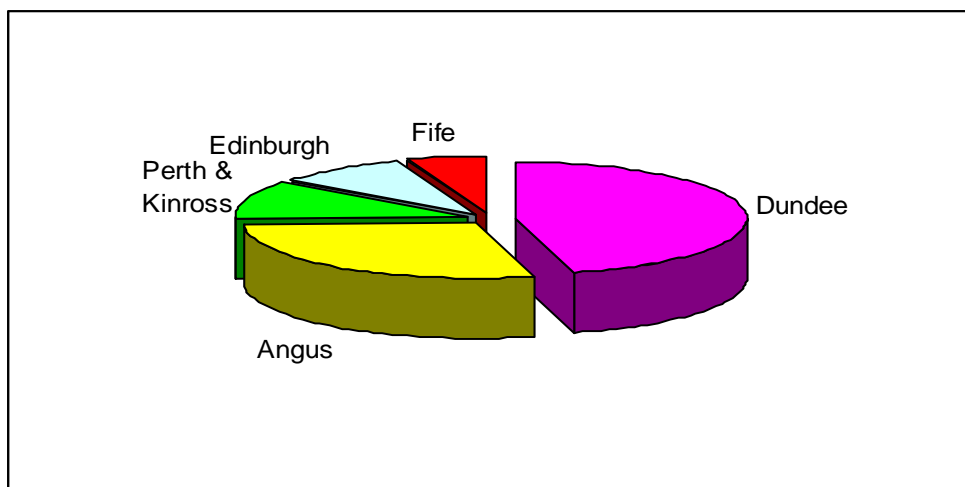
* see glossary

- to the housing management and property maintenance services that Hillcrest provides.
- 2.5 Managing the significant changes to the business has been the main focus of the organisation for much of the two years prior to our inspection. Hillcrest has had to deal with the challenges of blending the operating cultures of four housing associations into a cohesive whole, and of creating structures and systems to ensure that the new organisation operates effectively to meet its strategic aims and objectives.
- 2.6 Central to this process has been the implementation of a major organisational and staff restructuring exercise. Limitations imposed by the merger agreements meant that this could not commence until late 2004, and at the time of our inspection, staff had only recently been appointed to a number of new key posts. These include a Risk and Compliance Manager, a Contracts Officer, a Depute Director of Finance, and a Publications Officer. A critical new post within the new structure for the expanded organisation is the Housing Services Manager with responsibility for ensuring consistent service delivery across the organisation. Hillcrest anticipates that its new structure will not be working at full strength until September 2005.
- 2.7 Another component of this ongoing organisational change is the introduction of a new Information and Communications Technology (ICT)* system, which was also taking place at the time of our inspection. The Association is confident that its new ICT system will help ensure that it is equipped to meet the diverse needs of what is now a large and complex organisation.
- 2.8 Hillcrest Housing Association owns and manages almost 5000 homes, making it the second largest, non-whole stock transfer Registered Social Landlord* (RSL) in Scotland. Its stock portfolio comprises homes of varied ages, sizes and demand in rural and urban locations spread across six local authority areas: Dundee, Angus, Fife, Edinburgh, East Lothian and Perth & Kinross. Operating over such a large and diverse area, Hillcrest faces a complex mix of management challenges in different housing markets. In Dundee, where the majority of the stock is concentrated, there is an over-supply of social housing in some areas due to ongoing population decline. It also has higher than average* rates of unemployment and other deprivation indicators. Hillcrest has a long track record in working proactively to ameliorate the impact of these factors on less popular house types and areas.

* see glossary

2.9 By contrast, Hillcrest is also operating in areas of significant population growth and increasing property prices where the Association is facing the challenge of meeting the continuing need for affordable housing and is a major provider of new housing. In 2004/05, the Association delivered a development programme worth over £7 million and completed over 120 new properties. The Association has an active development programme, and currently has preferred partner status for developing new housing in partnership with the City of Edinburgh Council. Hillcrest is also a founding member of the Larach Alliance, a group of six registered social landlords working together to pioneer new methods of building social housing.

2.10 The chart below shows the Hillcrest properties by local authority:



Of the 4974 houses owned by Hillcrest, 59% have been built since 1982 and 60% are flats. A large proportion of Hillcrest's properties are small: 42% have one bedroom and 7% are bedsits. Only 16% of its houses have three or more bedrooms.

2.11 The Annual Performance and Statistical Return (APSR)* asks RSLs to select a peer group which best describes their organisation. Hillcrest selected the group described as RSLs that operate in an urban area with more than 250 houses mostly built before 1919, although it regards these comparators as being of little value and is currently developing a benchmarking† club with its Larach partners. In our inspection reports, we use the average performance of the RSLs chosen peer group, as well as national median figures*, to compare Hillcrest's performance.

* see glossary

† see glossary

Key facts

2.12 The table below presents summary contextual information for Hillcrest, showing trends over the last three financial years. It should be noted that the mergers in 2003/04 impact on the relevance of historical comparison.

| | 2002-2003 | 2003-2004 | 2004-2005 |
|--------------------------------------|------------------|------------------|------------------|
| Houses owned | 3,381 | 4,644 | 4,974 |
| Employees | 66 | 106.5 | 103.4 |
| Annual turnover (£'000) | 8091 | 11185 | 12998* |
| Total possible rental income (£'000) | 7872 | 9700 | 11930 |
| Rental income from housing benefit | 37.9% | 60.5% | 46.5% |
| Average weekly rent | £41.46 | £43.17 | £43.52 |
| Average rent increase | 2.5% | 3.3% | 3.3% |
| Houses re-let | 495 | 539 | 730 |
| Responsive repairs carried out | 6,800 | 7,544 | 13,120 |
| Maintenance spend per house | £610.05 | £330 | £400 |
| Right To Buy sales | 25 | 18 | 11 |

Source: APSR and Annual Accounts 2002 – 2005

*This represents the forecasted turnover since Hillcrest's finalised accounts are not yet available.

3. Housing management

3.1 The grade awarded for housing management is:

| | | |
|---|------|--|
| B | Good | Many strengths and some areas where improvement is needed. |
|---|------|--|

We explain at the end of this section how the assessments and judgements we have made result in this grade.

How good is the service?

Access

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

- 3.2 Hillcrest uses a range of approaches to maximise access to its houses in local areas. As an RSL managing stock over several local authority areas, Hillcrest's active participation in four operational or developing common housing registers (CHRs*) is a particular strength. Hillcrest was a founding participant of the CHRs operating in Edinburgh and Perth & Kinross, through which it lets all its properties in these areas. It is also working closely with its partners to develop CHRs in Dundee and Angus. Applicants wishing to be housed by Hillcrest in these areas currently still apply direct to the Association.
- 3.3 Hillcrest uses a range of innovative approaches to promote access to its list especially in areas with higher availability, including:
- setting up show flats and advertising these locally;
 - advertising on local radio and in local newspapers;
 - contacting all major employers in Dundee and Angus; and
 - taking an exhibition stand at Abertay University during Freshers' Week.
- 3.4 Hillcrest has nomination arrangements with all the local authorities in whose areas it has stock. It has agreed targets for letting houses to applicants on local authority lists as another way of ensuring that a wide range of people with varying needs can access its homes. In 2004/05 19.8% of all lets were to local authority nominees, against a target of 34%. The Association is working proactively to increase the number and improve the suitability of nominations it receives, particularly in Dundee and Angus.
- 3.5 At the time of our inspection, the Association had 3,140 applicants on its own list. It aims to assess applications and write to applicants within 14 days but does not monitor this. From our case reviews we found that it

usually meets this target. The Association's new ICT system will enable it to monitor its performance in this area more easily.

- 3.6 Legislation permits landlords to remove applicants from the housing list in a limited range of circumstances. At the time of our inspection, Hillcrest required applicants to renew their application every three months or be removed from its housing list. In the last quarter before our inspection, 53 applications were cancelled inappropriately because applicants failed to renew their application. Under the new allocations policy which has been approved by committee but not yet implemented, the Association plans to write to applicants every six months asking them to confirm if they wish to remain on the list. It is good practice for landlords to send more than one reminder to applicants, however Hillcrest removes applicants from the list if they do not respond to this single letter. The Association has acknowledged that its current practice is weak and may limit access to the list for some people. As a result the Association intends to revise its procedures and introduce a second reminder for applicants. We also noted that Hillcrest's reminder letter does not prompt applicants to notify the association of any change of circumstances when they renew their application. This could impact on an applicant's access to housing if they fail to provide updated information which could change their position on the list. Hillcrest intends to address this weakness.
- 3.7 All but two of the 33 applications we looked at had been assessed correctly against Hillcrest's allocations policy. However, under the policy in use at the time of our inspection, Hillcrest did not proactively seek further information from applicants which could have increased their level of points. Prior to our inspection the Association had plans in place to introduce a range of measures aimed at further improving the accuracy of the assessment process, including:
- giving applicants the benefit of the doubt when assessing applications, rather than waiting until the home visit to verify circumstances and award additional points;
 - 'mini internal audits' of assessments;
 - double-checking of all applications; and
 - providing applicants with written information about their points.
- 3.8 At the time of our inspection, Hillcrest did not have a suspensions policy* in place and was routinely refusing applications on the grounds of rent arrears and debts for rechargeable repairs, with insufficient investigation into individual circumstances. This approach does not meet the requirements of the Housing (Scotland) Act 2001. A new suspensions policy was approved by the committee in May 2005, but the delay in complying with legislation which came into effect in September 2002 is a significant weakness.

* see glossary

- 3.9 Hillcrest provides its application form and other documents in a range of languages and formats, and is beginning to establish arrangements for accessing interpreting facilities in all areas. The Association collects information on the ethnicity of the people who apply for its housing, but no longer analyses this information to identify whether it is providing equal access to its housing or effectively meeting the needs of all applicants. The Association demonstrates its commitment to providing services to BME communities through a number of practical initiatives and we have included examples of its equalities work in the positive practice section of this report.
- 3.10 Hillcrest provides a range of written information for applicants and we saw some excellent examples of this such as the 'what happens next' leaflet. However, we noted that the Housing Options Guide was significantly out of date. The Association is in the process of updating its information to address this.
- 3.11 Our assessment is that Hillcrest's overall performance in managing access to its housing list is fair. It demonstrates its strong commitment to maximising access at the local level through proactive engagement with CHRs in four areas, and uses innovative approaches to advertising access. We saw weaknesses in Hillcrest's approach to assessing applications and reviewing its housing list, and a significant weakness in its management of suspensions, but recognise the Association's own awareness of most of these weaknesses, and the measures it plans to put in place to address them.

Meeting need and maximising choice

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

- 3.12 Hillcrest prioritises applications and allocates houses based on a range of housing needs. The performance audit carried out by Scottish Homes in 1999, identified that the allocations policy should be amended to include all the areas of need regularly encountered by applicants, and that homelessness should be given greater priority. The allocations policy in use at the time of our inspection had not been amended significantly and did not cover harassment, domestic abuse or applicants moving to give or receive support. Senior staff had considerable discretion to award points in these situations. While we saw that discretion was used fairly in the cases we looked at, neither staff nor applicants are provided with clear guidance on how these circumstances will be recognised.
- 3.13 However, the Association approved a new allocations policy in December 2004, which it plans to implement following the implementation of its new

software. The new policy includes a number of significant improvements such as:

- covering a wider range of circumstances;
- limiting the use of discretion;
- giving greater priority to homelessness;
- enabling pregnant women to be offered housing which will be suitable once their child is born, rather than assessing them on current need; and
- advising applicants of their right to appeal.

- 3.14 The Association is required to house homeless people referred to it by local authorities under section 5 of the Housing (Scotland) Act 2001*. It has protocols in place with all local authorities in whose areas it operates, other than Dundee, where the Council has not yet finalised its draft protocol. Elsewhere, section 5 referrals are working well and Hillcrest has housed all those referred under these arrangements. We also saw examples of Hillcrest's work to provide accommodation, support and training to homeless people to help them prepare for their own permanent tenancy.
- 3.15 Hillcrest allocates its houses on a quota basis between its housing list, nominations and transfer applicants to help ensure that it makes offers to applicants in a range of circumstances. We found that there is insufficient guidance on which of these quotas should be used for individual lets, which makes it difficult to demonstrate that no particular group is being systematically advantaged or disadvantaged in terms of length of wait or quality of offer. Although overall lettings outcomes against these quotas are measured and reported to committee, the Association does not examine the types of housing need it is meeting through its allocations. However, the Association's new software will enable it to monitor the type of lets going to each of the quota groups on a continuous basis.
- 3.16 The cases we looked at showed that, in general, properties are let to people in priority need. Most of the 37 audit trails for allocations we looked at were of good quality although five contained little or no information about why a particular applicant had been successful, and why others were bypassed. Staff in one of the offices told us that they routinely offered high demand cottage-type properties to transfer applicants first. This does not comply with the Hillcrest's own procedures, was not recorded in the audit trails, and had not been identified by internal monitoring. This means that the Association cannot always demonstrate transparency in how and why it makes allocation decisions.
- 3.17 We found that Hillcrest inappropriately uses age as a criterion in allocating properties in one of its developments. The Housing (Scotland) Act 1987,

* see glossary

as amended, prohibits landlords from taking account of a person's age when allocating general needs housing, and Hillcrest's current approach to letting these homes does not comply with the terms of this legislation.

- 3.18 Applicants can choose to be considered for any number of areas and are not penalised for refusing offers. This is a good approach to maximising choice. We saw some good examples of staff giving helpful advice to applicants about the likelihood of being rehoused in different areas, as well as information about alternative housing options, although this is not provided consistently in all of the offices.
- 3.19 Hillcrest maximises the choice it offers to applicants, is generally meeting housing need through the way it allocates its houses and contributes to assisting and alleviating homelessness through a number of special initiatives. Although we saw weaknesses in how it manages and records allocations, the Association was aware of these and had started to put in place a range of measures designed to achieve improvements prior to our inspection. This includes the implementation of its new software, and the creation of a key new staff post with a remit to ensure that policy and procedures are applied consistently within and between area offices. While the new allocations policy and procedures will also significantly improve Hillcrest's performance in meeting need, the use of age to restrict allocations in one development is a continuing weakness.

Sustaining tenancies and preventing homelessness

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

- 3.20 The majority of Hillcrest's tenants have Scottish Secure Tenancy agreements. Hillcrest has a clear policy on granting short SSTs and uses them appropriately for tenants with identified support needs, and for lead tenancies. The Association is currently seeking legal advice on whether this is the most secure form of tenancy in these circumstances. Hillcrest provides occupancy agreements to all residents in shared accommodation. The terms of these agreements replicate those of the SST where possible, which is positive. However, the Association's blanket approach to the use of occupancy agreements means that it may not always be maximising security of tenure for these residents. The properties involved came to Hillcrest through mergers and a stock transfer. Hillcrest has to date continued to issue occupancy agreements on the basis of previous practice, acting in good faith on the basis of available advice, but has plans in place to review their use.
- 3.21 The provision of good information and advice are important ways in which landlords can help to sustain tenancies. We found that staff provide clear

and helpful written and verbal information at tenancy sign up and during settling in visits. These opportunities are used well to reiterate tenancy conditions, identify any potential problems and to help tenants gain access to any support they need. The Association also provides a specialist money advice service which is widely publicised. Tenants can contact this service directly or be referred by housing officers, and, under the Association's current procedures for dealing with rent arrears, are automatically referred when a notice of proceedings (NOP*) is served.

- 3.22 Hillcrest works hard to help vulnerable tenants to get the support they need. It has its own Tenancy Support Team working with tenants requiring relatively low levels of support and we saw evidence of the team's success in helping individuals to sustain their tenancies. This is an area of strength for the Association. We also saw good examples of housing officers liaising with a wide range of support agencies to ensure that tenants gain access to appropriate services and support. Some of its partners include: NCH, Positive Steps, Carolina Trust, Gowrie Care, Social Work Department, Throughcare and Aftercare, Churches Action for the Homeless, East Port House, SENSE Scotland and Turning Point.
- 3.23 Hillcrest undertook a comprehensive review of its approach to managing rent arrears during 2004. This resulted in a suite of new policies and procedures which were being rolled out across the organisation in the eight months prior to our inspection. The new procedures incorporate recognised good practice in terms of prevention, early intervention, sustained contact, advice and support for tenants, regular monitoring and alternatives to court action. In addition, a specialist rent recovery team has been established as a pilot in Dundee. The pilot, initially for six months but extended for a further six months, aims to ensure a more consistent and customer focused approach to the management of rent arrears. The Association plans to evaluate the success of the initiative after its first year of operation.
- 3.24 We looked at recent management of arrears cases and saw evidence of a more tenant focused approach. Specific improvements include:
- early and sustained personal contact with tenants in arrears;
 - a decrease in the number of NOPs issued; and
 - an increase in referrals to the money advice service.

However, we found some inconsistency between the area offices, and in some cases between different members of staff. While we saw some excellent examples of arrears management, we also saw cases characterised by erratic monitoring, poor record keeping, limited personal contact and lack of referrals to the money advice worker or other agencies. The Association is aware of this and has put plans in place to

* see glossary

carry out regular case reviews to ensure that its good policies and procedures are being followed consistently.

- 3.25 Hillcrest makes the tenant's obligation to pay rent clear from the start of the tenancy. Its tenants handbook and website both stress that making a claim for housing benefit is the tenant's responsibility. We found that there was a variable approach across the organisation to assisting tenants with benefit claims, as well as inconsistent referrals to the money advice service. However, the new procedures now in place aim to ensure that all tenants who need help with their housing benefit claims get it, either from Hillcrest's own staff or by being clearly directed to other agencies who can offer advice and assistance.
- 3.26 We found that Hillcrest is not very open about the options available to people to pay off their arrears:
- standard arrears letters emphasise the necessity of paying the debt in full, and repayment agreements are not offered as an option;
 - Hillcrest's procedure states that arrears payments deducted directly from state benefits will only be accepted as long as the debt can be cleared within two years; and
 - there is no guidance for staff or tenants on what constitutes an acceptable repayment agreement, and no formal consideration of affordability.
- 3.27 In 2004/05 Hillcrest issued 718 NOPs but only initiated court action in 151 cases (21%). This suggests that Hillcrest has been using the threat of legal action inappropriately. Hillcrest obtained 146 eviction decrees in 2004/05. Of these, 58 were actually enforced and the tenant evicted. Although Hillcrest's regular use of court action has been successful in encouraging some tenants to pay their debt and retain their tenancy, it also resulted in a high eviction rate. These figures represent an eviction rate of 1.17% which is significantly higher than both the peer group average of 0.35% and national median 0.24%. However, figures for the first five months of 2005 indicate that there has been a marked reduction in the use of court action and evictions, an improvement which the Association attributes directly to the impact of its new policies and procedures for managing rent arrears introduced in 2004.
- 3.28 Looking at recent cases of court action, we found a number of weaknesses in Hillcrest's approach that work against its other good work in sustaining tenancies and preventing homelessness:
- court action is often initiated without full consideration of the alternatives;
 - tenants are not always referred to debt or welfare advice agencies until after decree is granted; and

* see glossary

- the local authority is not informed of the intention to evict until immediately prior to the eviction date.

The Association is aware that it needs to ensure that its new procedures are followed consistently, and had already put in place a number of measures to achieve this prior to our inspection.

- 3.29 In 60% of cases where decree was granted in 2004/05, the tenant either paid the arrear in full or agreed a repayment arrangement and was not evicted (88 cases). Whilst this is a positive outcome for the tenants involved, we found that the Association is unaware of a number of weaknesses in its management of tenant occupancy after decree has been granted:
- there is no written guidance for staff on when it is appropriate to enforce a decree or allow a tenant to stay, and the Association does not clearly state its intentions when allowing tenants to stay;
 - written correspondence with tenants against whom a decree has been granted does not state that eviction may be avoided if a repayment plan is agreed;
 - Hillcrest does not clearly advise tenants that their tenancy has ended, and does not grant a new tenancy which means that these tenants have no contractual tenancy;
 - Hillcrest continues to accept payments into the same rent account where an order for possession has been granted and continues to treat the debt as a current arrear rather than a former tenant debt; and
 - Hillcrest does not always ensure that appropriate advice, support and additional monitoring is in place where an eviction decree has been granted but not enforced, to minimise the risk of having to seek a second decree.
- 3.30 Hillcrest's overall performance in sustaining tenancies and preventing homelessness amongst its tenants is good. It has an excellent approach to ensuring that vulnerable tenants have the support they need to stay in their homes, and staff provide good information and advice to tenants. While we found inconsistencies in the way the way the Association responds to tenants in rent arrears, and in its use of legal action, our assessment takes into account Hillcrest's prior awareness of this and the steps it has already put in place to ensure that its new policies and procedures are consistently applied. We also saw early evidence of improvements in the use of court action, evictions, and the level of non-technical rent arrears. Weaknesses remain in Hillcrest's approach to agreeing repayment plans with tenants in arrears, and the management of tenancies after the award of decree.

Quality of neighbourhoods

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

- 3.31 Hillcrest has properties in varied locations, ranging from rural to city centre. Its estates include areas of high demand mixed tenure housing, where there is no evidence of litter or vandalism, and difficult to let areas where there are visible void properties, vandalism and other environmental problems. We visited a range of these estates and saw that Hillcrest works hard to maintain them to a high standard. As part of the staff structure review, housing management staff have been re-designated as community housing officers with a commitment to increasing the level of engagement with the communities in which they work. We saw that staff have a good awareness of the estate management issues facing individual estates and generally respond effectively.
- 3.32 There are a number of strengths in Hillcrest's approach to estate management:
- it provides very clear information through its tenants handbook and letters to individuals on exactly what the tenant's responsibilities are for looking after communal areas, gardens, and bin areas;
 - it communicates clearly what Hillcrest can and cannot do in relation to neighbour disputes;
 - staff follow up individual estate management issues effectively, and are good at making face to face contact to deal with problems directly;
 - follow-up warning letters relating to estate management complaints against individual tenants escalate appropriately in terms of severity;
 - actions are followed through where necessary; and
 - staff are proactive in setting up multi agency meetings to deal with environmental issues within their estates.
- 3.33 We also identified some areas of weakness:
- published service standards relating to estate management are vague;
 - there are no targets or firm guidelines for staff for carrying out estate management work;
 - performance is not monitored;
 - information on the complaints received about estate management issues is not collated or analysed; and
 - the Association does not have up to date information on tenants' satisfaction with the standard of maintenance of common areas.
- 3.34 Our case reviews confirmed that estate management inspections are generally frequent and effective, although this is not monitored. At the time of our inspection, Hillcrest was reviewing its estate management

- procedures and will in future monitor its performance against targets for estate inspections, and record actions and outcomes relating to estate management issues. These are positive developments. We noted that service users views are not currently gathered to assist in making improvements in this area.
- 3.35 Hillcrest works well with tenants to improve neighbourhood quality. We saw some good examples of innovative approaches to avoiding tensions between neighbours and building strong communities, including welcome events in new developments, and a highly successful sports initiative for young people during the school holidays. We have highlighted these as examples of positive practice in Appendix 2.
- 3.36 Across all its areas of operation, Hillcrest has a responsive and proportionate approach to antisocial behaviour and neighbour disputes. We found that staff are generally proactive and have a good knowledge of the tools available to them to tackle these issues. In all areas, staff have developed close working relationships with a range of agencies including the police and mediation services and make appropriate referrals. However, recording of incidents, actions and outcomes is not always consistent or sufficiently detailed. We also found that staff do not always follow up actions in writing and keep complainants informed. Hillcrest is aware of these weaknesses and has recently reviewed its procedures to ensure that recording is improved.
- 3.37 Hillcrest's monitoring of antisocial behaviour and neighbour nuisance concentrates on measuring whether staff meet target times for acknowledging and responding to complaints. Whilst this is important, there is no monitoring of trends or outcomes, or any overall assessment of the effectiveness of Hillcrest's approach. Hillcrest does not ask for feedback from service users on the conclusion of a case, and, therefore, cannot be sure how effective its service is in reducing or resolving reported problems from the tenant's perspective.
- 3.38 Hillcrest's overall performance in managing its estates is good. The Association takes a very positive approach to involvement with the communities where its houses are situated and is committed to improving neighbourhood quality. Housing officers know their areas well, and work hard to maintain and improve them. Although its approach to monitoring the outcomes of the estate management service is underdeveloped, the Association is actively seeking to address this.

Responsiveness to tenants

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

- 3.39 Hillcrest has not carried out a comprehensive tenant satisfaction survey since its expansion in 2003/04. Although the Association collects limited information allowing it to gauge satisfaction with aspects of its housing management services, for example new tenant surveys and exit surveys at the termination of a tenancy, it acknowledges that it does not carry out sufficient analysis of this information to monitor trends and help improve service delivery. As a result, the Association does not have an accurate, up to date picture of tenant satisfaction and is unable to say whether overall satisfaction levels are increasing or decreasing.
- 3.40 However, we saw good examples of Hillcrest gathering and responding to the views of service users at a local level, using estate-based surveys and meetings to help improve its knowledge of what tenants want in different areas. One example of this is the comprehensive survey of tenants in Dundee's Hilltown which led to a series of planned improvements in security and lighting. Also, the Association is currently developing other ways of engaging with tenants on key issues. For example, antisocial behaviour will be the focus of the forthcoming tenants' open day. This topic is also scheduled for discussion at the tenant focus groups[†], which are currently the main vehicle for tenant consultation (see 5.18).
- 3.41 Hillcrest uses a variety of methods to publicise its services and provide information and advice to tenants:
- all tenants receive a well designed and informative handbook and a newsletter which is produced twice each year; and
 - a range of useful leaflets on issues including money advice, service standards, and the new approach to rent arrears has been distributed to all the Association's tenants.

Although it has had a website since 2002, some of the material is significantly out of date, and the website does not provide a good resource for tenants. The Association is aware of this weakness and as part of its staff restructure has recruited a Publications Officer. The Publications Officer will take up post in May and it is intended that a key part of her job remit will be to revise all publicity material, including written information and the website.

- 3.42 Hillcrest's Tenant Participation Strategy expresses the Association's commitment to involving tenants in the planning and delivery of its housing management services. Although some positive work has now begun, the Association recognises that this is still work in progress, and there is some

[†] see glossary

- way to go before consultation and participation are fully embedded in its culture and operations. A dedicated Tenant Participation Officer was appointed in August 2004, and the Association is taking steps to ensure that all members of staff have a role in promoting and supporting tenant participation. An example of this is the inclusion of a commitment to consider tenant consultation while progressing each objective in the 2005/06 housing management departmental plan.
- 3.43 Hillcrest's slow response to its statutory duty to consult tenants about rent increases and reviews of any policies which affect the services they receive has led to a number of weaknesses in the way the Association has approached consultation to date:
- the information on the rent increase indicated to tenants the impact of the proposed increase, and tenants were asked to agree or disagree without any alternative scenarios being offered; and
 - the Association informed tenants that they intended reviewing the allocations policy and asked for comment, without providing any further information.
- 3.44 Hillcrest provides good written information on its own complaints procedure, and on the right to complain to the Scottish Public Services Ombudsman. The Association also provides a standard form to assist the complainant. Of the twelve formal complaints the Association received about its housing management service between April 2004 and March 2005, seven had been resolved at stage one and five at stage two of the complaints process.
- 3.45 We reviewed a number of recent complaints and saw that Hillcrest has a positive approach. Although procedures are generally followed, timescales are not always met and outcomes are not clearly recorded. While we saw some evidence of complaints being used to improve the quality of the service, relevant information is not systematically collated and analysed, or formally incorporated into service reviews.
- 3.46 Hillcrest has developed a comprehensive set of service standards in consultation with tenants. These are set out in a clear, well laid out booklet which gives service users a good indication of the level of service that they can expect to receive over a wide range of the Association's activities. This is a positive approach. Hillcrest does not currently monitor or report its performance against these standards although it has firm plans to do so.
- 3.47 Frontline services are provided in all of Hillcrest's offices by a team of Customer Service Advisors. During our inspection we saw that that these staff were generally customer focused and helpful, although there was some inconsistency in the level of service offered to tenants and

applicants in different areas. However, one of the responsibilities of the newly created post of Housing Services Manager is to improve training, and put in place plans to ensure consistent delivery of frontline services across all the Association's area offices. This is a positive approach.

- 3.48 Hillcrest's equalities action plan expresses its commitment to providing equal access to its housing services. However, we found that not all of its offices are readily accessible to people with physical disabilities, which means it does not yet meet its duties under the Disability Discrimination Act which came into effect in October 2004. The Association commenced a comprehensive access audit programme during 2004 and this has now been completed for all of its area offices. Hillcrest has plans in place to address the recommendations of the audit. Although a range of information is available in a variety of languages and formats, we found that:
- the availability of translation services is not clearly advertised in the offices; and
 - some front line staff do not know how to access interpreting or signing services.
- 3.49 The most recent equalities action plan covering 2004/05 takes a good approach by including specific targets and timescales for integrating equalities issues into all service areas and to provide equalities training for staff and committee. At the time of our inspection, there had been little progress and targets had not been met. This is a significant weakness. However, the creation of a new post of Risk and Compliance Manager with specific responsibility for progressing the plan and ensuring effective mainstreaming of equalities throughout the organisation is a positive step.
- 3.50 Hillcrest has a fair approach to responding to users of its housing management service. While at an individual and local level, Hillcrest is responsive to tenants' needs, the Association is aware that its current approach to tenant participation and equalities is underdeveloped, and recognises that significant ongoing work is required to achieve more active and effective engagement with tenants and to ensure that all of its services are fully accessible to all members of the community. Improvements in the way it gathers, analyses and uses information from tenants to improve services would also strengthen its overall performance in this area.

Is the service managed for improvement?

Resource management and efficiency

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

3.51 Hillcrest currently offers tenants a wide range of ways to pay rent and other charges. The Association is committed to widening this choice and is considering the introduction of direct debit electronic payments.

3.52 The table below summarises Hillcrest's reported performance in collecting rent arrears.

| | At March 2003 | At March 2004 | | | At March 2005 |
|---|---------------|---------------|------------|-----------------|---------------|
| | Hillcrest | Hillcrest | Peer group | National median | Hillcrest |
| Total arrears as % of total gross rental income | 6.21% | 12.0% | 8.2% | 6.2% | 8.46% |
| Total current* arrears as % of total gross rental income | 4.4% | 7.3% | 5.7% | 4.4% | 6.27% |
| Current arrears (non technical) as % of total gross rental income | 3.3% | 5.4% | 3.7% | 3.0% | 4.2% |
| Current arrears (technical) as % of total gross rental income | 1.2% | 1.9% | 2.08% | 1.13% | 2.06% |
| % of current tenants in serious arrears** | 4.0% | 4.2% | 7.0% | 5.6% | 6.21% |
| Total former tenant arrears | £141,207 | £452,774 | - | - | £262,525 |
| As % of total gross rental income | 1.79% | 4.7% | 2.2% | 1.1% | 2.2% |
| Rent arrears written off | | | - | - | 283,423 |

**Owing more than 13 weeks rent and >£250

3.53 Hillcrest's rent arrears increased markedly in 2003/04. At March 2004, Hillcrest had the 5th highest arrears of the 32 RSLs in its chosen peer group and was in the lowest quartile in terms of performance. An improvement in the level of current non-technical arrears* led to an overall decrease during 2004/05.

3.54 The level of Hillcrest's technical arrears* increased in 2004/05. As noted in 3.25, until recently, Hillcrest had an inconsistent approach to helping tenants with housing benefit claims, and was not proactive in managing and minimising technical arrears.

3.55 The Association takes reasonable steps to recover former tenant arrears, but procedures have only recently been introduced and the level of debt still remains double that of the national median, although it is the same as the average for Hillcrest's chosen peer group. The significant reduction in

* see glossary

* see glossary

former tenant arrears in 2004/05 is more a consequence of the level of arrears which the Association decided to write off rather than improved performance in recovering these debts. We found that Hillcrest is not carrying out effective monitoring of its approach to former tenant arrears.

3.56 The Association attributes the decline in overall performance in rent arrears during 2003/04 to the impact of the mergers, and in particular the acquisition of stock in Edinburgh, with historically high rent arrears. Several of the cases we reviewed in the Edinburgh office which showed that no arrears management had been carried out during 2004. Hillcrest was aware that it had neglected these arrears in the year following the merger, and appointed an additional member of staff to the Edinburgh office in December 2004 with responsibility for rent arrears. Looking at more recent cases, we saw some significant improvements in how rent arrears were being handled in the Edinburgh office.

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

| | 2002-03 | 2003-04 | | 2004-05 | |
|--|-----------|-----------|------------|-----------------|-----------|
| | Hillcrest | Hillcrest | Peer Group | National Median | Hillcrest |
| Rental income lost due to empty houses | | | | | |
| As % of total rental income | 1.4% | 1% | 1.6% | 0.9% | 1.7% |
| Total no. of re-lets | 495 | 539 | - | - | 622 |
| % re-let in <2 weeks | 29.5% | 42.1% | 33.5% | 39.1% | 27.5% |
| % re-let in 2-4 weeks | 23.2% | 24.3% | 25% | 24% | 26.2% |
| % re-let in >4 weeks | 47.3% | 33.8% | 41.4% | 36.6% | 46.3% |
| Average time to relet (days) | 22 | 19 | 34 | 25 | 27.5 |

Source: APSR 2002/05

3.58 In 2003/04 Hillcrest lost 1% of its rental income because of houses lying empty. This level of performance places Hillcrest 12th out of 32 RSLs in its peer group, and it is ranked 75th nationally. The average time to relet its houses decreased in 2003/04 from 22 to 19 days, which is significantly below the average performance for its peer group. However, the relet time increased in 2004/05 to 27.5 days and void loss increased to 1.7% of rental income. The Association is aware that it needs to improve relet times and has set targets which take account of local circumstances. Hillcrest is also aware that there is a particular problem with turnover and relet times in Dundee, and has increased staffing resources to improve performance in this area.

3.59 Overall, Hillcrest's turnover decreased from 14.8% in 2002/03 to 12.7 % in 2003/04, with the exception of Dundee, where approximately 49% (330) of all Hillcrest's empty houses occurred in 2003/04. Hillcrest has used local letting initiatives well to reduce the number of empty properties, limit the

length of time that houses are empty, and stimulate demand, but we found that these are not always formalised or monitored. Hillcrest has a number of other good measures in place to reduce relet time and void loss. These include:

- visits to properties where the tenant is about to leave, to agree necessary repairs;
- supplying white goods to some properties; and
- reducing rents to £100 per month for bedsit properties.

3.60 Hillcrest's costs for managing its houses in 2003/04 were £311 per unit. This is considerably lower than the peer group average of £438, which the Association attributes to economies of scale.

3.61 Hillcrest has a fair approach to maximising its income. It is beginning to recover from a sharp increase in arrears following the growth of the Association. We found there are still some weaknesses in its approach to managing technical arrears and former tenant debt. However, we have described earlier in the report the range of new policies and procedures which is now being implemented across the organisation, and recognise that this is showing a positive impact on the level of current non-technical arrears. While performance in reletting empty houses has declined overall, the Association has recognised that this is due to particular problems in Dundee and has put in place measures to deal with this.

Performance management

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

3.62 Hillcrest sets out the core strategic objectives of the Hillcrest Group in its three year Internal Management Plan (IMP) which also includes the key operational objectives for housing services over the plan period. Although the Association produces annual departmental workplans which identify a responsible officer and a target timescale for each specific task, the links between the IMP and the departmental plans, or between departmental and strategic targets are not clearly articulated. This issue was also identified by Hillcrest's internal auditor just before our inspection, and the Association has already made a firm commitment to strengthen these links.

3.63 We found that in service areas with set targets, staff were well aware of these and were working towards them. This is an area of strength.

3.64 At the time of our inspection, targets were limited to arrears, void management and dealing with complaints about antisocial behaviour and neighbour nuisance and we saw plans in place to develop them for estate

management. The Association is aware of the gaps, and has installed new software to facilitate more effective monitoring across all areas of the service.

- 3.65 Hillcrest has good systems for monitoring and managing the performance of individual members of staff within the housing management department. Managers meet with staff quarterly to set individual key result areas (KRAs) and discuss performance at regular one to one meetings and monthly team meetings. However, Hillcrest's approach to performance monitoring and reporting is underdeveloped. We have already highlighted key areas which impact directly on service delivery, where Hillcrest does not monitor or report its performance effectively. In particular:
- allocations outcomes;
 - meeting service standards;
 - neighbour nuisance/antisocial behaviour;
 - estate management; and
 - complaints.

The Association was aware of these gaps prior to our inspection, and we saw that it had developed plans to address these.

- 3.66 Hillcrest monitors the impact of its various initiatives and evaluates how these have impacted on its performance. We saw good examples of this, such as the monitoring of the tenancy support team and the money advice service in reducing the number of failed tenancies, and the rent recovery pilot in reducing the level of rent arrears and court action.
- 3.67 Although we have identified some gaps, Hillcrest has a good range of policies and procedures to guide staff. Many of these have been developed with input from frontline staff and take into account legislation, good practice and performance standards while others needs to be reviewed and updated.
- 3.68 Hillcrest acknowledges that it initially underestimated the impact of the merger in terms managing frontline services. However we found that the Association is now fully aware of these challenges, and has already put appropriate plans in place to enhance its management of performance in the housing management service across the organisation.
- 3.69 The Association's approach to performance management is improving. Senior staff have a good awareness of the strengths and weaknesses in this area and are taking steps to enhance Hillcrest's approach to managing its performance in the housing management service.

Grade and overall assessment of housing management

- 3.70 Our overall assessment is that Hillcrest's housing management service is good. We found many strengths along with some areas where improvement is needed, including one significant weakness. The Association has a good self awareness, is committed to service improvement, and had already started to tackle most of the weaknesses identified in this report prior to our inspection. This is a significant factor in our grading of the housing management service.
- 3.71 Hillcrest has many strengths which impact directly on tenants and other service users. It works well with local authorities and other landlords to maximise access to its houses, and offers applicants a good level of choice. The Association provides a range of services to support tenants, and works well with its partners to ensure that vulnerable tenants get the help they need to sustain their tenancies.
- 3.72 Hillcrest takes a very positive approach to improving the communities where its houses are situated, has a good approach to managing its estates, and responds effectively to antisocial behaviour and neighbour nuisance. The Association is successfully reducing the level of turnover.
- 3.73 We also saw a number of weaknesses. These include:
- failure to comply with its statutory duties around suspending applicants;
 - the use of age as a factor in allocations to one of its developments, in breach of the legislation;
 - its approach to renewing applications, which limits access to its list;
 - inconsistent management of rent arrears cases, inappropriate threat of legal action, and high rates of eviction;
 - a lack of clear audit trails for allocations, which make it difficult for the Association to demonstrate that allocations decisions are fair and consistent;
 - its poor management of post-decree occupancy; and
 - insufficient progress in key areas of equalities and tenant participation which mean that the Association cannot be sure that services meet the needs and aspirations of all its users.
- 3.74 Hillcrest has undergone significant expansion in recent years, and it is working hard to develop an infrastructure which will ensure that its staffing, systems and procedures can support the delivery of a high quality housing management service. We saw that extensive work is already underway to review and improve policies and procedures. This is also aimed at ensuring staff are effectively managed and supported so that these will be consistently applied across all of its offices. Although much of this is still work in progress, the Association has already shown a willingness and

capacity for addressing areas of weakness and achieving improvements in the way it delivers its housing management service. We are confident that this will continue.

4. Property maintenance

4.1 The grade awarded for property maintenance is:

| | | |
|---|------|--|
| B | Good | Many strengths and some areas where improvement is needed. |
|---|------|--|

We explain at the end of this section how the assessments and judgements we have made result in this grade.

Access to the repairs service

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

- 4.2 Hillcrest's tenants can report repairs in person or by phone to any of the Association's offices, by email or freephone to the recently established call centre, or to the out of hours service using the same freephone number. The Association's regular surveys of satisfaction with completed repairs show that the vast majority of tenants think access to the repairs service is very good. However, some tenants we spoke to had experienced problems contacting the call centre. Hillcrest was aware of these difficulties and had increased the number of telephone lines and staff to improve response times. Hillcrest does not formally monitor how tenants report repairs during office hours and is not able to report accurately on the use of the call centre service.
- 4.3 The Association publicises details of the repairs service and how to report a repair in its offices, in its newsletters and tenant's handbook, and on its website. While staff can make this information available in other languages and formats, this is not widely publicised. We found that staff are in general willing and able to provide useful advice and information on the repairs service. We highlighted in paragraph 3.45 weaknesses in ensuring equal access to the housing management service. These also apply the property maintenance service.
- 4.4 Hillcrest plans to introduce a formal appointments system for response repairs in 2005. Currently, staff provide the contractor with the tenant's preferred time for the repair, and the contractors then contact tenants direct to make suitable arrangements.
- 4.5 Hillcrest works hard to ensure that its repairs service is accessible, and its performance in this area is good.

Speed and quality of response repairs service

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

- 4.6 Some of the targets Hillcrest sets itself for completing response repairs* are more challenging than the national median. The Association's target for emergency repairs is 4 hours compared with a national median of 6 hours, with urgent repairs categorised into either 1 day or 3 days, compared with a national median of 3 working days. Also routine repairs targets have 10 and 20 day categories, against a national median of 10 working days. Hillcrest's committee has recently approved more challenging targets for 2005/06, revising the completion times for the two non-urgent categories from 10 and 20 days to 7 and 10 days respectively.
- 4.7 While it has set challenging targets, Hillcrest's performance in 2003/04 was below the national median and peer group average for repairs completed on time. The Association ranks 27th out of 32 landlords in its peer group and 136th out of 179 RSLs nationally. This places Hillcrest in the lowest quartile for repairs completed within the target timescale.
- 4.8 The Association's reported performance in completing repairs against its target timescales improved between 2001/02 and 2003/04, although more recently there has been a drop in performance. Hillcrest's reported figures for 2004/05 show that 88.9% of all repairs were completed on time. However, this coincides with the Association's expansion, which also saw a rise of around 70% in the number of repairs completed between 2003/04 and 2004/05. Association's expansion. The table below outlines Hillcrest's performance for completing response repairs.

| | Hillcrest's target response time | Performance | | | | |
|--------------------------|----------------------------------|-------------|---------|---------|-------------------------|------------------------|
| | | Hillcrest | | | National median 2003/04 | RSL peer group 2003/04 |
| | | 2001/02 | 2002/03 | 2003/04 | | |
| Emergency Repairs | 4 hours | 82% | 90% | 90.5% | 99.2% | 97.5% |
| Urgent Repairs | 3 days | 93% | 90% | 93.5% | 96.0% | 96% |
| Routine Repairs | 20 days | 92% | 91% | 92.3% | 95.7% | 95.4% |

- 4.9 At the time of our Inspection, limitations of the ICT system in place at the time of our inspection meant that the Association has been unable to monitor completion times for emergency repairs accurately. However, the new software will enable the Association to improve its monitoring in this area. Tenants we spoke to who had recently used the out of hours

* see glossary

service said that repairs were completed to their satisfaction and in most cases on the day of call out.

- 4.10 Pre and post inspections* are important tools for ensuring repairs are targeted accurately and carried out to a high standard. Hillcrest does not have a target for pre inspections, but selects which repairs to pre inspected effectively, based on a clear set of criteria.
- 4.11 In 2004/05, Hillcrest reported that it post inspected 9.2% of all repairs against a target of 10%. However, the Association has recognised that the previous ICT system led to an under reporting of pre and post inspections and reported figures do not therefore provide an accurate picture of how many it carried out, and how this compared with its target.
- 4.12 Although the Association has a good procedure for generating post inspections, it has identified weaknesses in the way this operates in practice. It has now established systems to ensure that targeting and monitoring of post inspections is more effective. From the cases we looked at we saw that the Association takes prompt remedial action where post-inspections identify works as sub-standard or where tenants report dissatisfaction through the customer satisfaction surveys. Hillcrest's staff make good use of information from post-inspections to monitor contractors' performance throughout the year.
- 4.13 Hillcrest operates a Right to Repair scheme* which it advertises annually through its newsletter, through leaflets displayed in its offices, in the new tenant pack and tenants handbook. Hillcrest does not always comply with its statutory obligations concerning Right to Repair. The Association reports that during 2003/04, 83% of qualifying repairs were completed on time but this includes properties where contractors had difficulty gaining access. Five tenants had received compensation because their repair had not been completed within time. We found cases where Hillcrest had wrongly categorised qualifying repairs. Hillcrest is aware of this and has provided further training to staff on categorising repairs, although this was restricted to the call centre staff and did not include staff in the area offices.
- 4.14 Hillcrest's most recent quarterly survey of response repairs which covered the last quarter of 2004/05 found that 90.0% of tenants were satisfied with the quality of the repair work and 85.3% said that it was completed on time. Both these figures are lower than a similar survey carried out at the end of the first quarter of 2004/05. This decline in satisfaction is reflected in Hillcrest's own reported performance. Hillcrest has put in place measures to improve the speed and quality of its repairs service. This

* see glossary

includes plans to introduce a system of formal performance meetings with all contractors, where customer feedback will be assessed along with contractors' own performance figures.

- 4.15 Overall, Hillcrest provides a good response repairs service and tenants are generally happy with the speed and quality of repairs. The Association has taken steps to address areas of weakness, including its management of repair response times, pre and post-inspections and the Right to Repair.

Physical quality of houses

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

- 4.16 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords are required to prepare a plan showing how they will achieve this, by April 2005. At the time of our inspection Hillcrest was still assessing the survey data and has agreed an extension on its submission to the end June 2005. As the Association has not yet completed its plan, it is not possible to include any consideration of the impact which meeting the SHQS, will have in our assessment. Hillcrest has taken some positive steps to ensure the safety of its tenants in line with the requirements of the SHQS and has fitted battery operated smoke detectors in all its houses and carbon monoxide sensors in all properties with gas appliances. Most common entrances for flats have also been fitted with door entry systems.
- 4.17 Hillcrest's houses are of a varying type and condition with the houses in parts of Arbroath, Crieff, and other rural areas generally of a very high standard. However, there are pockets of properties in poorer condition mainly in Dundee, Edinburgh and parts of Perth. The Association has good general information on its stock. We saw that when building up its cyclical* and planned maintenance programmes, Hillcrest takes account of the actual performance of components and there was evidence of works being brought forward on the cyclical programme as a result of premature component failure.
- 4.18 All Hillcrest's new homes have been designed to good standards. Recent developments:
- are built to achieve Secured by Design status to create safe homes that minimise the risk of crime and antisocial behaviour;
 - have hard wired smoke detectors fitted;
 - have good levels of energy efficiency; and

* see glossary

- are designed to Housing for Varying Needs standard to accommodate the range of housing needs that people have through their lifetime.

4.19 Social landlords are required to carry out safety checks every 12 months on all gas appliances and flues which they provide for tenants' use. We found that Hillcrest is not meeting its statutory duty and its performance in this area is poor. In 2004/05, 23% of houses with gas appliances did not have gas safety checks carried out within one year of the previous check. The table below summarises Hillcrest's performance in this area.

| | March 2005 | |
|---|------------------|-------|
| | Number of houses | % |
| Houses with gas appliances | 1415 | |
| Houses with current gas safety certificates | 1202 | 84.9% |
| Houses where safety check was carried out within 12 months of previous check | 712 | 77% |
| Houses where safety check was up to 1 month late | 108 | 7.6% |
| Houses where safety check was between 1 and 3 months late | 46 | 4.2% |
| Houses where safety check was more than 3 months late | 10 | 3.3% |

- 4.20 Hillcrest carries out quality checks on 10% of all gas safety checks completed by its contractors which is a good approach. However, we found a number of weaknesses in Hillcrest's management of gas safety. These were identified by the Association in the autumn of 2004, highlighted by the internal audit process, and confirmed by our own case reviews. Hillcrest has already taken action to address these weaknesses, including bringing forward the date of inspection. It is also developing a system which allows contractors to input information about their current progress directly to Hillcrest's database. Hillcrest recognises that there are still issues to be resolved and has a positive approach to improving its management of gas safety. During our inspection we saw evidence that the measures it has already introduced are beginning to show a positive impact.
- 4.21 From May 2004, social landlords have had a statutory duty to manage asbestos in the common areas of their properties. Hillcrest is only now in the process of appointing surveyors to survey its properties and will not have a detailed plan in place until September 2005. This failure to produce a plan until well after the legislation came into effect is a weakness.
- 4.22 Hillcrest has a clear written relet standard which aims to ensure that the houses it lets are safe and in a good condition. Although staff ask new tenants how satisfied they are with their new homes, the Association does

not systematically analyse reasons for refusing offers and so does not know how many refusals are due to the standard of empty properties.

- 4.23 Overall the Association's performance in this area is good. Hillcrest's houses are on the whole in good condition and there is an effective approach to planning its cyclical maintenance[†] programme. The Association has a good approach to ensuring its empty houses are relet to a consistent standard. Hillcrest is aware of its weaknesses in complying with its statutory duties on gas safety and asbestos management, and has plans in place to improve its performance in this area.

Responsiveness to tenants

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

- 4.24 As noted in paragraph 3.36 Hillcrest's last full satisfaction survey was carried out in 2002 and the Association has a limited picture of tenant satisfaction across the service. However, the Association uses a questionnaire to collect feedback from tenants on each completed repair which showed that the vast majority of tenants are very happy with all aspects of the repairs service. This information is analysed and reported to committee. From the cases we looked at we saw that Hillcrest has an excellent approach to responding to customer dissatisfaction. The tenants we spoke to were also happy with Hillcrest's repairs service, including the out of hours service. Hillcrest also surveys tenants in its new developments and this showed high levels of satisfaction with their new homes.
- 4.25 Hillcrest has a good approach to publicising its complaints procedure, and to assisting tenants to make complaints. Between April 2004 and March 2005 the Association received nine formal complaints about its property maintenance service all of which had been resolved at either stage one or stage two of the complaints process. The cases we looked at demonstrated that while the Association generally has a good approach to dealing with complaints, timescales were not always met, outcomes were not clearly recorded and there was no formal use of complaints to improve service delivery.
- 4.26 We saw some good examples of tenant involvement in the delivery of the property maintenance service to their homes including consultation on redevelopment proposals for tenement flats in Hilltown (Dundee) and involvement of new tenants in the design of their homes in Tullideph Place (Dundee) in order to meet their own specific needs. However, while Hillcrest consults with tenants about to undergo planned maintenance works there is little direct involvement of tenants in other areas like the

[†] see glossary

development of the planned maintenance programme or revision to the design brief for new houses. Hillcrest does not involve tenants in deciding the priorities and timescales for major works to their homes.

- 4.27 Hillcrest's performance in engaging with and responding to tenants on its property maintenance service is fair. While it has shown a commitment to seeking tenants views on aspects of the property maintenance service, and we have seen examples of where it has acted on feedback, its broader approach to tenant participation in the development and delivery of the service as a whole is underdeveloped.

Is the service managed for improvement?

Resource management and efficiency

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

- 4.28 The Association's maintenance budgets take account of past performance and anticipated future needs. Staff use budgets broken down to local areas and monitor costs against these. Hillcrest monitors costs for response repairs and planned maintenance well and provides detailed reports to the Committee.
- 4.29 Hillcrest's response repair maintenance costs have increased over the last two years, but are still below peer group averages and national medians. Although the figure for 2003/04 reduced to £183.06, current indications for 2004/05 show that it is likely to be in the region of £234.
- 4.30 All response repairs are commissioned on a day works basis and apportioned out to approved contractors operating in each of Hillcrest's areas. When the completed orders are returned, the maintenance officer checks the works order using one of two methods. In Dundee, maintenance officers use a 'yard stick' which lists benchmark prices for common jobs and key components. In all of the Association's other areas of operation, maintenance officers use their local knowledge on costs alongside an annual review of contractors prices to award jobs. Hillcrest does not currently operate a set pricing scheme, and recognises that without a formal system for monitoring costs it is unable to demonstrate that it achieves value for money for its response repairs service. It is now considering the introduction of a schedule of rates for ordering responsive repairs as a way of addressing this area of weakness.
- 4.31 Hillcrest formally tenders its planned maintenance works on a project-by-project basis, using traditional procurement methods and has good procedures in place to ensure it achieves value for money. It is now at an

early stage of formally awarding contracts on a quality and price basis and is using partnering[‡] for its planned maintenance activities.

- 4.32 Hillcrest invoices tenants for all rechargeable repairs*. In 2003/04 it recovered 38% of the £33,650 tenants owed the Association, compared with 34% the previous year. Recognising that its performance in this area could be improved, Hillcrest has put in place a number of measures to address the effectiveness of its approach to recovering rechargeable repairs costs.
- 4.33 Hillcrest's performance in this area is mixed. Its approach to controlling budgets for response repairs is effective, and arrangements for procuring planned and cyclical maintenance work well. However, the Association recognises that its approach to controlling the costs of its property maintenance service could be improved. The lack of a more formal approach to procuring response repair services means that Hillcrest cannot demonstrate that it is achieving value for money in its response repairs service.

Performance management

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

- 4.34 Overall, Hillcrest has a good approach to managing the property maintenance service, although some areas of its performance management framework are underdeveloped. The Association has corporate objectives set out in its internal management plan (IMP) and service level plans for the new asset management team that outline the Association's aims for the property maintenance service. These are linked with SMART objectives for the delivery of high quality services. The Association is developing a culture of continuous improvement, although outcomes have yet to show a positive impact in some of the key areas.
- 4.35 Hillcrest has a strong awareness of its current performance and we saw that it had identified its weaker performance in a number of operational areas through its own performance management processes. It has regularly reviewed policies and procedures which on the whole are clear, and provide staff with good direction.
- 4.36 Hillcrest has good and improving systems for monitoring its performance in delivering the property maintenance service. We saw a number of strengths in the Association's approach to performance management, as well as areas which could be developed further. Hillcrest generally has

[‡] see glossary

good systems for monitoring and reporting on its performance on delivering its property maintenance service and has firm plans in place to improve the service.

Grade and overall assessment of property maintenance

- 4.37 Our overall assessment is that Hillcrest's property maintenance service is good. We found many strengths in the service along with some areas where improvement is needed. We set out below the key factors we have taken into account in coming to our overall assessment.
- 4.38 Hillcrest's houses are built to a high standard, and its properties are generally well maintained. The Association is carrying out regular and well managed programmes of planned and cyclical maintenance and is committed to improving the quality of its maintenance services. Access to the repairs service is good, and tenants are generally happy with the service they receive.
- 4.39 Alongside these strengths, we found a number of weaknesses including:
- the Association's failure to meet its statutory duties in relation to the management of gas safety and asbestos;
 - methods of procuring response repairs which mean that it cannot be sure it is controlling costs effectively;
 - its poor performance in completing repairs within target timescales, relative to peer and national comparators;
 - the management of pre and post inspections and Right to Repair; and
 - an underdeveloped approach to involving tenants in shaping the property maintenance service.

5. Governance and financial management

Leadership and direction

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

- 5.1 Hillcrest Housing Association has four subsidiaries and two related companies and together these organisations are known as the Hillcrest Group (see 5.13). The Association's Committee of Management, which also oversees the activities of the Group, is an excellent resource for the Association. Members have a strong awareness of the range of issues and challenges facing the Association and demonstrate a clear vision of its purpose and the future direction for Hillcrest.
- 5.2 The Hillcrest Group sets out its mission statement for the future in its Internal Management Plan (IMP). The plan has many strengths:
- it has both a short and medium term focus;
 - it shows a good understanding of the operating context;
 - it is developed using an inclusive approach which involves senior staff and committee; and
 - it is discussed with all staff within the Hillcrest Group at the annual staff conference.
- 5.3 The IMP concentrates on wide ranging corporate objectives which relate to the Group as a whole, and the strategic aims of the Housing Association are not sufficiently articulated within it. This limits the effectiveness of the IMP as a tool for guiding the strategic direction and core activities of the Association. Hillcrest is aware of these limitations and we saw that it had started to improve its strategic plans for asset management and housing management.
- 5.4 Hillcrest is well aware of the shortcomings of its planning processes. Over the last 5 years, planning has been driven by a very specific focus on bids and mergers. Hillcrest has recently started to work on improving its planning processes, and it moving towards developing longer term plans. As part of this process, an internal audit was commissioned on strategic control arrangements and reported in March 2005. The internal auditor highlighted some weaknesses:
- there is not always a close fit between IMP objectives and departmental objectives;
 - strategic objectives are not translated into specific service objectives, standards and targets; and
 - departmental objectives are not always SMART*.

During our inspection, we saw that immediate steps had been taken to act on the recommendations for improvement made by the auditor.

- 5.5 Hillcrest has a clear sense of purpose and direction. It has recognised the limitations of its current planning processes and is taking steps to improve them.

Clear functions and proper control

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

- 5.6 Hillcrest's Committee of Management has a clear understanding of its role and works constructively with staff. The full committee meets six times a year and receives reports from each of the sub committees and from the subsidiaries. In addition to serving on the sub committees, most members also serve on the boards of Hillcrest's subsidiaries. Six sub committees support the role of the Committee of Management. These are:

- Audit;
- Housing and Asset Management;
- Development;
- Social Enterprise;
- Appeals panel; and
- Staff and General Purpose.

- 5.7 Responsibility for front line services provided by the Association is delegated to the Housing and Asset Management sub committee. During our inspection, we observed one of its meetings and reviewed papers from earlier meetings. The sub committee has an exceptionally large remit covering both housing services and property maintenance. We noted that:

- the sub-committee meets only quarterly;
- agendas, committee papers and meetings are very long;
- the opportunity for meaningful discussion on performance in key areas and review of policies is limited;
- it has a total membership of four; and
- some key decisions are delegated to the Convenor of the sub committee.

While this is permissible within Hillcrest's own rules and committee remits, the current structure puts a heavy burden on the individuals concerned and limits the control that the sub committee can have over the key service delivery areas of housing management and property maintenance.

- 5.8 Performance reports are presented to the sub committee on a quarterly basis. These have important gaps which mean that members are not given a sufficiently up to date or wide ranging overview of performance. The reports do not support the sub committee enough to guide and control the front line services of the Association effectively:

- reports contain limited information on targets and trends and no narrative to help members identify key points;

- members do not routinely receive any benchmarking* information to indicate how Hillcrest's performance compares with that of other landlords;
- the reports contain limited information about service users' views of the service;
- there is little breakdown of key indicators and performance on an area office basis, despite each office facing different management problems; and
- some key areas of performance, such as the outcomes of allocations, reasons for tenant dissatisfaction with repairs, and outcomes of formal complaints, are not reported to committee.

Hillcrest is aware that improvements are required in its committee reporting systems and has already identified potential new approaches to improve performance reporting and facilitate greater committee control.

- 5.9 Hillcrest fully recognises that its current governance structure has become unwieldy and may not meet the needs of an increasingly complex organisation operating in a group structure. Shortly after our inspection, the Association commenced a comprehensive Group Governance Review which will, amongst other things, make recommendations on the relationships between the different organisations that are part of the Hillcrest Group, and the most suitable committee structure for the organisation. The Association had delayed this review in order to take account of the findings of Communities Scotland's national review of RSL Governance (see also 5.11).

Developing capacity

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

- 5.10 Hillcrest has a strong, well established Committee of Management which consists entirely of working and retired professionals with a wide range of experience. The Association's view is that, given the increasingly complex and diverse nature of its business, committee members need to bring with them specific professional skills and expertise. We saw that Hillcrest has attracted new committee members whose skills meet the needs of the organisation. However, the Association has no succession planning framework in place, which has implications for the long term sustainability of its Committee.
- 5.11 Hillcrest does not regularly review either the individual or collective training and development needs of its Committee members. Even within an experienced committee, it is recognised good practice that skills and

* see glossary

knowledge are reviewed, developed and updated on a continuous basis to best equip members to meet new requirements and face new challenges. Hillcrest has recognised that its approach to committee training and development should be strengthened and has taken steps to address this.

- 5.12 Hillcrest's approach to recruiting new committee members is not formally articulated, and is relatively closed. When a vacancy on the board arises, the existing committee members and senior staff seek to co-opt individuals to fill any perceived skills gaps, and the Association does not publicise the skills and experiences which potential committee members would need. This means the Association could be limiting its pool of potential new committee members. Hillcrest is aware of the shortcomings of its current approach and has firm plans in place to set out clearly the competencies which would qualify people to be considered as potential new committee members.

Hillcrest recognised all of these issues well before our inspection and we saw that it plans to consider each of them as part of its Group Governance Review.

Group Structures

Social landlords in group structures should be able to operate independently, have clear and separate identities, control potential conflicts of interest and ensure that their assets are not put at risk by subsidiaries.

- 5.13 Hillcrest Housing Association is the parent of the Hillcrest Group, which includes the following subsidiaries:
- Gowrie Care, which provides care and support services;
 - Hillcrest Agency Services, originally set up to provide agency services to other social housing providers, which also manages an innovative construction industry apprenticeship scheme established by the Group; and
 - Hillcrest Enterprises, currently dormant but established as a vehicle for providing houses for mid and market rent and low cost home ownership.

In addition there are two related companies in the group:

- Gowrie Housing Trust, which provides social rented housing for special needs; and
- Upper Dens Landscaping, jointly owned by Hillcrest and Servite Housing Associations to manage common ground in the Upper Dens area of Dundee.

- 5.14 The group structure allows Hillcrest to carry out a wide range of activities that are compatible with its wider aims and with the charitable status of the Housing Association. Constitutional arrangements should be in place to

ensure that the Housing Association and all of its subsidiaries retain separate identities. Hillcrest has taken care to ensure the independence of Gowrie Care, the largest and by far the most active of the subsidiaries. Eight of the eleven Gowrie Care Committee members are not members of the Hillcrest committee of management. However the committees of Hillcrest Enterprises and Hillcrest Agency Services are currently made up almost entirely of members of the committee of management of Hillcrest Housing Association. This makes it difficult for the subsidiaries to operate independently and control potential conflicts of interest. Although Hillcrest Enterprises is currently dormant, Hillcrest Agency Services delivers a high profile building apprenticeship scheme. Hillcrest recognises that this is a weakness and is actively seeking to address this.

- 5.15 Hillcrest is aware of the issues surrounding group structures. It intends to review its current structure as part of the Group Governance Review, to ensure that the way the group is set up and governed is fully capable of operating independently, minimising risks and facilitating all of its activities effectively.

Accountability

Engaging stakeholders, public reporting and making accountability real.

- 5.16 The 2002 tenant survey indicated that Hillcrest tenants have a low level of understanding of how the organisation is run. Only 21% knew that the Committee of Management had overall control, and only 32% knew that tenants could become involved in decision and policy making. Hillcrest's tenants handbook and website give very limited information about the governance structure or membership and the newsletters give little information about the committee and the AGM.
- 5.17 Hillcrest's senior staff and committee are of the view that efforts to raise tenants awareness of these issues is of limited value, and the organisation does not actively facilitate tenants' participation at governing body level. Hillcrest has in the past had a significant number of tenant committee members. However the increasing complexity of the organisation has led Hillcrest to take the view that committee membership must be based on skills and competencies rather than tenure. However the current closed approach to recruitment as described in 5.12 coupled with the fact that they are not made aware of the contribution they could make, means that suitably qualified tenants and service users will find it difficult to be considered for committee membership.
- 5.18 A strong membership and good levels of participation have traditionally been regarded as important ways for a landlord to demonstrate accountability and ensure that tenants' interests are at the heart of the organisation's decision making. Hillcrest does not actively promote

membership and takes the view that there are more appropriate and effective mechanisms for an organisation of its size and complexity to offer tenants opportunities for increased involvement.

- 5.19 The lynchpin of Hillcrest's approach to accountability is the development of area based tenant focus groups, which it also refers to as tenant consultative committees. This model has been integral to Hillcrest's approach to tenant involvement and consultation since 2001, and the 2002 tenant survey indicated that one in five respondents were interested in getting involved in them. Despite this, the model is not yet functioning well. We attended meetings of groups in both Dundee and Angus and observed that:
- the groups have no clear remit or structure and tenants are unclear about their purpose;
 - they meet intermittently and have no forward programme;
 - the outcomes from the meetings are not monitored or reviewed; and
 - the existence of the groups is not publicised in an ongoing way to tenants and service users.
- 5.20 Overall, Hillcrest's approach to tenant participation is underdeveloped. The key weaknesses we saw include:
- no action plan to support the participation strategy;
 - no systematic recording of how tenants have influenced policy review or service delivery;
 - lack of monitoring and reporting on progress against objectives;
 - perception of tenant participation and consultation as a housing management function; and
 - failure to give sufficient priority to ensuring tenant participation is effective throughout the organisation.
- 5.21 Hillcrest recognised the weaknesses in its approach to tenant participation prior to our inspection, and was already taking steps aimed to ensure that this area of work is given greater prominence. The IMP for 2005/07 gives tenant participation and consultation strategic priority and progress will be regularly monitored by the committee of management. Furthermore, during our inspection, we saw that efforts were being made to engage tenants in a new working group to review Hillcrest's tenant participation strategy. Whilst these are positive steps, Hillcrest has not developed an alternative approach to accountability through tenant participation and currently cannot demonstrate that it achieves accountability through any route.
- 5.22 Social landlords should be responsive to the views of their tenants and service users. As we have already highlighted at 3.39, Hillcrest's approach to collecting and analysing satisfaction information about services requires further development. The Association does not currently

have an accurate and up to date picture of its service users' views, and this limits its ability to be a responsive landlord.

- 5.23 Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance. Hillcrest produces informative annual reports, a regular newsletter, a comprehensive tenants handbook and a good range of leaflets and information sheets about its services. It also has a website. We comment at 3.41 on the quality of this information and the Association's plans to improve it.
- 5.24 Hillcrest reports on its performance regularly and in a range of ways. Relevant information is included in newsletters and its annual report, and is clearly displayed in reception areas. However, it does not provide explanatory narrative and comparisons of its own performance against that of other landlords to show how well it is performing.
- 5.25 Overall, Hillcrest's approach to accountability is mixed. It is good at reporting publicly on its performance and generally provides good quality information to its tenants. However although it chooses not to use traditional methods to facilitate accountability, it cannot yet show that its alternative participation structures are effective. The Association recognises that tenant participation has not been given sufficient focus is taking steps to remedy this.

Ethical Standards

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

- 5.26 Hillcrest is aware of the importance of committee members and staff maintaining high ethical standards. It has a code of conduct in place which sets out the standards of behaviour expected of governing body members and it requires members to declare an interest on any agenda item at the start of each meeting. The recent internal audit report on governance strategic control procedures highlighted some weaknesses in the way that Hillcrest deals with potential conflicts of interest, and made recommendations for improvement. This included provision for declaration of interest forms for staff and committee members which include reference to any family connections with organisations used by the Association. We noted that Hillcrest has taken immediate action to adopt these recommendations.
- 5.27 Hillcrest's policy on conflicts of interest permits staff and committee members to employ approved contractors and consultants for private work. The policy makes clear this should be avoided if it creates 'an

impression of a close relationship or favours'. It also states that personal use of contractors will only be permitted on the condition that there is open declaration and recording, and we saw from registers and committee papers that this was being done appropriately. However, the current policy does not make exceptions for senior staff and those involved in procurement decisions, which means that it is difficult for the Association to ensure that no conflicts of interest can occur, or be implied. It is good practice for RSLs operating in urban areas to avoid this practice. Hillcrest has accepted that it exposes the Association to risk by allowing such staff to use its contractors and consultants and intends to review its policy further.

- 5.28 The internal auditor recently made a recommendation that the Hospitality and Gift Policy be reviewed and that consideration should be given to staff and committee no longer accepting gifts or corporate hospitality. This issue was robustly debated by the audit sub committee. Whilst it was agreed not to allow staff to accept gifts, it was agreed that Hillcrest would continue to accept corporate hospitality. Hillcrest is aware of the potential risks that acceptance of hospitality could bring and has taken these into account when framing its policy. Defined limits have been put on the value of hospitality that can be accepted, and a transparent system for monitoring and reporting both the incidences of hospitality declined and accepted has been developed. It is good practice for RSLs to decline most corporate hospitality, and Hillcrest has agreed to continue to review its policy.
- 5.29 Hillcrest is aware that payments and benefits to board members, staff and their relatives may only be granted in accordance with Schedule 7 of the Housing (Scotland) Act 2001. It has taken care in the past to seek advice and assistance in the handling of complex cases. However we found that it is not administering the granting of tenancies in line with legislation. Hillcrest's practice has been to report to committee the applications for housing it receives from staff and committee members and their relatives, and has not obtained the necessary prior approval from committee before granting the tenancy. Although we saw that all the tenancies were granted appropriately and in line with Hillcrest's allocation policy, this practice is a breach of Schedule 7. Hillcrest took immediate steps to ensure that its procedures are in line with the guidance issued by Communities Scotland.

Managing risk

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

- 5.30 The governing body of an RSL has overall responsibility for identifying, minimising and managing risk as part of its overall control of the

organisation. Hillcrest identified its approach to risk management was weak early in 2004, but this weakness was not fully addressed until February 2005 when a Risk and Compliance Manager was appointed. Since then a considerable amount of work has been undertaken to improve Hillcrest's approach and the audit sub committee approved new risk management policy and procedures in May. Some positive features include:

- a comprehensive risk register and a set of procedures to regularly monitor and update this;
- a process of formally evaluating risk factors for any proposed new business ventures;
- plans to embed risk management across the organisation through awareness training and risk management meetings; and
- regular reporting to the Audit sub committee.

5.31 Effective internal audit of all of the organisation's areas of activity is an integral part of risk management. Hillcrest has a three year programme of internal audit which covers all areas of activity. The programme is overseen by the Audit sub-committee. The results of internal audit reports are presented to and discussed by this sub committee, which also oversees the implementation and planned impact of recommended improvements. We attended a meeting of this sub committee and saw that reports are robustly discussed and that the sub committee has a strong sense of its role in controlling this key activity.

5.32 We found that Hillcrest's governance has some strengths. The Committee of Management is exceptionally experienced and able, provides a clear strategic direction and works well with senior staff. There are some areas of weakness and where improvements are needed, as well as some issues around the effectiveness of the current governance structures. Hillcrest has a good awareness of where it needs to improve and will consider these as part of its Group Governance Review. There are some weaknesses around its procedures for managing conflicts of interest which the Association has agreed to review. Hillcrest has not yet developed robust mechanisms to enable tenants to play a meaningful role in its decision making, but has started to put in place plans to improve its performance in this area.

Financial viability and management

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

5.33 Historically, Hillcrest's financial performance has been good with surpluses being returned. Long-term 30 year financial projections indicate that Hillcrest should remain sustainable in the future. However, these projections were prepared in 2001 and do not include the financial effects

of the recent mergers and stock transfer, or the financial effects of the requirements of the Scottish Housing Quality Standard (SHQS). On receipt of the financial information relating to the SHQS the 5-year projections will be updated and will then form the basis for the first 5 years of the revised 30 year projections.

| Financial performance | 2000/01 (Actual) £000s | 2001/02 (Actual) £000s | 2002/03 (Actual) £000s | 2003/04 (Actual) £000s | 2004/05 (Forecast) £000s | 2005/06 (Budget) £000s |
|---------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|---------------------------------------|
| Turnover | 7,311 | 7,598 | 8,091 | 11,185 | 12,998 | 14,182 |
| Operating Surplus/ (Deficit) | 2,726 | 3,201 | 2,569 | 4,051 | 4,110 | 3,776 |
| Net Surplus/(Deficit) | 833 | 1,707 | 956 | 2,158 | 1,881 | 734 |

- 5.34 The Association has a good budget setting process in place. This process, overseen by the Director of Finance, includes input from budget holders and allows for the budget to be approved by the Committee of Management prior to the start of the financial year. The budget is revised mid-year to incorporate any change that will affect the forecast year-end outturn.
- 5.35 The Committee of Management receives budgets for the Housing Association and for each of the subsidiaries, allowing the committee to view the budgeted position for each subsidiary separately. As a consolidated Group budget is not prepared, the committee is unable to see clearly the Group position.
- 5.36 The Housing Association's budget contains a good level of detail covering a 5-year period, with income and expenditure summarised by the contribution each area of the business makes to the overall surplus or deficit. This is a good basis for budgeting which ensures committee members are aware of how each area of the business performs. The Committee of Management is required to endorse any area projected to show a deficit. No balance sheet projections or key performance targets are currently prepared, although it is the Association's intention to do this in the future.
- 5.37 Salary costs are allocated to each area of the business, including subsidiaries, on a time sheet basis. Finance and administration costs however, although accurately recorded, are allocated on an informal basis by the Director of Finance. It would be good practice to apportion formally both direct and overhead costs, to ensure budget information presented to the committee accurately shows the full cost for each area of the business.
- 5.38 Hillcrest's Committee of Management receives regular quarterly financial reports for the Association comparing actual income and expenditure

- against budget. These reports are prepared in a similar format to the budget. The reports are very comprehensive and provide committee members with a good level of information, with all material variations against budget highlighted and explained. No revised year end outturn is shown in these reports, as a result of which it is not clear to the committee whether any of the variances will have an impact on the full year budget.
- 5.39 Hillcrest does not produce quarterly financial reports for its group, to include its subsidiaries. These would provide the Committee of Management with a clearer view of the performance of the Group as a whole.
- 5.40 Although an extensive range of financial ratios is prepared and reported to committee quarterly, no comparison against Hillcrest's targets or a similar Housing Association is made to set the ratios in context.
- 5.41 Hillcrest Housing Association provides services to Gowrie Housing Trust Limited, Gowrie Care Limited and Hillcrest Agency Services Limited. Service level agreements are in place with Gowrie Housing Trust Limited and Gowrie Care Limited. However, these do not accurately reflect the current charging by Hillcrest Housing Association. There is no agreement in place with Hillcrest Agency Services Limited, but this is being considered as part of Hillcrest's Group Governance Review. Although surpluses within Hillcrest Agency Services Limited are covenanted back to the housing association, a service level agreement should be in place. It is the Association's intention to consider this as part of its Group Governance Review.
- 5.42 Hillcrest has low exposure to financial risk and is financially viable in the medium term. However, the extent of growth over a short period of time has resulted in major changes within the Association and although long term sustainability is demonstrated in the 2001 projections, there are no current long term projections which take account of the more recent and fundamental changes to the RSL's structure. Hillcrest has now entered a period of consolidation when changes implemented will have a chance to bed in and any benefits of the growth should become apparent. The financial management framework has many strengths. The Association is aware of a number of weaknesses and has plans in place to address them.

6. Areas for Improvement Action

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

Across all of its activities, Hillcrest should:

- collect information on tenant satisfaction with services and use this to shape and improve services;
- ensure that its activities relating to equalities and tenant participation are sufficiently well resourced and given the appropriate level of priority throughout the organisation; and
- link IMP objectives more closely with departmental plans and develop SMART targets covering all areas of service delivery.

In housing management, Hillcrest should:

- ensure that the new suspensions policy and the new allocations policy are implemented as soon as possible;
- amend its approach to reviewing the housing list to ensure that applications are not cancelled inappropriately;
- develop guidance for staff on how to allocate houses across the different quota groups, clarify objectives in setting quotas for letting houses, and monitor lettings outcomes in terms of housing need;
- ensure that allocations decisions are always fully documented;
- ensure that it uses the threat of legal action effectively, and aims to minimise evictions;
- set out its approach to how it will manage occupation after it has received an order for possession;
- monitor closely the implementation and impact of its new approach to the management of rent arrears; and
- ensure that staff provide a consistent level of assistance with housing benefit claims.

In property maintenance, Hillcrest should:

- significantly improve its performance in complying with gas safety regulations;
- improve its performance on completing response repairs within timescales;
- ensure that it meets statutory duties on the management of asbestos in common areas;
- monitor how tenants report repairs and use this information to improve the service;
- demonstrate that it manages its repairs service to achieve value for money; and
- ensure that there are sufficient training opportunities for staff in the district offices, especially on Right to Repair.

In governance and financial management Hillcrest should:

- make changes to its governance structure to improve its effectiveness;

- ensure that it manages all potential conflicts of interest appropriately;
- increase staff and committee awareness of the requirements of Schedule 7 of the Housing (Scotland) Act 2001 to ensure full compliance;
- formalise its approach to strategic planning and ensure that operational activities link directly to strategic objectives;
- improve committee reports on performance in key areas;
- ensure that the proposed committee skills audit is completed and that a training plan is agreed and delivered;
- put in place a succession planning framework to ensure the long term sustainability of the governing body;
- develop and support effective structures for greater engagement with stakeholders to improve accountability;
- update its 30-year financial projections to include all areas of the business and the financial effect of meeting the SHQS;
- extend the budget package to include cashflow and balance sheet information, and key performance targets;
- extend the quarterly financial reports to include a revised year end outturn and cashflow and balance sheet information;
- update the service level agreements with Gowrie Housing Trust Limited and Gowrie Care Limited to reflect current charging; and
- prepare a service level agreement for provision of services to Hillcrest Agency Services Limited.

7. Next Steps

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

Hillcrest Housing Association Ltd
4 South Ward Road
Dundee
DD1 1PN

Telephone: 01382 224083
E-mail: reception@hillcrestha.org.uk
Website: www.hillcrestha.org.uk.com

Sources of Evidence

Groups and third parties consulted

- Dundee City Council
- Angus Council
- Perth and Kinross Council
- Edinburgh City Council
- Fife Council
- Crieff Residents Association
- Wishart Place Tenants Association
- Carlile Place Tenants Residents Association
- Scottish Public Services Ombudsman
- Communities Scotland Investment Team
- Communities Scotland Tenant Participation Development Team
- Angus Welfare Rights
- Angus Money Advice Centre

Interviews / meetings

- Members of the Association's Committee
- Chief Executive
- Director of Housing Services
- Director of Asset Management
- District Housing Managers (x3)
- Senior Housing Officer
- Contracts Manager
- Contracts Officer(x2)
- Housing Services Manager
- Tenancy Support Coordinator
- Risk and Compliance Manager
- Tenant Participation Officer
- Money Advice Worker
- Frontline staff
- Applicant for housing
- Discussions with a range of tenants and service users

Reality checks

- Review of arrears cases
- Review of legal actions against tenants
- Review of anti-social behaviour cases
- Review of gas safety documents
- Review of complaints
- Review of reported repairs
- Review of housing list applications and allocations

- Review of empty house management records
- Review of abandoned house records
- Review of information for applicants and tenants
- Shadowing arrears visits
- Shadowing repairs post-inspection
- Shadowing tenancy sign-up
- Shadowing a new tenant settling-in visit
- Estate visits
- Observation of the provision of information and advice
- Observation of committee and sub-committee meetings
- Review of appeal and Schedule 7 registers
- Review of planned and cyclical maintenance reports

Key documents reviewed

- Inspection submission
- Allocations policy
- Section 5 Protocols
- Tenant participation strategy
- Tenant satisfaction survey
- Procedures for consulting tenants on the proposed rent increase
- Procedures for consultation with tenants and other users on policy reviews
- Equal opportunities policy and action plan
- Estate management policy
- Arrears management policy
- Committee and sub-committee minutes
- Staff training plans
- A range of written communication with tenants and service users
- Annual Report
- Internal Management Plan
- Internal Audit Report
- Internal Audit Plan
- Maintenance Policy
- Procurement Policy
- Contractor Reviews
- Empty house standards
- Newsletters

Examples of Positive Practice

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

Sustaining tenancies and preventing homelessness

The Association recognises that some tenants face particular difficulties in sustaining their tenancy. It has developed a range of initiatives to support tenants, including the provision of tenancy support, financial advice and help to access training and employment, including:

- Hillcrest's in-house Tenancy Support Service, funded by Supporting People, aims to reduce the number of tenancies that fail because of lack of understanding of tenant responsibilities. The service is designed to help tenants achieve a greater independence and gain the skills and confidence to allow them to sustain their tenancy. The team offer a range of assistance and support depending on the needs of the individual. People in need of tenancy support can contact the team directly or can be referred by their housing officer, social worker or support worker. The team report that over half of the tenants they provide support for successfully maintain their tenancies.
- The Stirling Street Project comprises 8 single apartment furnished flats let to homeless people for a six to twelve month period. The Tenancy Support team provide tenants with a tailored package of support to prepare tenants for independent living in mainstream accommodation. As part of their tenancy agreement Stirling Street tenants also agree to undertake training provided by Instep Initiative which aims to improve literacy and numeracy skills and guide tenants towards employment or further education.
- The Association works in partnership with Tayside Furniture Project/TRYET to provide start-up packs for new or existing tenants who have no other means of securing household items. At the time of inspection 33 packs had been issued since the inception of the project.
- Hillcrest appointed a Money Advice Officer in August 2004, funded by the Communities Scotland Wider Action Fund. The MAO provides a free, confidential and impartial service to all Hillcrest tenants and provides help with financial issues including:
 - Managing money/household budgeting/financial health check
 - Income maximisation/benefits
 - Debts/arrears
 - Low cost home insurance schemes
 - Bank accounts/Savings schemes/Low cost borrowing

In addition the MAO has an active role within Hillcrest in raising awareness of the service and in sharing information and expertise on benefits and financial matters. The service is well publicised through newsletters and posters, and in addition a good range of helpful leaflets and factsheets have been produced for customers.

- In Stobswell, one of Dundee's key regeneration areas, with the assistance of Wider Action funding Hillcrest has appointed an Active Communities Officer and established the Hillcrest Advice Centre. A wide range of agencies provide weekly surgeries at the advice centre to ensure that local people gain easy access to the help and advice they need. These include:
 - Action Team for jobs, and Careers Scotland offering practical advice and support to access employment and training
 - Dundee North Law, offering free legal advice
 - Police Community Liaison
 - Dundee outreach, aimed at assisting single homeless adults access secure accommodation
 - Shelter, offering advice on all housing issues
 - Ethnic minority job shop offering support to Urdu and Punjabi speakers in the community
 - One Parent Families: advice and support for lone parents

Responsiveness to Tenants

- Hillcrest has held an annual conference, open to all tenants, each year since Annual Tenants' Conference since 2002. Although feedback from attendees was positive, these events attracted less than 50 participants. Hillcrest was keen to improve tenant involvement in 2005 and actively sought the views of tenants who had not previously attended in an attempt to plan an event which would attract more participants. As a result a decision was made to hold an open day rather than a conference (which was perceived by many tenants as too formal), with activities for children, in a location which was easily accessible by road and public transport. In addition the exhibition style format with a limited number of drop-in workshops, was based on tenant preferences. The outcome of this responsiveness was that over 400 tenants attended the Hillcrest open day held at Discovery Point in Dundee in June

Quality of Neighbourhoods

- Hillcrest seeks to minimise the levels of neighbour complaints by raising tenant's awareness of what causes annoyance to others. Hillcrest has successfully worked with tenants to produce a good neighbour leaflet which outlines in clear and understandable terms tenant's responsibilities to their neighbours.
- In each of its new developments Hillcrest organises a 'Welcome event', which are billed as 'an informal evening of chat and information about our housing services'. Hillcrest tries to encourage maximum attendance by holding these

events in an accessible venue and providing complimentary drinks, buffet and transport, as well as activities for children. As well as allowing tenants the chance to meet and talk to staff, these events allow neighbours to meet for the first time. In doing so Hillcrest is supporting the development of the new communities it serves and assists in the building of good relationships between neighbours.

- In partnership with Dundee City Council and supported by Communities Scotland's Wider Action funding, Hillcrest has developed a new Sports Initiative open to all young people living in its properties. The initiative aims to increase the number of young people participating in sporting activities during the school holidays. This is a positive step in promoting the Scottish Executive's policies on healthier lifestyles and building stronger communities. The initiative was developed as a result of feedback from tenants which identified the lack of facilities and activities for young people as an issue, as well as a marked increase in reports of anti social/ nuisance activities by young people during the school holidays. An additional objective of the initiative is to facilitate a reduction in neighbour nuisance complaints and increase in tenant satisfaction with their neighbourhoods.

Resource management and efficiency

- Hillcrest faced up to the considerable challenge of its Difficult to Let stock in Dundee early and has developed a range of initiatives in order to reduce voids, including:
 - Supplying white goods to some properties.
 - Providing carpets/blinds for new tenants.
 - Reducing rents to £100 per month for bed-sit properties.
 - Visiting properties, where the tenant is about to leave, to agree necessary repairs.
 - Holding an open day for re-modelled bed-sits that attracted many visitors.
 - Setting up show flats in Dundee, Brechin and Montrose and advertising these locally.
 - Advertising on Radio Tay and in local newspapers.
 - Contacting all major employers in Dundee and Angus.
 - Taking an exhibition stand at Abertay University during Freshers' Week.

Working with equalities groups

- Hillcrest has developed links with a number of equalities groups in order to promote access to its housing and, to education, training and jobs. It works with the Maxwelltown Information Centre in Dundee, the SFHA/Fife Equality Group, and the Chinese Ladies Group in Fife. In Stobswell classes are provided in English as a Foreign Language to ethnic minority women.

Glossary

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| Affordability | An Assessment of what a tenant can pay towards an arrear after living costs and other debts have been taken account off. |
| Annual Statistical and Performance Return (APSR) | Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs. |
| Arrears direct payments | Payments direct to a landlord from a tenants state benefits to cover outstanding arrears |
| Average | The arithmetic mean – the sum of all the values divided by the number of values. |
| Benchmarking | A process used by organisations to systematically compare service processes and performance to identify best practice. |
| Common housing register | A register of all applicants for social housing used by two or more landlords within an area. |
| Cyclical maintenance | Planned programme of work to deal with predictable deterioration of building components, for example regular painting of window frames. |
| Focus group | A group of people brought together to have a structured discussion on a specific subject or set of subjects. |
| Housing list | A list of applicants for housing which is used by the RSL to allocate its housing stock. |
| ICT | A landlord's information communication technology system. |
| Industrial and Provident Society | An organisation conducting its business, either as a co-operative or for the benefit of the community, and which is registered under the Industrial and Provident Societies Act 1965. |
| Inspection submission | Documents submitted by the landlord at the start of the inspection to provide information to on its performance, context and how it is structured. |

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| Internal Management Plan (IMP) | Strategic plan which sets out what the organisation aims and objectives are as well as outlining how it will achieve them |
| Life cycle costing | A method of calculating the cost and timing of the repairs to, and replacement of, major building components. |
| National median | The central value of the ordered performance of all Scottish RSLs. |
| Non Technical Arrears | Rental charges owed to a landlord after any outstanding Housing Benefit claims or payments have been taken account of. |
| Notice of proceedings (NOP) | Documentation required to be served by a landlord advising the tenant(s) of the landlords intention to raise an action in the courts to end the tenancy. |
| Partnering | 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. |
| Peer group | A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs. |
| Performance indicator | A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations. |
| Performance Standards | Housing standards for all social landlords in Scotland. |
| Planned maintenance | The planned renewal or maintenance of key property components. |
| Post Inspection | Inspection by a member of the landlords staff to check the on the quality or deal with a complaint concerning a response repair. |

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| Pre inspection | Inspection by a member of the landlords staff to check the on the exact nature of the work required before ordering a response repair. |
| Procurement | The way an organisation obtains services or materials from other organisations or agents. |
| Quartile | The range represented by one quarter of the ordered performance of all Scottish RSLs. So for example, the upper quartile is the top 25% of RSLs. |
| Rechargeable repairs | Work that is the responsibility of the tenant but has been done by the landlord. |
| Registered social landlord (RSL) | A landlord providing social rented housing that is registered and regulated by Communities Scotland. |
| Re-lets | Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised. |
| Response repairs | Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance. |
| Right to Buy | Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy. |
| Right to Repair | Statutory scheme which sets out timescales for some repairs and actions which can be taken if timescales exceeded. |
| Schedule of Rates | List of costs for repair items ,usually organised by trade. |
| Scottish Public Services Ombudsman | The independent body appointed to investigate individual complaints against public service bodies including Registered Social Landlords (RSL). |
| Scottish Housing Quality Standard (SHQS) | Was brought into to ensure minimum quality standards across all of Scotland's homes and is to be achieved by 2015 |

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| Scottish Secure Tenancy (SST) | The Housing (Scotland) Act 2001 establishes the as the tenancy for all tenants of social landlords in Scotland. |
| Short Scottish Secure Tenancy (SSST) | Section 34 and schedule 6 of the Housing (Scotland) Act 2001 establish the basic conditions when a Short Scottish Secure Tenancy can apply to some tenants of social landlords in Scotland in place of a full SST. |
| Schedule 7 of the The Housing (Scotland) Act 2001 | Defines how those involved with RSLs (governing body members and staff) do not benefit in an inappropriate fashion |
| Section 5 referral | Under Section 5 of the Housing (Scotland) Act 2001 a local authority can request a registered social landlord which has accommodation in its area to provide accommodation to homeless people. This request is known as a Section 5 referral. |
| Serious arrears | Where a tenant owes more than 13 weeks rent payments and this is more than £250 |
| Service level agreement (SLA) | An agreement between departments within an organisation or between partner organisations that defines the type and level of service they will provide. |
| Shadowing | An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks. |
| SMART | The setting of targets which are specific, measurable, achievable, relevant and timed. |
| Stakeholder(s) | Any person organisation who obtains a service from the landlord or is effected by the landlords actions. |
| Standard Arrears letters | A series of general letters held by a landlord to be sent out to tenants in arrears |
| Statutory reasonable preference categories | People who have one of these housing needs: homelessness, overcrowding, large families, living in below tolerable standard housing or unsatisfactory living conditions. |
| Stock transfer RSL | An RSL where the majority of its houses were acquired as a result of a transfer of local Authority or Scottish Homes houses to it. |

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| Suspension or Suspension Policy | Policy by which a landlord may temporarily suspend an applicant from receiving offers from its housing list as defined in the 1987 Housing (Scotland) Act and amended in the 2001 Housing (Scotland) Act |
| Technical Arrears | Rental charges owed to a landlord as a result of an outstanding Housing Benefit claim or payment. |
| Tenant Assessor | Tenant assessors are trained lay people (tenants) who are part of the inspection team. They are involved in the preparation for the inspection, reading landlord materials and on-site visits as well as talking to tenants. |
| Turnover (empty houses) | The number of houses that are vacated in a year expressed as a percentage of the landlords housing stock |
| Wider Action | Actions taken by a landlord outside of its normal landlord role to promote social inclusion in the communities it serves |

Regulation & Inspection

EDINBURGH

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

GLASGOW

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