

Pathfinder Inspection Report

November 2004

Manor Estates Housing Association



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1. Introduction

The role of Communities Scotland

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

The standards we use

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

How we assessed performance

- 1.5 Our inspectors asked three key questions about Manor Estates:
 - How good are the services we have inspected?
 - How well are the Manor Estates and its services being managed?
 - Are the services and Manor Estates likely to improve?
- 1.6 In order to answer these questions inspectors:
 - spoke to tenants and staff at Manor Estates and to members of Manor Estates' management committee;

- asked other organisations that work closely with Manor Estates for their views;
- visited homes that it owns and manages;
- saw and tested first hand how well services were being delivered and how well Manor Estates responds to its service users, by doing things like shadowing and observing staff and sampling cases;
- checked key policies, publications and information for service users; and
- took account of Manor Estates self-assessment submission.

1.7 You will find more details about who we spoke to, what kind of checks we carried out and what documents we reviewed in Appendix 1. Aspects of Manor Estates’ performance that we consider to represent particularly positive practice are highlighted in Appendix 2.

1.8 Following our assessment, we awarded grades for:

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

1.9 Although Manor Estates is involved in property development, it has only recently become involved in this area of its activity. Therefore we have not awarded a separate grade for property development. However we have taken account of progress in property development in our grading of Manor Estates’ overall performance.

1.10 This is what our grades mean:

A	Excellent	Major strengths
B	Good	Many strengths and some areas where improvement is needed
C	Fair	Some strengths, but with significant areas where improvement is required
D	Poor	Major areas where improvement is needed

1.11 We also assess the RSLs likelihood to improve and describe this overall, and in each service as:

- Excellent
- Promising
- Uncertain, or
- Poor

The inspection of Manor Estates Housing Association Ltd

- 1.12 The inspection team for Manor Estates was led by Elaine Whyte (Inspector) supported by Gordon Scobie (Inspector), Roisin Harris (Inspection Officer), Kelda Shelton (Graduate Trainee) and Lynne Bell (Financial Analyst). We were on site at Manor Estates between 1 June and 21 June 2004. We would like to thank everyone involved in the inspection, particularly the management committee, staff and tenants for their time and co-operation.
- 1.13 This report presents our findings and recommendations. It is published, together with a summary, on our website at <http://www.communitiesscotland.gov.uk>. Manor Estates must make the summary available to anyone that wants it, report our findings to tenants and other stakeholders and implement an improvement plan to respond to our recommendations and the issues raised in this report.

2. Context

Manor Estates Housing Association Ltd

- 2.1 Manor Estates was registered with Scottish Homes as a Registered Social Landlord (RSL) in September 1994. It is a charitable housing association catering for general needs and its office is situated in the Dalry area of Edinburgh.
- 2.2 Manor Estates is governed by a management committee elected from its membership. The committee is made up of both Manor Estates service users and representatives of the wider community. Committee members have a wide range of skills and experience.
- 2.3 Manor Estates acquired 958 houses from Scottish Homes in 1995 as a result of a successful ballot of Scottish Homes' tenants. A further 76 properties were acquired in late 1999, through a transfer of engagements from Edincraig Community Housing Association and in 2001 Manor Estates built 60 new homes for rent in Niddrie.
- 2.4 The houses which Manor Estates manages are spread all over Edinburgh and half of these are located in small pockets throughout the city. In many of these areas a high proportion of the original Scottish Homes stock has been sold under the right to buy legislation. Manor Estates provides a factoring service to over 1700 owners living in former Scottish Homes' houses within its estates.
- 2.5 Manor Estates has a fairly small staff team to deliver its services. As a result it often buys in the services of consultants or agents to carry out specialised tasks. A recent example was the employment of a consultant to carry out a review of its equal opportunity strategy.
- 2.6 Manor Estates has made good progress in the ten years since it was established. It has met the commitments made to tenants at the time of the stock transfer and has had a consistently good track record in service delivery.

Key statistics

- 2.7 Manor Estates currently owns 924 properties in Edinburgh. Approximately half the stock was built between 1945 and 1964, and a further ten percent was built between 1965 and 1982. The remaining stock was built over the last 22 years. As can be seen in table 1 below most of Manor Estates' stock is flatted.

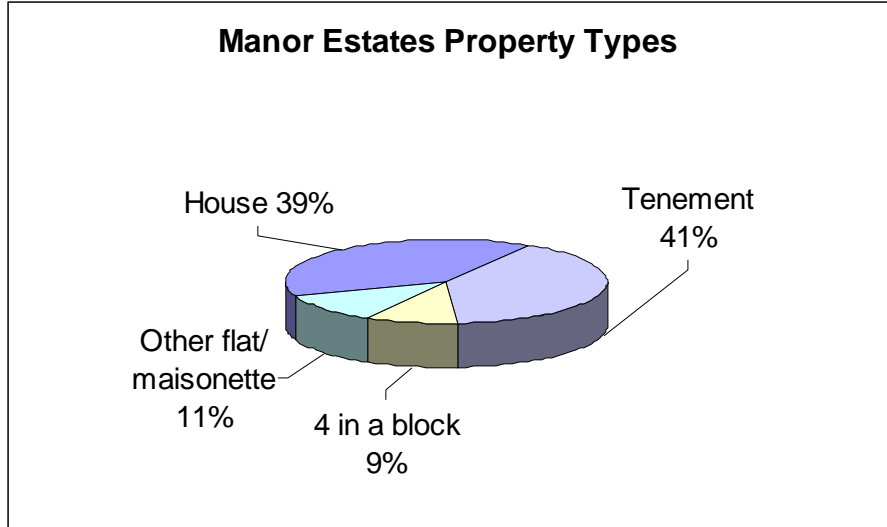


Table 1

2.8 Table 2 shows the geographical spread of Manor Estates' stock.

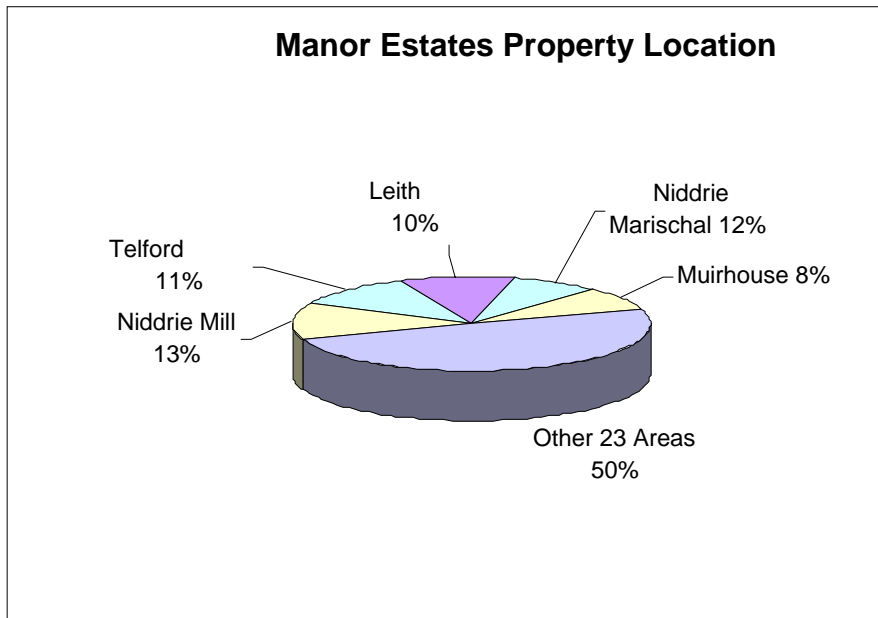


Table 2

2.9 Table 3 presents summary contextual information for Manor Estates Housing Association, showing trends over the last three financial years.

Key Statistics

	2001-2002	2002-2003	2003-2004
Number of properties owned	966	946	924
Number of properties factored	1681	1701	1724
Number of members	184	192	200
Number of board members	9	9	13
Number of tenant board members	4	4	7
Number of employees	17	17	17
Annual turnover (£000)	£2,887	£2,889	£2,951
Total possible rental income	£2,778,959	£2,821,483	£2,834,276
Rental income from housing benefit (%)	66%	66%	64%
Average weekly rent	£53.24	£54.69	£54.62
Average rent increase	3.00%	3.50%	4.75%
Number of relets	69	73	65
Number of responsive repairs	2,585	2,755	2,474
Number of Right To Buy Sales	18	20	23

Source: APSR and Annual Accounts 2001 – 2004

3. Overall Performance

- 3.1 Manor Estates delivers good services which are responsive to the views, and cater for the needs of its tenants and service users. It is performing very well in comparison with its peers, particularly against the key indicators of rent arrears and re-letting empty houses.
- 3.2 Manor Estates has an excellent awareness of the wider context in which it operates and demonstrates a commitment to helping to meet housing need and create sustainable communities. This can be seen in the way it is approaching involvement with property development and wider action activities.
- 3.3 The organisation is well managed and financially sound. There is a robust performance culture throughout the organisation and a strong commitment to continuous improvement. Manor Estates has an excellent awareness of its strengths and weaknesses. It takes a proactive approach to addressing the areas where improvement is needed.
- 3.4 The overall grade takes account of Manor Estates' performance in governance and financial management, performance in each service area, its organisational effectiveness, its commitment to social inclusion, and its likelihood of improvement.

A	<p>Manor Estates' is an excellent performer with major strengths</p> <p>The prospects for improvement overall are promising.</p>
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- 3.5 These are the inspection grades achieved by Manor Estates for its main areas of service delivery:

<p>Governance and Financial Management</p>	A	<p>Manor Estates is an excellent performer in governance and financial management with major strengths.</p> <p>The prospects for improvement in governance and financial management are promising.</p>
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Housing Management	B	<p>Manor Estates delivers a good housing management service with many strengths but there are some areas where improvement is needed.</p> <p>The prospects for improvement in housing management are promising.</p>
Property Management	A	<p>Manor Estates is an excellent performer in property management.</p> <p>The prospects for improvement in property management are excellent.</p>

Key findings on overall performance

3.6 Overall, these areas are working well:

- ✓ The management committee governs the organisation very effectively.
- ✓ Tenants are provided with an excellent repairs service.
- ✓ Housing management services are delivered well.
- ✓ Manor Estates is taking an excellent approach to property development.
- ✓ Services are accessible to service users.
- ✓ Manor Estates communicates well with its tenants and service users and provides good quality information and advice.
- ✓ Tenants are given range of opportunities to participate in the work of the organisation.
- ✓ The views of service users are actively sought and are used to influence service delivery.
- ✓ Manor Estates accounts for its performance to service users.
- ✓ Complaints are dealt with effectively and the information gained is used to improve services.
- ✓ Manor Estates promotes equality of opportunity both as a landlord and an employer.
- ✓ Manor Estates adopts a positive approach to sustainability.
- ✓ There is a good awareness of strengths and plans are in place to address identified areas of weakness.
- ✓ Manor Estates uses a good performance management framework as a tool for improving service delivery.
- ✓ Manor Estates makes good use of its staff resources and has achieved Investors in People status.

- 3.7 Overall, these areas could be working better:
- Consistency in service delivery would be better supported by providing staff with comprehensive procedures to guide the implementation of policy.
 - Manor Estates could involve tenants more effectively in policy and rent review.
- 3.8 These are our key recommendations. They are broadly in order of significance:
- ❖ Manor Estates should make sure that effective written procedures are available covering all key service areas to assist staff deliver services consistently.
 - ❖ Manor Estates should improve the involvement of tenants and service users in policy and rent review.

How good are the services overall?

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

Accessibility

- 3.10 Manor Estates provides good access to its services. Its offices are centrally located, very close to public transport links and are accessible to wheelchair users.
- 3.11 Manor Estates provides access to its services in ways that compensate for its houses being spread throughout Edinburgh. These include providing:
- a good level of face to face contact with tenants in their own homes;
 - office staff available regularly at each of the sheltered housing schemes;
 - a wide range of ways for tenants to pay their rent;
 - easy access for reporting repairs; and
 - information about improvement projects provided locally.
- 3.12 Manor Estates provides good quality information on its services. Newsletters and leaflets are produced in-house to a high standard by a member of staff who has received training in graphic design and a comprehensive Tenants Information Pack. Owner occupiers who receive

factoring services from Manor Estates receive regular scheme based newsletters.

- 3.13 Manor Estates has decided not have a website. In order to improve accessibility to its services Manor Estates should keep this decision under review and seek tenants' and other service users' views on whether a website would be a useful way of accessing services and information.

Participation and responsiveness

- 3.14 Manor Estates is fully committed to involving tenants in developing and improving its services. Its approach is based on an excellent Tenant Participation Strategy reviewed in February 2003 with input from tenants. To translate its objectives into reality Manor Estates develops a detailed tenant participation workplan annually. This workplan clearly identifies objectives, timescales and both staff and financial resources. Progress on implementation is reported to the management committee quarterly.
- 3.15 Manor Estates provides opportunities for all tenants to participate at different levels to suit their needs and aspirations, and the majority of tenants are aware that they have the opportunity to become involved if they choose to.
- 3.16 These opportunities to participate are regularly publicised and have resulted in increasing membership of both the tenants forum and the management committee.
- 3.17 Manor Estates has a well established tenants forum for tenants who wish to become involved in improving service delivery. It meets quarterly and the agenda is set by tenants. The forum is attended by senior staff responsible for the service delivery area being discussed. We found evidence of changes being made on the basis of discussion at the forum. For example:
- Manor Estates now publicises its programme of estate inspections and invites tenants to become involved.
 - Telephone surveys have been introduced to improve feedback about responsive repairs.
- 3.18 Manor Estates provides funding, in the form of an annual grant and ongoing support, to one tenants group. Staff are actively working with tenants to help to establish several other groups. Manor Estates has, in line with legislation, established a procedure for registering and consulting with tenants' organisations. Despite efforts from staff, no tenants group has chosen to seek formal registration. However, Manor Estates should

continue to encourage registration in order to strengthen tenants' rights to participate.

3.19 Manor Estates is responsive to the views of its tenants. The 2004 Tenant Opinion Survey indicated that 90% of tenants were satisfied or very satisfied that their landlord genuinely listened to them.

3.20 Manor Estates demonstrates this responsiveness in a number of ways:

- By systematically collecting tenants' views on its services. For instance survey forms are given to all tenants who report repairs or have planned maintenance or improvement works carried out. Manor Estates encourages completion of these forms by issuing prepaid envelopes and by holding both monthly and quarterly prize draws, the results of which are publicised in newsletters.
- In using the feedback to improve service delivery. For example tenants criticised the paint choice being offered during the painterwork contact. All tenants who raised this were written to and a commitment given to further investigate it. This has subsequently been discussed by the tenants forum and additional colour choices agreed.
- By commissioning full scale tenant opinion surveys every four years. In addition, an in-house survey is carried out annually. Survey forms are sent to all tenants and the most recent one had a good response rate of 40%. The findings of the surveys are reported both to the management committee and tenants, and individual comments on survey forms are individually followed up by staff.

3.21 In line with its statutory duty under the Housing (Scotland) Act 2001, Manor Estates has consulted its tenants both on rent increases and on policy review. However this approach has been limited to asking for comments via newsletters and the response from tenants has been limited. Manor Estates should consider a more proactive approach to gauge tenants' views. Moreover, Manor Estates does not record details of what views were received in response to consultation exercises and what impact, if any, these views have had.

Recommendation 1:

Manor Estates should strengthen its approach to tenant consultation in policy and rent review and should ensure that tenants' views are fully taken into account when policies are reviewed.

Accountability to service users

- 3.22 Manor Estates is accountable to its service users about the way it delivers its services. The annual report is sent to all tenants and members of the association. The report gives clear information about how well Manor Estates has performed against its targets in maintenance and housing management as well as giving details of how rent is spent and results of the tenant opinion survey.
- 3.23 Manor Estates has produced a number of service standard documents for tenants and service users. This is an example of good practice as it means service users are aware of what level of service they can expect from Manor Estates.
- 3.24 Manor Estates can also demonstrate its accountability in the way it handles complaints. It operates a clear policy for handling complaints and publicises this through its Tenants Information Pack and in a complaints leaflet that is displayed prominently in reception. However the leaflet could explain more clearly the steps a complainant should follow and also give fuller information about the ombudsman service.
- 3.25 Manor Estates welcomes complaints as a chance to put things right and uses them to influence service delivery. For instance, Manor Estates is currently investigating the introduction of a stair cleaning service in one of its estates following complaints; and in 2003 Manor Estates changed the way it responds to succession of tenancy following complaints.
- 3.26 Manor Estates received 14 complaints from service users from May 2003 until May 2004. Only one complainant made an appeal to the management committee. We found that complaints were dealt with effectively. However, replies to the complainants did not always state what they should do if they were unhappy with the outcome and wanted to take the matter further.

Recommendation 2:

Manor Estates should ensure that complainants are always made aware of their right to appeal.

Promoting equality and embracing diversity

- 3.27 Manor Estates has a good comprehensive equal opportunities policy covering all aspects of its business which shows how it will meet its legal obligations. It has developed a clear action plan setting out a range of activities to translate policy commitments into reality over all service areas.
- 3.28 The action plan adopted in April 2004 identifies future action but Manor Estates has already taken a number of positive steps to put its policy principles into action. For example:
- a hearing loop has been installed in the offices to assist people with a hearing impairment;
 - membership of Language Line gives staff immediate access to translation services;
 - key documents can be made available in Braille, large print and community languages;
 - all contractors working for Manor Estates are required to have an equal opportunities policy in place; and
 - regular training is provided for staff and committee on equalities related issues.
- 3.29 We spoke to staff across the organisation about their approach to equality and diversity issues and found good levels of awareness about how to deal with the different needs of service users.
- 3.30 Manor Estates has recognised that it lacks detailed information about the needs and aspirations of its tenants and service users. It has already taken positive steps to address this. For example, all tenants who are involved in planned maintenance or stock improvement projects are asked if they have any special needs which Manor Estates should take account of. This is being developed on an ongoing basis and housing officers are adding new information about tenants as they become aware of it. However, this information base needs to be fully developed in order to ensure that resources are targeted and services planned appropriately.
- 3.31 Manor Estates aims to be an equal opportunities employer. Its approach to equalities in employment is good. All job adverts include a clear and comprehensive equal opportunities statement, which is followed in practice. The methods used by Manor Estates to recruit staff minimise potential for discrimination and are based on guidelines published jointly by EVH (Employers in Voluntary Housing) and PAiH (Positive Action in Housing). The association recently took part in a jobs fair promoting access to employment to the BME community organised by the local race equalities forum.

- 3.32 The details of all recruitment exercises are monitored in terms of gender, disability and ethnicity and reported to the management committee on an annual basis to demonstrate that legal obligations are being met.
- 3.33 Manor Estates currently employs eighteen staff, four of whom work on a part-time basis. The conditions of employment, reviewed in 2003, are based on EVH model conditions.
- 3.34 Manor Estates monitors the ethnic background of waiting list applicants and new tenants. In 2003/4 6% of new tenants were from BME communities. This directly mirrored the percentage of BME applicants on the waiting list. This monitoring information is reported to management committee on an annual basis and includes a useful trend analysis. In this way Manor Estates can confirm that it is allocating its houses to diverse households, representative of the wider population.
- 3.35 Manor Estates' monitoring of equalities outcomes is currently limited to the monitoring of new lets and recruitment exercises. Manor Estates has identified that in order to have a clear understanding of how effective it is being in ensuring equality of opportunity and service delivery, monitoring should be extended further. It has plans to monitor complaints, tenant participation and committee membership in terms of equalities. This could be further improved by extending this to monitoring of membership.

Sustainability

- 3.36 Manor Estates takes a positive approach to sustainability. It has in place a good sustainability policy and a comprehensive five year action plan highlighting how it intends to implement its sustainability objectives over all service areas. The plan is due to be reviewed and updated on an annual basis by the management committee.
- 3.37 Positive measures have already been taken in a number of areas to ensure that sustainability objectives are met. Various housing management initiatives have been undertaken which seek to establish sustainable communities, for example the Hays Lettings Initiative and the Craigmillar Neighbourhood Agreement. Sustainability also underpins much of the work which Manor Estates carries out in estate management. In addition its proposals for involvement in property development and wider action activities demonstrate its clear aspirations to the sustainability of communities and the environment.
- 3.38 Manor Estates works in partnership with several contractors to deliver its maintenance and improvement programmes to ensure that sustainability and environmental issues are given a high priority. For example, the responsive repair contractor introduced environmentally friendly transport

- in 2003/04; has undertaken a number of waste recycling initiatives; and gives all its tradesmen environmental awareness training.
- 3.39 Manor Estates is also taking steps to make tenants aware of its commitment to sustainability. For instance, an article in the summer 2003 newsletter explained what 'sustainable communities' meant and gave some practical tips on recycling. In addition, all tenants have been offered low energy bulbs and this summer the association is running a trial to provide rainwater barrels to store garden water.

How well is Manor Estates managed overall?

Planning and performance management

- 3.40 Manor Estates has a good approach to strategic planning. Its key planning document is its Internal Management Plan (IMP). The current IMP covers the three year period 2002/05. The principal aim of the plan is to ensure that all Manor Estates' activities are directed to meeting its strategic objectives. The plan clearly demonstrates Manor Estates' good understanding of the wider context in which it is operating. The plan is updated on an annual basis and any changes to the operating context are discussed by the management committee.
- 3.41 Linked to the IMP is a corporate workplan and from these team workplans are developed over all activity areas. These workplans are reviewed and updated on an annual basis.
- 3.42 This approach ensures that staff have a good understanding of strategic objectives and how their individual work objectives fit in. To achieve this Manor Estates makes good use of staff away days, monthly staff and weekly team meetings. Individual targets based on the IMP are set during the annual appraisal process and progress regularly reviewed. Staff we spoke to were clear about how the work they do fits into the wider objectives of Manor Estates.
- 3.43 Manor Estates uses performance monitoring to ensure effective and continuously improving service delivery. Manor Estates compares its performance against that of similar associations based on annual analysis of APSR returns and uses this information to set targets for the forthcoming year for key service areas. Targets are closely monitored and performance regularly reported to management committee. Targets and outcomes are also published in the annual report which further demonstrates Manor Estates' accountability to service users.

Policies and procedures

- 3.44 Manor Estates has a good range of policies and procedures to support its service delivery. Key policies generally reflect current legislative requirements and good practice. Policies are reviewed on a regular basis according to a prioritised programme set by the management committee each year.
- 3.45 There are a few areas where written procedures are not always available to support staff to deliver services in line with policies, for instance in the categorisation of responsive repairs. Although we found staff were knowledgeable about their own jobs, written procedures should be available for staff to help to ensure consistency of service delivery.

Recommendation 3:

Manor Estates should make sure that effective written procedures for staff are available to back up all policy documents in key service areas.

- 3.46 Manor Estates maintains a useful central policy file as a resource for staff and committee. However, we found that this is not always kept up to date and although a policy index exists, it is not comprehensive. This potentially undermines the good work Manor Estates is doing in policy review. The usefulness of this index could be further improved by including the date a policy was adopted and the date by which it should be reviewed.
- 3.47 Manor Estates actively tells service users about its policies in a variety of ways, for example by:
- producing user friendly summaries of some policies;
 - summarising key policies in its Tenants Information Pack;
 - summarising policies in newsletters; and
 - making all policies available on request.
- 3.48 However, the range of policy summaries is limited and we found one instance where the information being given to service users was out of date.

Managing its resources

- 3.49 Manor Estates provides good support and management for staff. It operates a comprehensive staff appraisal system which incorporates a 6 monthly review. The appraisal system is used to set targets for staff and identify training and development needs. Staff feel that Manor Estates is fully committed to their training and development.
- 3.50 Manor Estates makes good use of team and individual work review meetings to discuss performance and other issues. Moreover, a culture of open and ongoing communication exists within the staff team and staff told us that they can raise issues of concern at any time.
- 3.51 Manor Estates has developed a 'Staff Charter' for staff to comply with. It deals with issues such as respect and support for colleagues and commitment to the values of the organisation. This charter is discussed and updated periodically. A version signed by all staff is prominently displayed in the office to ensure staff are kept constantly aware of the core values of the organisation.
- 3.52 Manor Estates was successful in attaining Investors in People status at the first attempt in April 2003. This provides external validation that it has good arrangements for developing its staff resources.
- 3.53 Manor Estates reviews all vacancies when they arise to ensure that staff resources are matched to service delivery needs.
- 3.54 Manor Estates recognises the importance of IT systems both in service delivery and in performance planning and monitoring. It acknowledges that in some areas the IT system could be improved, particularly in providing management reports. Manor Estates is currently developing a good approach to ensure that the IT system effectively meets its needs – an IT group has been set up with representatives from each functional team to look at the current systems and future requirements.
- 3.55 Manor Estates has in place a good procurement strategy in relation to technical services, which seeks to ensure value for money and which is in line with Communities Scotland's 'Building a Better Deal' guidance. Although Manor Estates has entered several successful partnering agreements the strategy makes clear that this may not always be the best approach and sets out alternative methods. Although Manor Estates procures other goods and services in line with its tendering procedures, it should consider extending this effective strategic approach beyond just technical services in order to demonstrate value for money and enhance transparency.

How likely is Manor Estates to improve?

3.56 We consider the prospects for improvement overall to be promising because:

- There is a strong commitment to continuous improvement throughout the organisation.
- Manor Estates has shown a good awareness of its weaknesses and has taken steps to deal with these.
- An effective planning and performance monitoring framework is in place.
- Manor Estates uses tenant and service user feedback to improve services.
- There is evidence of performance improvement in a number of key areas.

4. Governance and Financial Management

Overall Assessment of Governance and Financial Management

- 4.1 Manor Estates is governed very well. Members of the management committee have a broad range of expertise and receive good training and support to allow them to control the activities of the organisation. They have an excellent understanding of the business and demonstrate a strong commitment to taking the organisation forward. Manor Estates' financial management is good. There has been a recent re-structuring in some of the financial reporting to focus more clearly on key areas, and a major re-financing exercise has been completed. Manor Estates has 25-year cash flow projections in place that indicate that the organisation, in its current form, will remain viable in the long-term.

A	<p>Manor Estates is an excellent performer in governance and financial management with major strengths.</p> <p>The prospects for improvement in governance and financial management are promising.</p>
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- 4.2 These are the areas that are working well:

- ✓ The management committee is very effective and controls the organisation well.
- ✓ The majority of management committee members are Manor Estates' tenants or service users.
- ✓ Manor Estates has a good financial management framework in place covering budget setting, reporting and monitoring of performance.
- ✓ Manor Estates has 25-year cash flow projections in place that indicate that the organisation will remain viable in the long-term.

- 4.3 These are the areas that could work better:

- The management committee does not receive reports to inform it of performance against loan conditions.
- Manor Estates cannot demonstrate how open and inclusive its membership policy is.

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

- ❖ Performance against lenders covenants should be reported to the management committee.

- ❖ Manor Estates should monitor membership in terms of equalities to confirm that equal opportunities exist amongst diverse groups.

Context for Governance and Financial Management

- 4.5 Manor Estates is registered with Communities Scotland and is an Industrial and Provident Society with charitable status. The association is controlled by a voluntary management committee which is elected by its members. The management committee meets ten times a year and currently has 13 members, 10 of whom are Manor Estates' service users.
- 4.6 The management committee is supported by three sub-committees dealing with staffing, audit and policy review.
- 4.7 The Finance Department consists of the Finance and IT Manager with overall responsibility for the association's finances, supported by two Finance Officers.

How Good is Governance and Financial Management?

Membership

- 4.8 Manor Estates has an open and inclusive membership policy, and anyone with an interest can apply to join. Manor Estates promotes membership in a variety of ways. The 2003 Tenant Opinion Survey indicated that 70% of tenants were aware that they could become involved in decision and policy making, demonstrating a good awareness of opportunities to become involved.
- 4.9 Manor Estates currently has 204 members which is an increase of 12 from 2002/03. Of that total 82% are service users (58% are tenants and 24% are owner occupiers) which provides opportunities for service user involvement in the management of the organisation.
- 4.10 Manor Estates does not monitor its membership in terms of age, ethnicity, and gender and therefore cannot demonstrate how representative it is of the communities it serves.

<p>Recommendation 4:</p>

<p>Manor Estates should monitor membership in terms of equalities confirm that equal opportunities exist amongst diverse groups.</p>
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- 4.11 Manor Estates takes steps to keep its members informed. All members receive newsletters and the annual report. Manor Estates chooses to hold its AGM in its offices because of their central location and accessibility. 15% of members attended the 2003 AGM.

Governing body

- 4.12 Manor Estates has a strong management committee which demonstrates good control over Manor Estates' activities. Committee meetings are effectively chaired and controlled, and every member is given the opportunity to contribute. Committee members display a good level of understanding of the business and there is a very good level of discussion before decisions are taken.
- 4.13 There was an 82% attendance rate by committee members during 2003/04 which compares well to the national average of 72.2%.
- 4.14 Committee members are given good support by staff to allow them to make effective decisions. The standard of written reports is good and the senior staff responsible for each service area attend to provide further guidance.
- 4.15 Committee members demonstrate a good understanding of the business and the context in which it operates and show a strong commitment to taking it forward. A good example of this can be seen in the decision which Manor Estates made to engage in property development. We spoke to committee members who told us that the impetus had come directly from the management committee - members saw the loss of stock through RTB sales as one of Manor Estates' weaknesses and they were keen to replace this stock by using the association's landbank. We noted from committee reports and minutes that the committee members had remained firmly involved in the development and implementation of the strategy and that there was thorough discussion before decisions were taken.
- 4.16 Brief reports on performance against key targets are presented to the management committee on a monthly basis. More substantial reports, incorporating trend analysis and covering Housing Management, Technical Services and Finance, are presented quarterly. This format was suggested by the management committee following its last away day as a means of providing a better basis for discussion and is a good approach.
- 4.17 In the last year Manor Estates has actively sought to recruit new committee members. For the previous two years the committee only had nine members. Manor Estates identified this as a risk to the sustainability of the committee. Efforts were made in summer 2003 to promote

- committee membership through the newsletter and as a result four new committee members were elected at the 2003 AGM. Manor Estates should continue to actively promote committee membership to ensure ongoing sustainability.
- 4.18 The management committee has a good range of skills and experience. It takes steps to identify any gaps or weaknesses and arranges appropriate training on an ongoing basis. The committee members hold regular review days in November 2003 where they discuss their effectiveness as a governing body and identify ways to further improvement of their performance.
- 4.19 There are clear remits and delegated authorities in place for the management committee and sub-committees and these are reviewed annually. These are effectively followed and assist decision making by members. This contributes to the successful running of the organisation.
- 4.20 The management committee conducts its business with openness and integrity in line with Performance Standards. We found that committee members acknowledged any declaration of interest appropriately and that benefits granted under schedule 7 of the Housing (Scotland) Act 2001 were appropriate, properly approved and accurately recorded.

Risk management

- 4.21 Manor Estates takes a good approach to risk management. It has in place a detailed risk strategy which assesses key risks and their potential impact to the organisation, and identifies existing controls in place to control these risks and any further action required. The strategy and risk assessment is reviewed annually by the Audit Committee and approved by the management committee. The audit committee agreed in June that risk management is to be included as a standing item on the agenda to ensure that risk is continually reviewed. This will further improve Manor Estates' approach to risk management.
- 4.22 Manor Estates considers potential risk to the organisation before undertaking any new activity. This can be clearly evidenced by its approach to partnering, development and wider role activities.
- 4.23 Responsibility for managing the Association's internal audit function is delegated to the audit committee. The audit needs assessment forms the basis of the internal audit programme, which concentrates on identified areas of greatest risk. An action plan showing outstanding internal audit recommendations is presented to the audit committee on a quarterly basis which allows the sub committee to ensure that the auditor's recommendations are being acted upon.

4.24 An annual internal audit report was presented to the audit committee in March 2004 to allow the management committee to sign off the internal financial control statement in the audited annual accounts. This indicates good control by the management committee.

Financial viability

4.25 In assessing Manor Estates' financial viability, we are satisfied with the current position.

4.26 We consider that the following features contribute to Manor Estates' viability:

- Manor Estates is well established providing housing in Edinburgh, an area of continued high demand;
- financial projections have been based on recent life cycle costing data and this indicates that Manor Estates will be able to finance future maintenance requirements;
- Manor Estates has recently undertaken a re-financing exercise which has reduced borrowing costs. This also indicates that it has the continued support of its lender; and
- Manor Estates has mainly fixed rate loans, which makes it less susceptible to interest rate increases.

4.27 However we noted the following issues which could impact negatively on viability:

- more houses will be lost through Right to Buy than originally anticipated; and
- new challenges will come from the financing and delivering of a development programme.

Financial management

4.28 Manor Estates has a good financial management framework in place underpinned by appropriate policies and procedures.

4.29 Timely reports are provided to Committee including an annual budget that projects financial performance for the year ahead, quarterly reports of performance against this budget, and 25 year cash flow projections that include the budget figures as the first or base year.

4.30 The annual budget is currently revised in September each year, although there are plans to introduce monthly re-forecasting. This is good practice and will facilitate additional control of the association's finances.

- 4.31 The current financial reports provide a good level of information. However, the association is aware that the inclusion of key financial targets would provide further useful information and have included this as an item in the finance workplan for 2004/05.
- 4.32 Staff complete timesheets and these records are used to provide a useful basis for the allocation of costs across the organisation.
- 4.33 It is common practice for lenders to require RSLs to report their performance against loan conditions or covenants, and Manor Estates does so on a quarterly basis. Manor Estates' Financial Regulations require that this performance is also reported to the management committee. This is not currently done.

Recommendation 5:

Manor Estates should report performance to committee against all existing loan conditions, as required by its Financial Regulations.

- 4.34 As a result of differences between anticipated and actual financial performance since the original stock transfer, there have been occasions when Manor Estates has not met all of the loan covenants. These covenants have been in place for ten years and it is recognised by both Manor Estates and its lender that the covenants should be adjusted to reflect the current rather than the historic position.

How Likely are Governance and Financial Management to Improve?

- 4.35 We consider the prospects for improvement in governance and financial management to be promising because:
- Manor Estates has a committed and effective management committee.
 - Manor Estates has demonstrated a commitment to continuous improvement in governance for example in their use of review days and ongoing training.
 - Manor Estates has a good financial management framework.

5. Housing Management

Overall Assessment of Housing Management

- 5.1 Manor Estates provides a good housing management service. Particular strengths are that Manor Estates has a low level of rent arrears; empty homes are re-let quickly and to a high standard and the association ensures that housing is allocated to those in the greatest need.
- 5.2 The grade that we have awarded for housing management reflects the balance of strengths and weaknesses, the outcomes achieved and the prospects for improvement.

B	<p>Manor Estates delivers a good housing management service with many strengths, but there are some areas where improvement is needed.</p> <p>The prospects for improvement in housing management are promising.</p>
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- 5.3 These are the areas that are working well:
- ✓ There is fair and open access to the housing list.
 - ✓ Empty homes are repaired and let quickly.
 - ✓ Housing is provided to those in the greatest need.
 - ✓ Providing good information to new tenants on their rights and responsibilities and maximising their rights.
 - ✓ Rent arrears are low.
 - ✓ Estates are clean, tidy and well maintained.
 - ✓ Manor Estates provides a good quality sheltered housing service.
 - ✓ Manor Estates works in partnership with the community and other landlords to promote sustainable communities.
- 5.4 These are the areas that could work better:
- The published information provided to applicants on Manor Estates' housing stock, turnover and allocations policy could be improved.
 - Investigations into suspected abandoned tenancies could be more thorough.
 - Affordability and comparability are not always taken into consideration when rents are reviewed.
 - Rent arrears are not always dealt with at an early stage and in line with good practice.

- Reports of antisocial behaviour are not always responded to appropriately
- The allocation policy requires to be updated to reflect good practice in order to promote tenant choice.

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

- ❖ Tenants with rent arrears should be visited at an early stage and cases actively managed in line with good practice.
- ❖ Reports of antisocial behaviour should be properly recorded, investigated and appropriate action taken.
- ❖ Suspected abandoned tenancies should be thoroughly investigated.
- ❖ The published information available to applicants should be updated and improved.
- ❖ The allocation policy should be updated to reflect good practice.

Context for Housing Management

5.6 The Housing Management service is provided in-house by a Housing Manager, a Senior Housing Officer, three Housing Officers (one working part time) and an Administrative Assistant. Manor Estates also buys in the services of a Welfare Rights Officer for 2 days a week from another housing association. The post of Senior Housing Officer has recently been added to the staff structure in order to provide front-line staff with additional guidance and support.

How Good is the Service?

Access to houses

5.7 Manor Estates provides very good access to its houses. The Association is a partner in EdIndex, the common housing register for Edinburgh. Anyone aged 16 or over can apply at any time and obtain access to EdIndex.

5.8 Manor Estates also maximises access to its houses through effective nomination and homeless referral arrangements with the City of Edinburgh Council; nearly half of its total lets in 2003/04 were to people referred or nominated by the Council. It also has referral arrangements with a number of voluntary sector agencies and the Council's Social Work Department.

5.9 Manor Estates could be more effective at providing good information to people applying for houses. Manor Estates provides applicants with a standard guide to the Common Housing Register (EdIndex); two guides to

its allocations policy and a housing stock guide. Its guides to its allocations policy predate its new allocations policy and its participation in EdIndex and include no information on its local lettings initiative. We found that Manor Estates' practice in allocations is not always consistent with its published policy (see 5.12). The Association could also help applicants exercise choice by more informative housing stock guides.

Recommendation 6:

Manor Estates should update and improve the published information provided for people applying for housing.

Lettings

- 5.10 Manor Estates gives priority to those in greatest need when letting its houses. In 2003/04, 68% of its lets were made to homeless people referred or nominated to it by the Council or to people who qualified for homeless points through its own policy. In this way, Manor Estates is making an excellent contribution to alleviating homelessness in the Edinburgh area.
- 5.11 Manor Estates does not in practice restrict the number of offers it will make to people applying to it for a house, although its published policy states that those who refuse two reasonable offers can be suspended from the list for six months. It should update its policy to accurately reflect its more positive practice. The Association does not suspend any applicants from receiving offers of housing, although it is not clear how it takes account of rent arrears or anti-social behaviour. Manor Estates is currently developing a suspensions policy.
- 5.12 In common with other housing associations in Edinburgh, Manor Estates has experienced ongoing difficulties in identifying new tenants from the EdIndex list and often has to contact large numbers of applicants before being able to successfully allocate an empty home. This has led to some weaknesses in the allocations process. In particular, Manor Estates does not always clearly record the reasons why some applicants are bypassed for an offer of a house. Moreover, in three allocations we reviewed applicants were bypassed because staff could not contact them by telephone. This is inappropriate.

Recommendation 7:

Manor Estates should ensure that all applicants who qualify for an offer of housing are given the same opportunity to respond and that when bypassing does take place, it is appropriate and clearly recorded.

- 5.13 Manor Estates has worked with other social landlords and community representatives on the development of a Neighbourhood Agreement covering the allocation of housing in the Craigmillar area. The agreement aims to promote a sustainable community and to improve the allocations service provided to people seeking and obtaining housing in Craigmillar. As the neighbourhood agreement is at an early stage we were unable to assess its impact. The partners have not yet implemented their commitment to develop or put in place a monitoring and evaluation framework to monitor the success of the Neighbourhood Agreement. While Manor Estates continues to encourage the development and implementation of this framework, it should also ensure that it is developed to monitor compliance with legislative requirements and good practice, including those relating to equal opportunities.

Recommendation 8:

Manor Estates should monitor the operation of the Craigmillar Neighbourhood Agreement (Allocations) and assess the outcomes of the initiative on a regular basis.

Tenancies

- 5.14 Manor Estates maximises the rights of tenants and makes them aware of their rights and responsibilities. Its tenancy agreements are based on the model Scottish Secure Tenancy (SST) and members of staff provide very good tenant focused tenancy sign-up interviews when new tenants are given a full explanation of their rights and responsibilities. Tenants that we spoke to were happy with the sign-up process.
- 5.15 Good progress has been made in signing up tenants with their new tenancy agreements. As of 31 March 2004 90% of existing tenants had signed the new tenancy agreement. Manor Estates should take steps to complete the task of signing up all tenants with the SST as soon as possible.

- 5.16 A small number of tenancies are abandoned each year. Manor Estates has a very good policy and procedure to guide staff in dealing with and investigating suspected abandoned. However, this guidance is not being followed in practice. Although appropriate notices are issued in line with legislation, the association is less good at ensuring that thorough investigations are carried out into the whereabouts of the tenant and recording the results of such investigations. In all of the cases that we examined limited investigations had been carried out.

Recommendation 9:

Manor Estates should ensure that suspected abandoned tenancies are thoroughly investigated in accordance with its policy.

Supporting tenants

- 5.17 Manor Estates does not directly provide support services. Where support services are supplied to tenants these are delivered by third parties. Manor Estates provides sheltered accommodation with warden support in three schemes. The warden service is currently provided by the Social Work Department and an appropriate service level agreement is in place and reviewed on a regular basis. We visited the sheltered housing schemes and the tenants that we spoke to were very happy with the quality of the service being provided.
- 5.18 A small number of mainstream tenants are provided with housing support by a variety of organisations and good referral and management agreements are in place. However, staff told us that they are not often advised by the agencies when the support is ended. This may have implications for dealing with cases of antisocial behaviour and rent arrears. Manor Estates should take steps to address this information gap.

Empty homes

- 5.19 Manor Estates is very good at re-letting empty homes quickly and to a high standard. Its approach includes:
- quickly starting the process of identifying a new tenant when a property is due to become vacant;
 - setting tight time targets for each stage of the empty homes process;
 - closely monitoring the progress of each property;
 - ensuring that repairs are carried out quickly and to a high standard;
 - a published re-let standard which is enforced; and
 - good communication between all relevant staff.

5.20 The table below shows performance from 2001 to 2004.

Re-let Times

	2001/02	2002/03	2003/04	2003/04 national average
Average days to re-let	26	26	27	52.6
% of rental income lost through empty homes	0.70%	0.73%	0.59%	3.0%

Source: Annual Performance Statistical Returns

5.21 During 2003/04 65 homes were re-let in an average of 27 days. This compares extremely favourably both with the national average of 52.6 days and the peer group average of 69.9 days.

5.22 Manor Estates has a low level of rent loss as a result of empty homes. During 2003/04 only 0.59% of net rental income was lost. This performance is excellent and compares favourably with the national average of 3.0%.

Rents

5.23 Following a review, Manor Estates adopted a good system for setting the rents for individual properties. The system is points-based and takes account of property size, property type and facilities. It is being applied to all properties during the annual rent review and also when properties are re-let. It is working well.

5.24 Manor Estates has a good rent review policy which takes account of affordability, comparability, loan and contractual obligations. However, the committee report setting out the case for increasing the rents for the year 2004/05 did not consider comparability or affordability.

Recommendation 10:

Manor Estates should ensure that information on affordability and comparability is included in the committee report dealing with the annual rent increase and that these issues are taken into consideration when reviewing rent levels.

5.25 The average rent reported by Manor Estates for the year 2002/03 was £54.69. Rents were increased by 4.75% for the year 2004/05 and the average weekly rent is currently £54.62. This is comparable with other social landlords in Edinburgh. Manor Estates has advised that average

rents declined slightly over the year as a result of changes in the composition of the housing stock through house sales of more expensive rented properties. The 2004 Tenants Opinion Survey indicated that 91% of tenants are satisfied that rents represented value for money.

- 5.26 Manor Estates consults tenants when rents are reviewed. The consultation for the 2004/05 rent review was limited and did not result in much response from tenants. Moreover, views that were obtained were not formally recorded. As was noted earlier in the report at recommendation 1, Manor Estates should further develop its approach to effectively consulting tenants on the annual rent review.

Service charges

- 5.27 Sheltered housing tenants pay a service charge for the additional services they receive. The charge covers the cost of providing the services and sheltered housing tenants are provided with good information on the services that are provided for this charge.

Arrears

- 5.28 The table below sets out rent arrears information for the financial years from 2001/02 to 2003/04.

	2001/02	2002/03	2003/04	2003/04 National Average
Current tenants' non-technical arrears as % of rental income	1.90%	1.83%	2.06%	3.4%
Former tenant arrears	1.10%	0.60%	0.67%	1.8%
Total non-technical arrears	3.00%	2.43%	2.73%	3.4%
% of tenants in serious rent arrears (over 13 weeks)	N/A	2.1%	2.5%	5.6%

Source: Annual Performance Statistical Returns

- 5.29 Manor Estates has low levels of rent arrears in comparison to national averages. Although levels of arrears are lower than they were three years ago, during the year 2003/04 both the level of arrears and the percentage of tenants in serious arrears increased.
- 5.30 Although Manor Estates has low levels of arrears in comparison to national and peer averages we noted weaknesses in the way that the association responds to individual tenants who are experiencing problems in paying their rent which has an impact on the level of services tenants receive. In particular:

- staff do not always make early contact with tenants;
- cases are not dealt with in a consistent way as arrears increase;
- repayment arrangements do not always take account of affordability;
- repayment arrangements are not always confirmed in writing or monitored effectively; and
- letters do not provide appropriate advice or assistance to tenants.

Recommendation 11

Manor Estates should ensure that rent arrears are dealt with at an early stage, managed consistently and in line with good practice.

- 5.31 Around 73% of Manor Estates' tenants are in receipt of full or partial Housing Benefit. Manor Estates is good at assisting tenants with their claims and working with the Housing Benefit Section of the Council. Staff adopt a proactive approach to assisting tenants and work to enable cases to be resolved as quickly as possible. This approach is a contributory factor in low rent arrears levels.
- 5.32 Manor Estates' Welfare Rights Officer assists tenants with claims for benefits of all kinds and Housing Officers will refer tenants in appropriate cases. However, we noted that letters to tenants in arrears did not routinely provide information on the Welfare Benefits Officer or how to contact him. As this would widen access to the service, Manor Estates should be more proactive in publicising the availability of the welfare rights service.
- 5.33 The Welfare Rights Officer is currently in negotiations with the Department of Works and Pensions on organising a take up campaign around Pensioner Tax Credit. This initiative has the potential to have an impact on current levels of arrears and is a good example of proactive service provision.
- 5.34 Staff are sympathetic to the needs of tenants in arrears and eviction action is taken as a last resort. In cases where eviction is proposed the Housing Manager will provide a report to the Management Committee, which excludes the names and address of the tenant concerned and the Housing Officer who is dealing with the case will attend the committee meeting to answer any questions. Manor Estates evicted one tenant during 2003/04 and the case was dealt with in line with good practice.

Antisocial behaviour

5.35 The association receives around 25 individual reports of antisocial behaviour each year. While most incidents involve low level neighbour disputes, a small number do involve more serious problems. Staff are clearly sympathetic to the needs of those experiencing antisocial behaviour and are aware of the need to tackle cases effectively. The association aims to prevent low level neighbour nuisance cases escalating into more serious cases and generally is successful in achieving this aim. However, there are some weaknesses in the way that reports are responded to which may have an impact on the effectiveness of the association in responding to more serious cases. Problems we noted include:

- full details of incidents are not always recorded.
- failing to investigate a minority of incidents;
- warning letters provide insufficient information; and
- complainants are not informed of action taken in response to their concerns.

Recommendation 12:

Manor Estates should ensure that all reports about antisocial behaviour are properly responded to and that people are informed of the action taken in response to their concerns.

5.36 Manor Estates does not record information on whether cases have been resolved. A central record of antisocial reports is maintained and a report is provided to the management committee on a six monthly basis, but standard information is not recorded for what action has been taken for each report and how the case was concluded. Manor Estates is unable to measure how effective its approach has been.

Recommendation 13:

Manor Estates should monitor how good its antisocial behaviour outcomes are, by recording its actions and reporting on cases dealt with.

5.37 Manor Estates does not seek feedback from complainants on how well reports of antisocial behaviour are dealt with and therefore they are unaware of how the service is perceived or how it could be improved in line with tenants' priorities.

Recommendation 14:

Manor Estates should seek feedback from those reporting antisocial behaviour and use the information obtained to improve service delivery.

- 5.38 Manor Estates has plans to develop joint working arrangements with the community safety teams in East and North Edinburgh. It is also proactively working with other landlords and community representatives in Craigmillar on initiatives designed to assist with reducing instances of antisocial behaviour. This is an effective way of beginning to tackle area-based and more serious antisocial problems.
- 5.39 Manor Estates has a good policy for dealing with cases of racial harassment, but no cases have been reported in the past year.

Estate Management

- 5.40 Manor Estates manages its estates very well. Estates are inspected on a regular basis, and grass cutting and litter picking are carried out regularly. As a result, estates are clean, tidy and well maintained and tenants that we spoke to were very happy with the quality of the estate management service.
- 5.41 The service is responsive to the needs of local residents. For example, in one area additional communal fencing was erected at the request of local residents in order to deal with a particular problem. Residents were consulted and involved in the design of the project. There was a high level of satisfaction with the outcome.

How well is the service managed?

- 5.42 Manor Estates housing management service is managed effectively.

Policies and procedures

- 5.43 Manor Estates has a range of policies and procedures to guide staff over the full range of housing management services. In particular, the guidelines for estate management, for managing empty homes and for dealing with suspected abandoned properties are excellent. However, the procedures for dealing with antisocial behaviour and rent arrears do not provide staff with sufficiently clear guidance on the actions that they should take and are less effective. This means that members of staff do not deal with cases in a consistent way. Manor Estates should ensure that effective procedures are in place to guide staff as noted earlier in this report in recommendation 3.

Performance Management

5.44 Manor Estates has a good approach to performance management including:

- setting clear targets for rent arrears and for managing empty homes;
- closely monitoring performance against targets;
- regular team and staff meetings to discuss performance issues;
- good communication within the staff team; and
- reporting performance to committee and tenants.

How Likely is the Service to Improve?

5.45 We consider that the prospects for improvement in the housing management service are promising because Manor Estates:

- Has a strong commitment to continuous improvement.
- Has robust mechanisms in place to enable it to take the service forward.
- Has a good self awareness of most strengths and weaknesses.
- Obtains the views of tenants and uses the information to improve services.
- Has added the post of Senior Housing Officer to provide front-line staff with additional guidance and support.
- Has plans to introduce regular 'reality checks' to ensure that policies and procedures are being followed and that service delivery standards are consistently met.

6. Property Management

Overall Assessment of Property Management

- 6.1 Manor Estates delivers an excellent property management service. Its houses are maintained to a high standard and tenants are satisfied with the service they receive. Manor Estates has invested heavily to bring its older stock up to a good standard. It faces challenges because its stock is spread throughout Edinburgh, and because of the mixed tenure of many of its estates. The service is managed very well and good use is made of new ways of working in partnership to improve standards and service delivery. Manor Estates is aware of its areas of weakness and has identified and actioned areas for improvement.

A	<p>Manor Estates provides an excellent property management service with major strengths.</p> <p>The prospects for improvement in property management are excellent.</p>
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- 6.2 These are the areas that are working well:

- ✓ Houses are in good condition because they are well maintained.
- ✓ Tenants feel they get a good repairs service from Manor Estates.
- ✓ A high proportion of repairs are completed within the published target time.
- ✓ Tenants receive good information about Manor Estates' repairs service.
- ✓ Manor Estates actively seeks feedback from tenants and uses it to improve its property management services.
- ✓ Manor Estates takes a proactive approach to customer care and ensures that all its contractors behave in accordance with a code of conduct.
- ✓ Tenants get a good Right to Repair service.
- ✓ Tenants have reported a better service standard since Manor Estates entered into partnership contracts.
- ✓ Tenants who need adaptations to their homes get a responsive service.
- ✓ Manor Estates holds good information about the condition of its stock allowing it to effectively target its spending.
- ✓ Manor Estates maintains and improves its stock on a planned basis effectively securing the long term life of its stock.

6.3 These are the areas that could work better:

- Manor Estates cannot verify that its emergency repairs are completed on target.
- There is not a complete range of procedure notes to make sure staff have enough guidance to provide a consistent service.
- Although Manor Estates recharges tenants for repairs appropriately there are weaknesses in how payment is monitored and pursued.
- Tenants are not effectively involved in prioritising planned maintenance and stock improvement projects.

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

- ❖ Manor Estates should complete its set of written procedures for staff to guide them to provide consistent services.
- ❖ Manor Estates should improve the monitoring of its emergency repairs to allow them to confirm that repairs are completed on time.
- ❖ Manor Estates should consult tenants on maintenance and improvement priorities.
- ❖ Manor Estates should ensure rechargeable repair debts are pursued.

Context for Property Management

6.5 Manor Estates provides its property management services in house. The team is made up of a Technical Services Manager (Operations), a part-time Technical Services Manager (Strategy), a Maintenance Officer, two Technical Services Officers (one of whom works part time) and two Technical Services Administrative Assistants. An out of hours service for emergency repairs is operated on Manor Estates' behalf by its responsive repairs contractor.

6.6 The approach Manor Estates takes to property management is clearly laid out in a comprehensive stock management strategy. The aim of the strategy is to secure the long term life of its stock through maintenance, refurbishment and improvement. As far as possible Manor Estates seeks to concentrate on planned rather than reactive maintenance. In 2004/05 Manor Estates has allocated only 20.5% of its maintenance budget of £1.5 million to responsive repairs and 55% has been allocated to be spent on upgrading and improvements such as kitchen renewal, painter work and rewiring.

How Good is the Service?

Responsive repairs

- 6.7 Manor Estates provides an excellent repairs service which is accessible to tenants. Tenants can easily report repairs by phone, in writing or by calling in person to the office. The 2004 tenant opinion survey indicated that 95% of tenants found it easy to report a repair. Staff provide very good advice and information to tenants reporting repairs and do so in a courteous and professional manner.
- 6.8 There is a high level of satisfaction amongst tenants with Manor Estates' repairs service:
- 89% of respondents to the 2004 tenant survey stated that they were very satisfied or satisfied with the repairs service which was an increase of 3% from 2003.
 - The returned repairs satisfaction surveys for 2003/04 showed good levels of satisfaction: 91% said that the work was completed on time; 94% were satisfied with access arrangements, 93% were satisfied with the workmanship and 95% stated that the workmen were courteous.
 - We also spoke directly to tenants who confirmed that the repairs service was very good.
- 6.9 Manor Estates uses post inspections, along with the feedback it gets from tenant surveys, as a quality control mechanism to ensure that repairs are completed to a high standard. It has clear guidelines for when post-inspections should be carried out and meets these targets.
- 6.10 Manor Estates does not have a formal appointment system but staff and contractors are very flexible in meeting tenants' requests for the timing of visits. Manor Estates reports that its contractor contacts tenants to make a firm arrangement for access in 90% of cases. Manor Estates are currently investigating setting up a more formal appointment system. Another housing association has a member of staff based at the contractor's depot for tenant liaison and Manor Estates is currently exploring the possibility of sharing this service. This a good example of joint working and evidence of Manor Estates' aspiration to continually improve its service.
- 6.11 The quality of written information about repairs is good. The service standards leaflet and tenant information pack provide details about the level of service to expect, for example, how quickly tenants can expect a repair to be carried out and about their statutory right to repair. At the sign up interview staff advise new tenants about how to report a repair and

about the maintenance responsibilities of both parties. at the sign up interview.

- 6.12 Manor Estates has a Code of Conduct for contractors which details how contractors should behave in tenants' homes. These standards have been discussed at the Tenants Forum and tenants made aware of them through newsletters. Results from tenant feedback surveys indicate that contractors adhere to this code and provide a customer focused service.
- 6.13 Manor Estates actively seeks and uses feedback from tenants on the quality of its repairs service. A satisfaction survey is issued with all works orders. Manor Estates makes it easy for tenants to return the form by enclosing a Freepost envelope. Tenants are further encouraged to return these surveys since all returned responses are entered into a prize draw on a monthly basis and the names of winners are publicised in newsletters. This proactive approach has had a positive impact on the level of returns - 26% of surveys were returned in 2002/3 and this had increased to 35% in the last quarter of 2003/04.
- 6.14 Manor Estates also gains further feedback by telephoning a 10% sample of those who had failed to return the survey forms. Manor Estates makes good use of the information obtained from both surveys as they are discussed at monthly meetings with the contractors and are used to improve service delivery.
- 6.15 Manor Estates categorises repairs as emergency, urgent and routine and target response times are applied to each category. The target for the completion of urgent repairs is 2 days. There is a range of response times for routine repairs from 5 days for electrical work, 10 days for plumbing work and 15 days for joinery.
- 6.16 As the table below demonstrates performance improved markedly in 2003/04.

	2003/04	2002/03	2001/02
Emergency repairs completed on target	100%	100%	100%
Urgent repairs completed on target	98.8%	93.5%	94.2%
Routine repairs completed on target	95.7%	89.2%	90.7%

Source APSR

- 6.17 When tenants report a repair they are given clear information about the category a repair has been given and when it should be completed. However, there are no clear written guidelines for staff or tenants about how repairs are prioritised. We observed that staff have a degree of discretion in categorisation. Whilst flexibility is important to allow

individual circumstances to be taken into account, Manor Estates should provide clear guidelines for staff and tenants on how repairs are categorised so that tenants know what to expect.

Recommendation 16:

Manor Estates should provide clear guidelines for staff and tenants on how repairs are categorised.

- 6.18 Manor Estates has set itself a demanding target of responding to and making safe emergency repairs within 2 hours. However, although Manor Estates states that 100% of emergency repairs are completed within the target timescale, the completion time of the repair is not recorded. Manor Estates cannot therefore verify this success rate.

Recommendation 17:

Manor Estates should improve its recording and monitoring of emergency repairs to ensure that it knows that work is completed within published target times.

- 6.19 Manor Estates has set itself a target of pre-inspecting 5% of responsive repairs. In 2003/04 18% of repairs were pre-inspected. There are no clear written guidelines for staff on which categories of repairs should be pre-inspected, which has contributed to the high level of pre-inspection. Manor Estates is aware that this high level of pre-inspections is resource intensive and has taken action to reduce it. Since January a senior member of the team has approved all pre-inspections. As a result the level of pre-inspections was reduced to 12% in the last quarter of 2003/04. Manor Estates should consolidate this by providing clear guidelines for staff.
- 6.20 Manor Estates manages its tenants' Right to Repair under the Housing (Scotland) Act 2001 very well. When a tenant reports a qualifying repair, staff explain the implications and the information is repeated on the copy of the works order sent to the tenant. Arrangements are in place to pay compensation automatically if targets are not met and recharged to the contractor. Details of any repair where compensation is paid are reported to the management committee. Tenants are made aware of their Right to Repair in the Tenant Information Pack, and the service standards leaflet which is displayed in reception. Updated details of the scheme are provided annually in the newsletter.

- 6.21 Tenants are given clear information about their repair responsibilities both in their information pack and at the time of reporting a rechargeable repair. Manor Estates effectively invoices tenants for rechargeable repairs. However we noted that Manor Estates is failing to pursue debt when tenants fail to make payments.

Recommendation 18:

Manor Estates should pursue rechargeable repairs debts appropriately to maximise income.

Gas safety

- 6.22 Gas safety regulations require that landlords carry out safety checks on all their gas appliances every 12 months. Manor Estates currently has gas safety certificates in place for all its properties. However in a random check of 25 properties, we found that in 3 cases the interval between safety checks had been more than 12 months. This was in breach of the gas regulations which require properties to have continuous cover and therefore constituted a serious risk to tenants and the organisation.
- 6.23 Manor Estates was aware of this risk and identified weaknesses in its procedures for gaining access. As a result Manor Estates took steps to address the risk and management committee approved new procedures with strict timescales and provision for forced entry. These procedures have been implemented and are working well.
- 6.24 Manor Estates manages its gas maintenance contract well. It has entered into a partnering agreement with a specialised contractor to carry out all safety checks and breakdown works. Both parties are working together towards common targets and a good level of communication exists between them. In addition, Manor Estates maintains a good database with comprehensive details of each gas system, the dates of all previous services and the number of days since the last service. Paper files are also well maintained.
- 6.25 We consider that the effective relationship with the contractor and the good information base linked with the recently introduced procedures indicate that Manor Estates has the potential to continue to meet its statutory responsibilities.

Management of asbestos

- 6.26 The Control of Asbestos at Work Regulations 2002 require landlords to have a management plan in place by May 2004 to show how they will deal with asbestos in the common areas of their stock.
- 6.27 Manor Estates has developed a good approach to asbestos management. A specialist consultant has been appointed and an effective management plan for asbestos in common areas is in place.
- 6.28 Manor Estates is now surveying its whole stock in order to extend its information base and management plan to its whole stock and not just its common areas. This is a good approach to minimising risk to both to the organisation and to tenants.
- 6.29 Manor Estates intends that the information gleaned from the surveys will be added to the property database and that the presence of asbestos will be highlighted on works orders.

Lifetime maintenance

- 6.30 Manor Estates has a good awareness of the condition of its housing stock and has detailed long term plans to maintain and improve it. These plans are based on its good knowledge of the stock condition and up to date details of likely costs. The plans are effectively linked with the financial projections to ensure that improvements can be funded.
- 6.31 Manor Estates carries out its planned improvements with a strong customer focus. A specific member of staff is identified for tenant liaison on each project. Tenants' special needs are taken into consideration and where appropriate tenants are given a choice of paint colour, type of heating or kitchen fittings. In addition, care is taken to minimise disruption. For instance a rewiring programme at South Queensferry was held back from 2003/04 until this year when both kitchen and heating renewal are programmed, in order to minimise disruption to tenants. These projects are currently underway. We visited tenants involved and they were very pleased with the way the contract had been managed and the works had been carried out.
- 6.32 Manor Estates' priorities in preparing its annual programme have been determined by the terms of the contract agreed when it took ownership of the housing stock from Scottish Homes and on its knowledge of the condition of the stock. Tenants have not been involved in prioritisation of the programme. However, this is now changing with the establishment of the Tenants Forum, which has spent time discussing the programme and tenants' priorities although the process is not yet fully developed.

Although Manor Estates must meet its contractual commitments, it should ensure that it has an up to date and accurate picture of the priorities of current tenants and use these views where possible in the preparation of its programme.

Recommendation 19:

Manor Estates should seek opportunities to widen consultation with tenants on maintenance and improvement priorities.

- 6.33 Manor Estates provides good information to tenants about proposed works to their homes. All tenants are given details of the annual programme through the newsletter and new tenants are given details of any forthcoming improvement projects when they sign their tenancy agreement. All tenants due to be included in the programme are written to at the beginning of the financial year and are advised of the staff member who will be the key contact for the project. At this stage they are asked if they have any special needs that should be taken into account and/or if they have a carer who will act on their behalf. This indicates that Manor Estates is responsive to the needs of individual tenants.
- 6.34 Manor Estates requests tenant feedback on the completion of all contracts and uses this to improve the service. Satisfaction levels from these surveys are consistently high. Tenants we met confirmed that they were happy with the work carried out.

Adaptations

- 6.35 Manor Estates provides a very good service to tenants who require adaptations to allow them to remain in their home and live independently. Manor Estates consider the provision of adaptations as a key service to tenants because 45% of its tenants are over 65 and 39% identify themselves as being disabled in some way.
- 6.36 Minor adaptations are funded from Manor Estates' own resources. Major adaptations are funded by Communities Scotland. Manor Estates was originally awarded £50,000 by Communities Scotland in 2003/04. This was increased during the year by an additional £38,377. Manor Estates achieved 100% spend on this budget, effectively spending the grant allocated.
- 6.37 Tenants are given good information about the adaptation service. Information on adaptations is contained in the service standards leaflet, in the Tenants Information Pack, and in newsletters. Manor Estates intends to improve this further by producing a leaflet specifically about

adaptations. Staff are also good at actively promoting the service and identifying tenants' needs, with 30% of tenants we spoke to in our telephone survey saying that an adaptation had been suggested to them by Manor Estates staff.

- 6.38 Since October 2003 Manor Estates has worked in partnership with a specialised contractor to provide an adaptations service. Positive outcomes from this approach have included reduced waiting time, target installation times and colour choice, resulting in an improved service for tenants.
- 6.39 Manor Estates seeks feedback from all tenants who have adaptations. Satisfaction rates have improved since the introduction of partnering and are consistently high.
- 6.40 Manor Estates manages the adaptations process well. Clear procedures are in place for staff to use and a computerised register is maintained to monitor the process. Once an adaptation is complete, details are kept on file and the information used when the house is allocated in future. This helps to ensure an effective use of the stock.

How Well is the Service Managed?

- 6.41 Manor Estates manages its property maintenance service very well. Good systems are in place to monitor the repairs service and to make sure that high standards are maintained. There is a good balance between emergency, urgent and routine repairs, taking into account safety, responsiveness, efficiency and value for money. In 2003/04 29% of responsive repairs were categorised as emergency, 23% as urgent and 48% as routine. To ensure that this balance is maintained and that repairs are categorised as emergencies appropriately, a member of staff checks that all emergency repairs reported outside office hours have been categorised correctly. If appropriate, the tenant will be sent a letter advising them about correct use of the out of hours service and persistent offenders are recharged.
- 6.42 Manor Estates has fully adopted the government agenda for working in partnership and 'Building a Better Deal'. It currently operates six of its key areas of work under partnering agreements: reactive maintenance, maintenance painter work, landscape maintenance, heating service and breakdown, kitchen refurbishment and medical adaptations. This demonstrates that Manor Estates takes an innovative approach and is keen to seek continuous improvement. Already partnering has had positive results including increased tenant satisfaction, more effective monitoring of the contractor's performance and cost stability. The partnership agreements are based on fixed costs; therefore Manor Estates

knows what it will spend over the course of a year. According to Manor Estates staff partnering contracts have also had a positive impact on quality control as contractors have an interest in getting the repair right the first time.

- 6.43 A report on progress of partnership agreements against aims and targets is presented to the management committee on an annual basis and we found evidence of improved outcomes since the advent of partnering. No formal cost benefit analysis exercise has been carried out. However Manor Estates is aware that such an exercise should be carried out before partnership agreements are renewed.
- 6.44 Manor Estates monitors its performance effectively. Reports showing performance against budget, contractor performance and tenant satisfaction are considered by the management committee on a quarterly basis.
- 6.45 We found that Manor Estates manages its repair and improvement contracts well. Each project file has a 'key stages review sheet' to ensure that the contract is being managed appropriately. Manor Estates holds regular minuted meetings with its contractors and performance issues are dealt with appropriately.

How Likely is the Service to Improve?

- 6.46 We consider prospects for improvement to be excellent because:
- Manor Estates has demonstrated a commitment to continuous improvement, for example in its current investigations into formalising an appointment system for repairs.
 - Manor Estates has responded well to new policies and government agendas such as sustainability, 'Building a Better Deal' and partnership working.
 - Manor Estates actively seeks and uses feedback from tenants to improve service delivery.
 - Manor Estates has identified areas of weakness has taken action to address these, as can be demonstrated in its approach to gas safety.

7. Property Development

Overall Assessment of Property Development

- 7.1 Manor Estates is currently preparing its first new build project for three years. It previously has undertaken only one other new build project, with another housing association working as development agent. Although the project preparation is progressing well and the approach being taken by Manor Estates is very sound, the project is not sufficiently advanced to allow us to award a grade for property development.

Context for Property Development

- 7.2 Manor Estates has recently joined with 4 other RSLs in a development alliance in response to the changes brought about by the transfer of the management of development funding (TMDF) from Communities Scotland to Edinburgh City Council from 2004/05. To facilitate value for money and long term partnership working, Edinburgh intends to reduce the number of developing associations within the city and work with a small number of 'preferred partners'. The alliance has been successful in being awarded preferred partner status. Manor Estates has a landbank of eight small sites situated within its estates and intends working with the alliance to develop these. It is anticipated that the first of these projects will be on site at Telford by autumn 2004.
- 7.3 Manor Estates has no development staff. The director has led on preparation of the development strategy and Canmore Housing Association has been employed to act as development agent for the Telford project.

Development Planning

- 7.4 Manor Estates has developed a robust development strategy and has reacted effectively to the changes brought about by TMDF.
- 7.5 Manor Estates recognised the benefits of becoming involved in development, in particular that an increase in its stock would allow it to better meet demand and benefit from economies of scale. Manor Estates was also keen to replace stock lost through Right to Buy (RTB) sales. It has taken the opportunities afforded by the changing context to work in partnership to meet these objectives.
- 7.6 The Communities Scotland area team confirmed that Manor Estates has shown a good understanding of the current context in preparing its strategy which is based on a sound analysis of housing need and the shortage of smaller houses.

- 7.7 In taking forward its development plans Manor Estates has taken a steady approach and careful consideration has been given to the risks to the organisation.

Partnership Working

- 7.8 Manor Estates' development strategy commits it to working with partners to meet housing need. Manor Estates has a proven record of working in partnership to achieve improved standards and value for money through its maintenance contracts and is confident that the development alliance will bring similar benefits.
- 7.9 Manor Estates is working in partnership on its Telford project with EDI, the city council's development company. It is planned that Manor Estates' new build site will be the first part of a phased development in which EDI will develop houses for sale and improve the current shopping facility. This is a good example of an RSL working in partnership to ensure continued sustainability of the community.

Tenant Involvement in development

- 7.10 The original impetus to develop the vacant site at Telford came from the local community. Manor Estates has kept all tenants informed of progress through newsletter articles. The April edition of the newsletter gave details of the Telford development and stated that plans were available for inspection, and that a local meeting would be held if there was a demand. Manor Estates is also considering setting up a consultation group with service users in the site vicinity to discuss issues such as site safety.

Quality of development management

- 7.11 An agency agreement has been entered into, with Canmore Housing Association as development agent. This agreement clearly sets out the responsibilities of each party. It includes provision for regular feedback on progress to be given to the management committee by Canmore. We are of the view that this agreement will help to facilitate continued control of the project by Manor Estates.

Building a better deal

- 7.12 Although the process is at an early stage, good practice is being followed and the Telford project is being procured on the basis of quality and price. The design brief states that the development will take account of the following standards:

- Housing for Varying Needs.
- Edinburgh City Council's wheelchair accessibility standard.
- Secure by Design.

How Likely is the Service to Improve?

7.13 Although Manor Estates is still at an early stage in property development, we consider that the prospects for improvement to be promising because:

- It has a well thought out and robust development strategy.
- It has shown good awareness of its operating context and is working well with partners to achieve its objectives.
- It has embraced new initiatives such as 'Building a Better Deal'.
- It is taking a prudent and measured approach to development, taking into account associated risks.
- It has a good track record for community and tenant involvement.

8. Services for Owners

8.1 Manor Estates provides high quality services to owners. The association also provides a good service to tenants who apply to purchase their home. Applications are dealt with appropriately and in line with legislative requirements. Manor Estates also provides a good customer focused factoring service. However, Manor Estates is not effective in pursuing owner-occupiers who are in arrears with their factoring charges.

8.2 These are the areas that are working well:

- ✓ Manor Estates provides good information and advice to tenants exercising their right to buy.
- ✓ Applications to buy are processed correctly and quickly.
- ✓ Owner occupiers receive good information on their rights and responsibilities under the factoring service.
- ✓ Manor Estates provides excellent landscape maintenance and repairs services.
- ✓ Bills sent to service-users of the factoring service are accurate and informative.
- ✓ Factoring charges cover the cost of providing the service.
- ✓ Manor Estates are planning well for the commencement of the provisions of the Title Conditions (Scotland) Act 2003 and the Abolition of Feudal Tenure Act 2000.

8.3 There is one area where improvement is needed:

- Manor Estates need to pursue factoring arrears effectively.

8.4 This is our key recommendation:

- ❖ Manor Estates should ensure that factoring arrears are pursued efficiently and effectively.

Context for Services to Owners

8.5 Manor Estates provides factoring services to over 1,700 owners. Delivering and managing this service is a significant part of the work of the association. Two levels of service are provided: a full factoring service which provides services in relation to common repairs, landscape maintenance and buildings insurance and an administrative service that provides a landscape maintenance service. Around 1300 owners are in receipt of the administrative service, while around 400 receive the full factoring service.

- 8.6 Owners provided with the full factoring service are liable for a service charge fee of £76 per year while those provided with the landscape maintenance service pay £17 annually and these charges are reviewed once a year. In addition to the service charge, owners are also liable to pay for their share of the costs of any work undertaken during the year. Accounts for the administrative factoring service are issued once a year, while those for the full factoring service are issued twice a year.
- 8.7 A significant proportion of Manor Estates tenants retain the right to buy their homes, as a result of their transfer from Scottish Homes. During the year to 31 March 2004 Manor Estates received 28 applications to buy.

How Good is the Service?

House Sales

- 8.8 Manor Estates provides a good service to tenants who exercise their right to buy and is meeting its statutory requirements. In particular:
- applications are progressed within appropriate timescales, with offers being issued within two months and sales completed within six;
 - the assessment of eligibility and the calculation of the discount are carried out correctly;
 - applicants are provided with good information on their rights and responsibilities as owners; and
 - applicants are provided with information on the factoring service – membership of which is mandatory once a sale is concluded.
- 8.9 The service provided to tenants who exercise their right to buy is well managed, with all applications and their progress being entered into a paper-based central house sales register. Staff can easily see the actions that have been taken and what further action is required to progress the application.

Factoring

- 8.10 Manor Estates provides a good quality factoring service. In particular:
- the landscape maintenance service ensures that estates are clean, tidy and well maintained;
 - repairs to common areas are carried out quickly and to a high standard;
 - common buildings insurance premiums are good value; and
 - owners are accurately charged for work undertaken and account letters provide owners with clear information on what they are being billed for.

- 8.11 Manor Estates provides very good information to owner-occupiers on its factoring service. Estate-specific newsletters are produced that provide information on the service, factoring charges, and information on new developments.
- 8.12 Income from the factoring service met the costs of providing the service for the first time in 2003/04 and Manor Estates hopes to maintain this position in future years.
- 8.13 Manor Estates does not pursue factoring charge arrears in line with its escalation policy. For instance, reminder and warning letters are not sent out in the required timescales and home visits are not being carried out. Factoring arrears have increased from 34.9% to 40.3% of gross factoring income between 31 March 2003 and 31 March 2004. Total factoring arrears currently stand at £53,022. Manor Estates should take steps to ensure that factoring arrears are pursued effectively, in line with policy and procedure and that targets are set for their reduction.

Recommendation 20:

Manor Estates should ensure that it effectively pursues all factoring charges due to the association by owner-occupiers.

- 8.14 Manor Estates is aware of the legislative changes to be introduced by the Title Conditions (Scotland) Act 2003 and the Abolition of Feudal Tenure Act, 2000. It is working to update its Deed of Conditions and to review the service in response, to ensure that it meets the requirements of the new legislation by the deadline of 28 November 2004.
- 8.15 Although there is a weakness in pursuing arrears, Manor Estates provides a good responsive service for owners. We are confident that the services provided to owners will be taken forward in the years ahead and that the prospects for improvement are promising.

9. Wider Action

Overall Assessment of Wider Action

- 9.1 Manor Estates has adopted a prudent approach to wider action. One of its objectives is to assist in the regeneration of the areas in which the association operates and its development strategy recognises that it should become involved in wider action initiatives. Manor Estates is aware of the risks involved in such initiatives and has taken steps to minimise these to ensure that any activities it undertakes does not affect the delivery of its core services.
- 9.2 Manor Estates has sought to minimise risk initially by appointing a consultant to investigate the scope for increased wider action, the potential for partnership and the likelihood of funding.
- 9.3 This consultation is ongoing but potential projects have been identified as:
- Care and Repair Plus;
 - enhanced factoring; and
 - an energy advice project.
- 9.4 These proposals indicate a good approach by Manor Estates because:
- They build on what Manor Estates is currently doing well, using existing expertise.
 - They are being developed in partnership, minimising the risk.
 - They are focusing on sustainability of communities and the environment.

10. Next Steps

10.1 This report is not the end of the process. We have asked Manor Estates to produce an improvement plan within eight weeks of the publication of this report. This plan should show how it intends to respond to all our recommendations. The plan will be agreed with us.

10.2 If you would like to see the improvement plan you should contact:

Manor Estates Housing Association Ltd
11 Washington Lane
Edinburgh
EH11 2HA

Telephone: 0131 337 3222
E-mail: lmcdonald@manorestates.org.uk

10.3 We will re-inspect Manor Estates in five years' time.

APPENDIX 1 – List of Evidence Sources

Groups and third parties consulted

- Canmore Housing Association
- City of Edinburgh Council
- Communities Scotland Area Team & Tenant Participation Team
- Craigmillar Neighbourhood Alliance
- EdIndex
- Huntershall Cooperative
- Kintry Housing Partnership
- Muirhouse Housing Association
- Police – Craigmillar and Dry law
- The Action Group

Interviews/meetings

- Chairperson and Management Committee of Manor Estates
- Director
- Housing Manager
- Senior Housing Officer
- Finance and IT Manager
- Technical Services Manager
- Maintenance Officer
- Welfare Rights Officer
- All frontline staff
- Directors of Technical Service Canmore HA

Reality checks

- Observation of 2 management committee meetings
- Observation of Tenants Forum meeting
- Allocation File checks
- Shadowing lettings interview
- Shadowing tenancy sign up
- Telephone survey of new tenants
- Void properties file checks
- Shadowing of void inspections
- Abandoned properties file checks
- Rent Arrears file check
- Shadowing rent arrears interview
- Response repairs file checks
- Telephone survey of recent response repairs service users

- Adaptations file checks
- Telephone survey of recent adaptations service users
- Gas safety file checks
- Telephone survey of recent planned maintenance service users
- Site visits to planned maintenance projects
- Project file checks
- Antisocial behaviour file checks
- Shadowing antisocial behaviour interviews
- Estate Management file checks
- Shadowing estate management inspections
- House sales file checks
- Complaints file checks

Key documents reviewed

Key documents reviewed

- Inspection Submission
- Strategies, Policies and Procedures

Administration

- Complaints
- Confidentiality
- Delegation of powers
- Equal Opportunities
- Management Committee recruitment, Training and Review
- Membership
- Openness and Accountability
- Payments, Benefits and Corporate Accountability
- Performance Management Strategy
- Risk assessment and management
- Staff Appraisal
- Standing Orders
- Sub- committee remits
- Policy review strategy
- Service Standards

Finance

- Financial Regulations
- Rent policy
- Tendering Procedures
- Treasury Management Policy
- RTB sales

Housing Management

- Abandoned tenancies
- Allocations
- Antisocial Behaviour
- Arrears
- Estate management
- Racial harassment
- Void management
- Tenancy agreement
- Tenant Participation

Technical services

- Contractors Code of Conduct
- Gas servicing
- Maintenance service standards
- Medical adaptations
- Planning process-maintenance and improvements
- Procurement strategy
- Rechargeable repairs
- Right to repair
- Stock management strategy
- Sustainability

- Policy review strategy 2004
- Minutes of the management committee(various dates)
- Internal Management Plan 2002/05
- SDFP 2004/06
- Performance Standards Compliance Consultants Report
- Equal Opportunities self assessment
- Quarterly Housing Management Performance Reports last 12 months
- Quarterly Technical Services Performance Reports last 12 months
- Work plan monitoring 2004/5
- Tenant Participation work plan 2004/5
- Voids Register and monitoring spreadsheet
- Rent Arrears Reports
- Antisocial Behaviour Performance Monitoring Reports,
- Housing Management Monitoring and Quality Control Plan, May, 2004
- House Sales Record Book
- Comparable Rents, 2003/04
- Nomination Monitoring Information
- Factoring Agreement
- Medical adaptations register
- Partnership working – agreements and minutes of meetings
- Maintenance and improvement project files

- Staff Selection and recruitment
- Staff and committee handbooks
- Management committee training needs analysis
- Staff and committee training plans
- Internal audit reports and action plan
- 2004/05 budget
- Cash flow projections - 2003/4 and 2004/5 programme
- Annual Reports 1999/ 2003
- Newsletters 2003/04
- Tenants Information pack
- Tenants Information Leaflets
- The Key to Craigmillar: A Neighbourhood Agreement on Housing Allocations
- Guide to Allocations: Special Needs
- Guide to Allocations: General Needs
- Housing Stock Guide
- EdIndex Guidance
- Results of tenant feedback surveys.
- Tenants Opinion Survey - results 2003 and 2004
- Tenants forum minutes and papers
- Nomination agreements and Section 5 protocol with City of Edinburgh Council
- Joint Protocol for the Exchange of Information between Lothian and Borders Police and Registered Social Landlords
- Development agency agreement
- Schedule 7 Register
- Register of Interests
- Register of contracts and commissions

APPENDIX 2 - Key Examples of Positive Practice

These are areas we would highlight as working particularly well, taking account of Manor Estates' operating context:

- The use of partnership working to improve service standards and stabilise Costs.
- Manor Estates' proactive approach to seeking and using feedback from tenants to improve service delivery.

Glossary

Annual Statistical and Performance Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
Common housing registers	A register of all applicants for social housing used by two or more landlords within an area.
Convention of Scottish Local Authorities (COSLA)	The membership body for local authorities in Scotland.
Focus groups	A group of people brought together to have a structured discussion on a specific subject or set of subjects, facilitated by an independent person.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
Ombudsman	The independent body appointed to investigate individual complaints against Registered Social Landlords (RSL).
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.

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.
Planned maintenance	The planned renewal or maintenance of key property components.
Procurement	The way an organisation obtains services or materials from other organisations or agents.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Scottish secure tenancy	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
Scottish Federation of Housing Associations (SFHA)	The membership body for RSLs in Scotland.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
Sustainability	Improving the economic, social and environmental circumstances of the wider communities to create and maintaining communities where people positively want to live.
Tenancy agreement	Legal document or contract between landlord and tenant setting out the rights and responsibilities of each.
Void	A property without a tenant. Voids occur in the period between one tenant leaving and another taking over the tenancy.

Financial Glossary

Financial Ratios

Interest cover

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

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

The interest cover ratio simply indicates how many times the annual interest payments could be made from the operating surplus. If the operating surplus is large compared to the annual interest payments then this could be viewed as a strength for the organisation.

Note: As an example, 110% (or 1.1 times) interest cover indicates that gross surplus covers interest payments 1.1 times.

Net housing debt per unit

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

Gross surplus (or operating surplus)

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

Net surplus

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