

Pathfinder Inspection Report
Summary
March 2004

Queens Cross Housing Association



Queens Cross Housing Association: Pathfinder Inspection Report Summary

1. Communities Scotland is responsible for the regulation and inspection of all Registered Social Landlords (RSLs). We inspected Queens Cross Housing Association in October 2003. This summary report sets out the main findings from our inspection.

Queens Cross Housing Association

2. Queens Cross was set up in 1976 and registered with Communities Scotland (Scottish Homes) in the same year. It is a long established community based housing association which was formed to address the below standard housing conditions in the Queens Cross area of Maryhill, Glasgow. Its initial focus on tenement improvement provided 1300 modernised homes for tenants and owner-occupiers by 1983, in partnership with the local authority. Then it widened its activities into new build housing, housing and support for particular needs, low cost home ownership and wider action aimed at economic and community regeneration.
3. From 1994, Queens Cross took part in the transfer of houses owned by Scottish Homes and the local authority, acquiring around 1200 homes, which it has subsequently improved. It also extended its factoring and wider role activities. It currently has around 2000 homes for rent and provides a factoring service to 1100 owners. There are 114 people on the staff, providing a range of services from housing and property management to housing support, community development, caretaking and welfare advice.
4. The Association is entering a further period of growth and diversification. Queens Cross has supported the creation of the Glasgow Housing Association (GHA) and the transfer of the City Council's housing stock. Three Local Housing Organisations (LHOs) at Queens Cross will manage 3000 homes for the GHA.
5. Queens Cross is governed by a Management Committee, drawn from its membership. The membership has two categories – tenants and residents in the Queens Cross area of operation, including members representing businesses operating in the area, and GHA tenants in the LHO properties.

Inspection Grades

3. These are the inspection grades achieved by Queens Cross:

| | | |
|-------------------------------------|---|--|
| Overall Performance | B | Queens Cross is a good performer with many strengths and some areas where improvement is needed. The prospects for improvement overall are uncertain |
| Governance and Financial Management | C | Queens Cross is a fair performer in governance and financial management, with some strengths, but significant areas where improvement is required. The prospects for improvement in governance and financial management are uncertain |
| Housing Management | B | Queens Cross delivers a good housing management service with many strengths and some areas where improvement is needed The prospects for improvement in housing management are uncertain |
| Property Management | B | Queens Cross delivers a good property management service with many strengths and some areas where improvement is needed The prospects for improvement in property management are uncertain |
| Property Development | B | Queens Cross delivers a good property development service with many strengths and some areas where improvement is needed The prospects for improvement in property development are promising |

4. Queen's Cross is an innovative, entrepreneurial organisation, which has made a major contribution to the improvements achieved in the quality of life for residents in its area over the last 25 years. It is characterised by strong leadership at management and committee level. Queens Cross has given tenants homes they are happy with and services they value highly. The Association has been very successful in recognising and

developing opportunities to achieve comprehensive regeneration and at working in partnership to maximise the benefits this can deliver.

5. The overall performance of Queens Cross is characterised by many strengths in the quality of its housing, services and wider contribution to the community, and also by weaknesses in its business planning and accountability. There is a risk that the Association will not be adequately prepared for further growth and the associated change management, and a balance between these two approaches is required to protect and sustain its achievements in the long run. For these reasons, we consider that the likelihood of improvement for Queens Cross is uncertain overall.

Overall Performance

6. This section describes how good Queens Cross's services are overall and how well they are managed.

7. These areas are working well overall:

- ✓ Accessibility of staff and services.
- ✓ Communication with tenants and service users.
- ✓ Promotion and support of tenants groups.
- ✓ Inclusive community events and activities.
- ✓ Accountability arrangements for management of GHA stock.
- ✓ A range of services that meets diverse community needs.
- ✓ Diversity reflected in staff and committee members.
- ✓ Promotion of sustainability.
- ✓ Wider role activities.
- ✓ Proposals for corporate planning.
- ✓ Improvement in computer systems.

8. These areas could be working better overall:

- New standards of tenant participation and consultation.
- Self-assessment of performance.
- Dealing with complaints.
- Availability, application and management of policies.
- Active promotion of new equality and diversity requirements.
- Comprehensive business planning.
- Staff training and development.
- Selection of maintenance contractors and consultants.

9. These are our key overall recommendations:

- ❖ Queens Cross must quickly put into use the comprehensive business planning being developed, including financial planning, to sustain its performance to date and to prepare it for future growth.
- ❖ Queens Cross should extend its performance management in all aspects of its business, using self-assessment to set priorities, benchmarking to set targets and training and appraisal to support staff in achieving business objectives.
- ❖ Queens Cross should make statutory tenant participation rights available to all its tenants quickly.
- ❖ Queens Cross should improve the way it handles complaints, in accordance with the Ombudsman's recommendations.
- ❖ Queens Cross should focus its good work on equal opportunities around an action plan to meet the new requirements of the Housing (Scotland) Act 2001.
- ❖ The Association should ensure that its procurement arrangements for all work, assets and services are systematic and accountable.
- ❖ Queens Cross should make better use of its policies and procedures to guide its activities, support its staff and demonstrate its accountability to tenants and service users.

Governance and Financial Management

10. This section describes how well Queens Cross's governing body of volunteer members control the organisation, and examines the wider opportunities for tenants and other members to become involved in managing the Association. It also looks at Queens Cross's financial health and how it manages its finances.
11. These areas that are working well in governance and financial management:
 - ✓ The Association has recognised the governance changes that will be required for its growth as a management agent for GHA and has started to implement these.
 - ✓ Queens Cross has a growing membership, reflecting its growth as an organisation.
 - ✓ The Management Committee has members who are committed to the Association and the improvement of the area, and they have a range of relevant knowledge and skills.
 - ✓ Management Committee meetings are well run and all members participate effectively.
 - ✓ The committee has a clear vision of the core purposes and aims of the Association and of the impact it seeks to make on housing conditions and services.
 - ✓ The Association's financial position is assisted by a below average debt per house.

- ✓ Queens Cross has been able to fund an extensive programme of major improvements to its older stock.
- ✓ Loans have been re-negotiated, resulting in savings on interest paid.
- ✓ Day to day financial management is competent and efficient.

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

- Independent operation in accordance with the constitution.
- Clarity of relationships between the companies in the informal Queens Cross group of companies.
- Adherence to the rules of the Association in appointing and retaining committee members, operating the standing orders and delegated authorities.
- Induction and training of committee members.
- Arrangements for making and recording strategic decisions.
- Ensuring that all decisions are taken in the best interests of the Association and its service users.
- Risk management and monitoring.
- Ethical standards.
- Planning for financial viability.
- Assessment of the costs of all services.
- Reconciliation of financial records between departments.
- Budget setting & management.
- Financial reports to committee.
- Treasury management and reporting.
- Accounting for grant repayment for shared ownership sales.

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

- ❖ The Association should quickly finalise an appropriate structure for the related companies in the Queens Cross Group, one that will protect its independence and make relationships within the group explicit.
- ❖ The Management Committee should ensure that it obtains all the information required for good decision-making.
- ❖ The Association should recognise and manage potential conflicts of interest.
- ❖ The Association must improve its compliance with Schedule 7 of the Housing (Scotland) Act 2001 and provide training on this for all committee and staff.
- ❖ Queens Cross should formalise its induction arrangements for committee members, undertake regular assessments of training needs and address these with a committee training plan.

- ❖ The Management Committee should ensure that it operates in accordance with the Rules of the Association in the election and resignation of committee members.
- ❖ Queens Cross should complete its review of its standing orders to define the remits and delegated authorities of its sub committees and staff.
- ❖ Queens Cross should implement its arrangements for the effective management and monitoring of risk
- ❖ Internal audit arrangements should allow recommendations to be considered and acted upon in good time.
- ❖ Queens Cross should quickly complete the introduction of detailed and comprehensive financial planning for the short, medium and long-term and the committee should monitor financial viability against these plans regularly.
- ❖ The Management Committee should receive more detailed budget information, which can be compared with performance during the year.
- ❖ Queens Cross should review its financial reporting to improve comparison of performance against budget and against its key financial targets and ratios.
- ❖ A detailed review of services and their costs should be carried out to ensure that charges cover all costs, including overheads.
- ❖ Queens Cross should measure and allocate overheads to appropriate cost centres, for inclusion in departmental budgets.

Housing Management

14. This section summarises how well Queens Cross controls access to its houses, rent levels and deals with empty houses and rent arrears. It also describes how the Association manages its estates and deals with antisocial behaviour.

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

- ✓ Appropriate tenancy and occupancy agreements are in place.
- ✓ Queens Cross is on target to sign up all its tenants to the new SST by April 2004.
- ✓ Good information is provided to tenants on their rights and responsibilities.
- ✓ The Association provides very good supported accommodation and services.
- ✓ Welfare benefits and money advice is used to help sustain tenancies.
- ✓ High void levels inherited at Westercommon have been resolved.
- ✓ Empty houses are repaired and re-let very quickly.
- ✓ Arrears levels are low and well managed.
- ✓ Evictions are infrequent.
- ✓ Queens Cross provides a good environment around its houses.

- ✓ Residents are happy with Queens Cross as an attractive and safe place to live.

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

- Departmental planning, targets and performance management.
- Access to the housing list for anyone over the age of 16.
- Openness about how housing need is assessed and houses are let.
- Support to staff on how to operate the letting system.
- Compliance with statutory requirements for lets to committee, staff or their relatives.
- Knowledge of how much preference is given to applicants in priority housing need.
- Rent increases and consulting with tenants on these.
- Charging of, and information on, service charges.
- Monitoring of housing benefit overpayments.
- Awareness and management of antisocial behaviour.

17. These are our key recommendations for housing management:

- ❖ Queens Cross must provide the open access to its housing list required by statute.
- ❖ The Association must review its allocations policy to explain how need is assessed, all houses are let and to comply with good practice.
- ❖ Queens Cross must improve its compliance with Schedule 7 of the Housing (Scotland) Act 2001 in allocations to committee, staff or their relatives.
- ❖ Queens Cross should extend its monitoring of allocations to ensure it gives reasonable preference to people in priority housing need.
- ❖ The Association should set rents to take account of affordability, the cost of running the business and contractual obligations to tenants.
- ❖ Queens Cross must consult tenants on future rent increases.
- ❖ Queens Cross should charge tenants the full cost of the services it provides and keep them informed of any adjustments required.
- ❖ Queens Cross should improve its awareness of how serious an issue antisocial behaviour is for its tenants and improve the arrangements for managing it.

Property Management

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

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

- ✓ Response times for completing repairs are very good;
- ✓ Residents are happy with the repairs service and the way it is provided by the staff and contractors;
- ✓ The emergency repairs target has been increased in response to tenant feedback;
- ✓ Tenants and owners are provided with good information on repairs;
- ✓ The in-house repairs team is popular with tenants;
- ✓ Cyclical maintenance is operating well;
- ✓ Problems in gas servicing have been identified and resolved;
- ✓ Repairs quality is checked thoroughly by pre and post-inspections;
- ✓ The Association has comprehensive information on the condition of its stock;
- ✓ Queens Cross knows what the maintenance requirement will be over the next 30 years and how much it will cost; and
- ✓ Major improvements to the stock are being undertaken systematically and within realistic timescales.

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

- Departmental planning, targets and performance management;
- Compliance with the legal requirements for tenants' right to repair;
- Compliance with legal requirements for tenants' rights to compensation;
- Consistency in recharging repairs to tenants;
- Contractual arrangements with maintenance contractors;
- The use of information for performance management;
- Tenants' and owners' involvement in the planning of major works.

21. These are our key recommendations for property management:

- ❖ Queens Cross must amend its right to repair provisions, in accordance with the Housing (Scotland) Act 2001.
- ❖ The Association must give its tenants their right to compensation, in accordance with the Housing (Scotland) Act 2001 and should identify and reimburse any tenants who have received less than their entitlement since September 2002.
- ❖ Formal contractual arrangements should be put in place with maintenance contractors quickly.
- ❖ The Association should extend its performance management of maintenance to assist continuous improvement.
- ❖ Queens Cross should involve tenants and owners in the planning of programmes for major works to their homes.
- ❖ The Association should ensure that its arrangements for recharging repairs are the same for all tenants, regardless of the contractor used.

Property Development

22. This section summarises how good Queens Cross's newly built houses are. It also looks at how the Association managed the construction of these houses.

23. These are the areas that are working well in property development:

- ✓ Strategic partnerships.
- ✓ Comprehensive regeneration in priority areas.
- ✓ High quality houses, which are popular with tenants.
- ✓ Energy efficiency and crime prevention features.
- ✓ Provision for the varying needs of tenants over time.
- ✓ Sustainability and reuse of materials.
- ✓ Environmental awareness.
- ✓ Tenant participation in the development of their homes.
- ✓ Responsiveness to tenant feedback in improving designs and project management.

24. These are the areas that could work better in property development:

- Management Committee control of the planning process.
- The selection of contractors and consultants.
- Financial appraisal and risk management.
- Tender acceptance arrangements.
- Departmental performance management.

25. These are our key recommendations for property development:

- ❖ The Management Committee should ensure that it obtains all the information required for good decision-making and should give more attention to the content of major strategy documents before approval.
- ❖ The Management Committee should receive a full financial breakdown, including details of grant conditions for each project, and give formal approval, before cost bids are accepted.
- ❖ The Association should extend its performance management of property development to assist continuous improvement.
- ❖ Queens Cross should amend its selection of contractors and consultants to comply more fully with best practice guidelines.

Services to Owners

26. This section summarises how well Queens Cross is providing services to owners. It includes the arrangements for sales of houses under the right

to by and factoring services provided to owners, both former tenants of the Association and independent owners.

27. These are the areas that are working well in services to owners:

- ✓ Information about rights and responsibilities for those using their right to buy.
- ✓ Assessment of eligibility for purchase and discounts.
- ✓ Customer satisfaction with the factoring service.
- ✓ Information about the rights and responsibilities of owners and of Queens Cross as a factor.
- ✓ The range of services on offer to owners.
- ✓ A seamless service to owners and tenants in mixed tenure areas.
- ✓ The computerised management arrangements for factoring.
- ✓ Low factoring arrears, which are continuing to decrease.
- ✓ A floating fund for some factored owners.

28. These are the areas that could work better in services to owners:

- The time taken to complete house sales under the right to buy.
- Performance monitoring of sales in relation to statutory targets.
- The calculation of, and charging of, factoring service costs to owners.
- Clarity of VAT elements in factoring invoices.

29. These are our key recommendations for services to owners:

- ❖ Queens Cross should reduce the time taken to complete house sales and extend its monitoring of performance so that it complies with statutory timescales.
- ❖ A detailed review of the cost of services to owners should be carried out to ensure that charges cover all costs, including overheads.

Wider Action

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

31. These are the areas that are working well in wider action:

- ✓ The range of innovative community development and enabling activities.
- ✓ The contribution of wider action activities to the profile of Queens Cross as a community organisation.
- ✓ The measurement of welfare benefits being accessed for clients.

✓ The management of individual projects.

32. These are the areas that could work better in wider action:

- Performance monitoring and management related to the wider action strategy and the aims of individual projects.
- Independence between the companies working on wider activities within the informal Queens Cross group.
- Management of risks and conflicts of interest within the companies in the informal Queens Cross group.

33. These are our key recommendations for wider action:

- ❖ Queens Cross should extend the performance management of its wider action activities, using self-assessment to set priorities, benchmarking to set targets and training and appraisal to support staff in achieving business objectives.
- ❖ The Association should quickly finalise an appropriate structure for the related companies in the Queens Cross Group, one that will protect its independence and make relationships within the group explicit, without further delay.

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

35. This summary can also be made available on tape, in Braille, MOON, large print and community languages. For information please contact Janette Campbell on 0131 479 5162 or email campbellj@communitiesscotland.gov.uk.

36. We have asked Queens Cross Housing Association to produce an improvement plan within eight weeks of publishing the inspection report to show how it intends to respond to all our recommendations. We will agree the plan with the organisation. We will re-inspect Queens Cross in five years' time.