

A1 Housing Bassetlaw

Bassetlaw District Council

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Arms Length Management Organisation (ALMO) Inspections

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively and delivers high quality local services for the public.

Within the Audit Commission, the Housing Inspectorate inspects and monitors the performance of a number of bodies and services. These include local authority housing departments, local authorities administering Supporting People programmes, arms length management organisations (ALMOs) and housing associations. Our key lines of enquiry (KLOEs) set out the main issues which we consider when forming our judgements on the quality of services. The KLOEs can be found on the Audit Commission's website at www.audit-commission.gov.uk/housing.

This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

- is proportionate to risk and the performance of the Council/ALMO;
- judges the quality of the service for service users and the value for money of the service;
- promotes further improvements in the service; and
- has cost no more than is necessary to safeguard the public interest.

This service was inspected as part of the Government's arms length housing management initiative, which encourages councils to set up ALMOs to manage, maintain and improve their housing stock. The Government decided that councils pursuing this option can secure additional capital funding if the new arms length body has received at least a 'good' rating from the Audit Commission's Housing Inspectorate.

An ALMO is a company set up by a local authority to manage and improve all or part of its housing stock. The local authority remains the landlord and tenants remain secure tenants of the authority. An ALMO does not trade for profit, and is managed by a board of directors comprising Council nominees, elected tenants/leaseholders and independents.

The Housing Inspectorate has published additional guidance for ALMO inspections:

- *'ALMO Inspections and the delivery of excellent housing management services'* (March 2003); and
- *'Learning from the first housing ALMOs'* (May 2003).

Summary

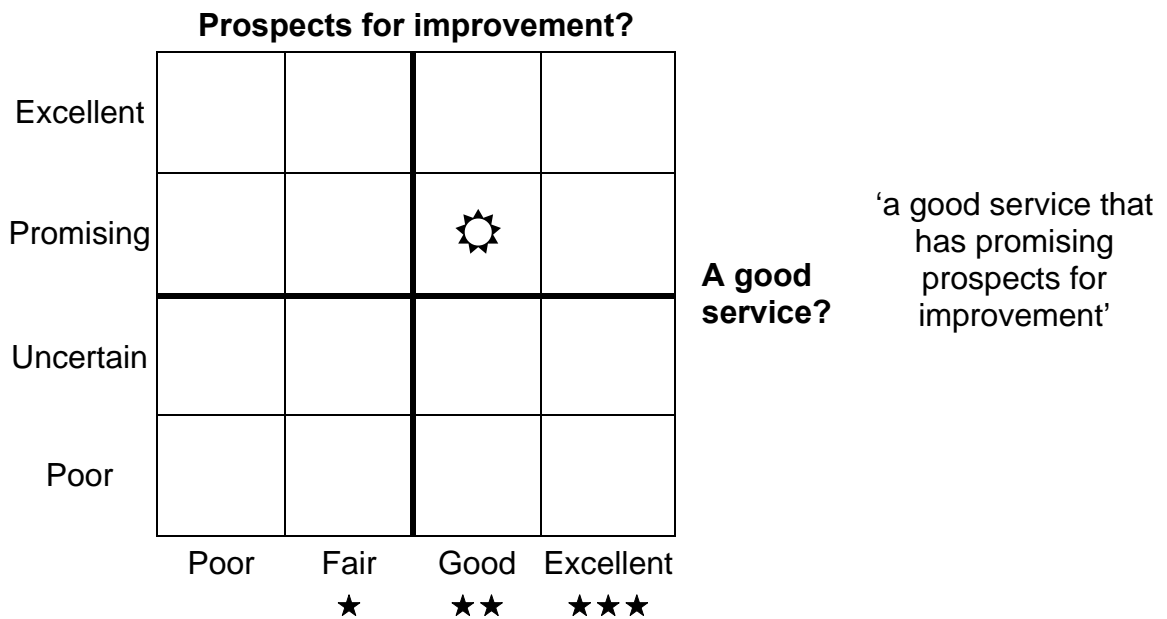
- 1 Bassetlaw District Council established A1 Housing Bassetlaw (A1) as its arm's length management organisation (ALMO) in October 2004. A1 manages 7,105 tenancies and 147 leaseholds on a five-year contract, renewable by consent.
- 2 Bassetlaw is located in North Nottinghamshire and covers one third of the county. The district has a small black and minority ethnic population of around 2.7 per cent. A relatively high 19.3 per cent of the population is aged over 65 and 39.4 per cent of its households contain at least one person with a limiting long-term illness, compared to 34.05 per cent nationally. Unemployment is below average, though average salaries are also low. The profile of the Council's tenants indicates 63 per cent of households include a member with a disability or long-term illness and 70 per cent have net weekly incomes below £200.
- 3 We re-inspected A1 in February 2007, following an inspection in 2005 which found the service to be 'poor, zero-star, with uncertain prospects'. We judged that the service had improved to a fair, one-star service, with excellent prospects for improvement. As A1's service now meets government criteria, the Council will receive supported borrowing of £3 million in 2007/08 and may be allowed to seek up to its total bid of £62 million by 2013/14.
- 4 In this re-inspection, we have assessed A1 to be providing a two-star, 'good' service to customers. This is because the ALMO has made strong progress in addressing the weaknesses we found in our last inspection and has subsequently improved the service from its previous 'fair' level, in the last six months.
- 5 In particular A1 has addressed some of the fundamental weaknesses we found previously, particularly in aids and adaptations and leasehold management. These services are now more customer focused and providing more effective outcomes for customers. A1 has also made progress in each of our cross-cutting areas: access and customer care; diversity and value for money, which by definition, impact on the whole service. It has also made improvements across the range of services inspected, delivering better outcomes for customers.
- 6 There are still however, some key areas for improvement. These include its lack of diversity related targets to ensure it delivers services equitably; inflexibility in the support offered to sheltered scheme residents; and limited customer involvement in and market testing of a range of contracts related to 'estate services'¹. There are also some areas where performance is weak, compared with the overall high performance of the ALMO as a whole.
- 7 We have assessed A1's prospects for improvement to be promising. It has a strong track record overall, there is effective leadership and it has made some improvements in capacity at board and manager level and through partnership work. However, there are some areas of poor performance which weaken its track record a little and some areas where customer focus is lacking. There are some weaknesses in performance management and risks to the future capacity of the ALMO due to staff retention issues.

¹ The term used by A1 to describe grounds maintenance, building cleaning and caretaking collectively

Scoring the service

- 8 We have assessed A1 Housing Bassetlaw as providing a ‘good’, two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart²



Source: Audit Commission

- 9 We found the service to be good because it has a range of strengths, including:
- services are easy for customers to access and there is good information available about them, including accessible service standards;
 - a strategic approach to diversity, with improving understanding and use of customer profile information;
 - a focus on value for money, including a proactive approach to improving efficiency and a modern approach to procurement;
 - a strategic approach to resident involvement, which it supports with effective resources, to deliver evidenced improvement in services;
 - being responsive to customer views highlighted through A1’s new, robust customer insight programme;

² The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

8 A1 Housing Bassetlaw | Scoring the service

- growing customer satisfaction with the overall landlord service, tenant participation and in most aspects of individual services;
- a robust approach to capital improvement programmes, which it manages effectively, with good customer choice and deliver a high quality product;
- a customer-focused responsive repair service, which provides a range of appointments to meet needs and achieves high right first time levels;
- strong performance in delivering void properties to the standard agreed with customers and increased customer choice and fairness in letting them;
- performance on gas servicing is strong, customer focused and improving levels of early access;
- adaptations performance, which has reduced the waiting time for vulnerable customers to have equipment installed;
- a wide (and improved) range of payment methods reflecting the local context, with a focus on prevention in pursuing rent arrears;
- comprehensive services to prevent and tackle anti-social behaviour and hate crimes, risk-based estate inspections and initiatives to design out crime;
- leaseholder services which are on a par with those of other residents;
- sheltered scheme decommissioning has been handled sensitively; sheltered tenants live in a good environment and are actively involved at scheme level; and
- a clear customer focus in responding to residents affected by the floods, in a sensitive manner.

10 However, there are some areas which require improvement. These include:

- the ALMO does not comply with the CRE code of practice in housing and in particular has few targets to assess equitable service delivery;
- not fully addressing access issues to comply with the disability discrimination act (DDA) in general needs stock and retained surgery locations;
- customers have not been consulted on some key issues, including 'estate services', adaptations, use of efficiency savings, and some leasehold policies;
- weaknesses in value for money around services which have not been reviewed, market testing of 'estate services' and extra care unit costs;
- inflexibility in the support service offered to sheltered scheme residents and lack of analysis, with them to investigate reasons for reduced satisfaction;
- there is no self-referral process for minor adaptations and no 24-hour reporting facility for victims of anti-social behaviour and hate crime;
- under-developed relationships with partner agencies in prevention and recovery of arrears and in preventing and managing anti-social behaviour;
- the quality and availability of prospects information for housing applicants;

- the asset management database is not fully functional or linked to other repair and maintenance systems to maximise its use and effectiveness; and
- weak performance in responding to customer complaints, sending right to buy offers and 'out of hours' warden calls.

11 The service has promising prospects for improvement because:

- the board and senior managers demonstrate clear and visible leadership, to drive improvements forward, including using their influence with the Council and redirecting resources to priority areas;
- the ALMO and the Council work well together through robust partnership and monitoring arrangements;
- A1 has made strong progress against the recommendations made in the last inspection and other areas for improvement highlighted within it;
- performance has improved in most areas and indications suggest rising customer satisfaction;
- there are further service improvements that customers would recognise;
- progress has been made in developing a strategic focus across services,
- there is a improved focus on value for money, resulting in improvements in service delivery and efficiency gains, with clear short-term plans for the future;
- A1 has improved operational performance monitoring in key areas which were weak previously and can evidence its use in driving improvements;
- A1's capacity is boosted through its positive approach to partnerships, its maximisation of resources and a continued reduction in sickness absence;
- staff are more involved in improvement planning and performance management arrangements have evolved a performance culture; and
- there are improved budgetary arrangements in place and risk management is robust.

12 However, there are a number of barriers to improvement. These include:

- staff retention has not been thoroughly addressed; staff development is under-funded and the ALMO does not have up to date staff perception data;
- there is no management development programme and the competency framework will take some time to reach staff delivering frontline services;
- weaknesses in strategic performance management arrangements and gaps in operational performance monitoring in a number of service areas;
- limited quality checks undertaken to ensure that improvements actually meet customer needs and fully reflect the customer perspective;
- the service improvement plan does not show clearly how services will be improved beyond their current level; and
- low IT functionality in some - although reducing - areas of service, linked to a software contract which A1 is tied into until 2012.

Recommendations

- 13 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs³ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with the ALMO Board, the local authority and customers; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Improve the focus on customers by:

- *implementing a robust quality checking process at the launch of new initiatives or revised procedures, focussing on how the customer receives the service (after involving customers in their development);*
- *completing the review of opening hours and discussing resulting options with customers;*
- *addressing the weaknesses in customer complaint handling;*
- *involving customers who have used or are interested in adaptations, 'estate services'⁴ and the use of efficiency savings in decisions about the current service provided and proposals for future service development;*
- *implementing 24-hour anti-social behaviour and hate crime reporting, with measures in place to respond appropriately to reports received;*
- *adding leaseholders to the insight programme and consulting them on key policies, including service charge setting and buildings insurance;*
- *improving the quality and availability of prospects information for housing applicants;*
- *using modern contact methods, including email and text messaging systematically as part of tenancy management procedures; and*
- *addressing other customer care related weaknesses in this report.*

³ Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

⁴ Grounds maintenance, building cleaning and caretaking services

The expected benefits of this recommendation are:

- improvement in the quality of service delivery, as experienced by customers; and
- increasing customer satisfaction.

The implementation of this recommendation will have high impact with low costs. This should be implemented within three months of publication.

Recommendation

R2 Improve the service to supported housing residents by:

- *exploring with customers the reasons for lower satisfaction levels and discussing with them subsequent proposals for service improvements;*
- *increasing flexibility and choice in the level of support provided;*
- *addressing weak contractor performance in handling warden alarm calls, including discussing performance with customers and seeking their regular feedback on any problems experienced; and*
- *improving monitoring of warden call responses, to include the length of time in which calls exceeded the target response times.*

The expected benefits of this recommendation are:

- a clearer understanding of customer views of the service received; and
- increased customer choice, customer satisfaction and stronger performance.

The implementation of this recommendation will have high impact with low costs. This should be implemented within four months of publication.

Recommendation

R3 Improve performance in meeting the diverse needs of the community, by:

- *proactively ensuring gaps in meeting the CRE code of practice in housing are addressed;*
- *using a range of tools to continue updating the customer profile data;*
- *using the data received, in liaison with customers, to set targets and performance measures across services which help A1 to determine whether cultural needs are being met and any disparity in service delivery or satisfaction;*
- *addressing the weaknesses in the adaptations service;*
- *improving procedures to identify and manage vulnerable perpetrators of ASB;*
- *implementing the incentivised diversity-related performance measures in the improvement partnering contract*;* and
- *ensuring communal areas in general needs stock and retained surgery venues are accessible to all and compliant with DDA requirements**.*

The expected benefits of this recommendation are:

- a diversity culture, with demonstrable equitable service delivery; and
- increased customer satisfaction, across a diverse profile.

The implementation of this recommendation will have high impact with low to medium costs. This should be implemented within six months of publication, except for *, which should be implemented immediately and ** within 15 months.

Recommendation

R4 Ensure improvements in planning and performance management, by:

- *engaging customers in developing an assessment of what 'excellent' services constitute within A1's own context and incorporating milestones to achieve this within the service improvement plan;*
- *completing the performance management framework, while addressing the weaknesses highlighted in this report;*
- *ensuring gaps in operational performance monitoring are addressed and its use is regularly reviewed in all services;*
- *implementing a programme of internal performance quality checks of customer correspondence and file records; and*
- *ongoing assessment of the impact of training, new procedures and initiatives on customer outcomes, by using the insight programme, mystery shopping and quality checks to review service delivery.*

The expected benefits of this recommendation are:

- plans which clearly set out customers expectations of what the service should deliver;
- robust performance management processes to highlight and address performance issues efficiently; and
- more consistent customer care, delivering higher quality outcomes.

The implementation of this recommendation will have high impact with low costs. This should be implemented within six months of publication.

Recommendation

R5 Improve value for money across the organisation by:

- *continuing to embed VFM awareness at all levels of the organisation;*
- *ensuring the 'estate services' contract or functions are market-tested, with customer involvement in setting the scope and assessing results, promptly, to avoid any unexpected costs or service deterioration;*
- *addressing the issue of A1 bearing the cost of delays in referrals being made by social care to extra care units;*
- *ensuring areas highlighted in this report, which have not been subject to a VFM review are examined to determine cost and quality outcomes; and*
- *assessing costs and benefits of tools for SMART working across the organisation, but in particular within the housing management service.*

The expected benefit of this recommendation is:

- increasing awareness and delivery of value for money across services.

The implementation of this recommendation will have high impact with low costs. This should be implemented within six months of publication.

Recommendation

R6 Maximise capacity to deliver further improvements by:

- *robustly assessing the risks of failing to retain staff, the costs of this and of preventative measures the ALMO can put into place;*
- *implementing the competency framework on a risk-basis, linked to improvement plans and workforce planning;*
- *review the level of funding available for training and consider ring fencing some resources for a management development programme and staff's personal development interests;*
- *engage staff in assessing the scope of the planned staff perception survey and ensure it is carried out, analysed and followed up promptly;*
- *improving under-developed partnership arrangements in areas such as financial inclusion and diversionary activity, ensuring these are focused on quality customer outcomes;*
- *ensuring the asset management database is fully functional and integrated with other repair and maintenance systems;*
- *updating the ICT action plan regularly in response to service improvement initiatives; and*
- *revising the void repair contract, to provide complete flexibility - within A1s agreed target timescales - on the timescale for void work completion.*

The expected benefits of this recommendation are:

- high performance in staff retention;
- increased staff skills and motivation, to drive service improvement;
- greater capacity through better partnership working and use of ICT; and
- increased scope for continual improvement of void turnaround performance.

The implementation of this recommendation will have high impact with low costs. This should be implemented within four months of publication.

- 14 We would like to thank the staff of A1 Housing Bassetlaw and Bassetlaw District Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 3 to 14 September 2007

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Report

Context

The locality

- 15** Bassetlaw is located in North Nottinghamshire and covers one third of the county. It has one tenth of the county's population, with 106,600 residents living in 45,000 homes⁵. Its main towns are Worksop and Retford, with a third of the population living in the smaller settlements of Carlton or Harworth and in rural areas.
- 16** The district is typical of former coalmining communities in that it has a small black and minority ethnic population⁶, a relatively high proportion of the population at 19.3 per cent is aged over 65 and 39.4 per cent of its households contain at least one person with a limiting long-term illness⁷. Bassetlaw has below average unemployment⁸ and salaries⁹ due to local growth of the relatively low paid warehousing and distribution industry. The district has slightly above average deprivation, with 69 per cent of its super output areas falling into the most deprived 50 per cent nationally, but only 10 per cent falling into the most deprived 10 per cent¹⁰. The profile of the Council's tenants indicates that its own customers are among the most deprived in the district. Sixty three per cent of households include a member with a disability or long-term illness and 70 per cent having net weekly incomes below £200¹¹.

The Council

- 17** Bassetlaw District Council (BDC) was assessed as a 'fair' council under the comprehensive performance assessment process in 2004. Seventy four per cent of its performance indicators improved between then and April 2006¹², but only 18 per cent of its indicators are in the top quarter of comparable organisations. It has a leader and cabinet structure with seven portfolio holders, including one dedicated to housing issues. The political composition of the Council is 28 Conservative, 16 Labour, and 4 Independent councillors.

⁵ 17 per cent are Council owned, 2 per cent owned by housing associations, 10 per cent are privately rented and 71 per cent are owner occupied

⁶ 2.7 per cent at the 2001 census

⁷ Compared to 34.05 per cent nationally

⁸ 3.8 per cent in December 2005

⁹ £340 per week in 2006

¹⁰ All figures provided by Office of National Statistics

¹¹ A1 2005 tenant satisfaction survey, supported by 2006 tenant profile research

¹² Against a 61 per cent average for district councils

- 18 The Council's housing strategy and housing revenue account (HRA) business plan have been judged by the Government Office for the East Midlands as being 'fit for purpose'. It has no difficult to let stock, less than 1 per cent is low demand and its housing register grew from 4,601 to 6,111 applicants between 2002 and 2006. £350,000 per year funding has been attracted for a neighbourhood management pathfinder in Manton, which is in the east of Worksop and includes a large council estate of almost 1,000 properties.

The service

- 19 The Council established A1 Housing Bassetlaw (A1) as its arm's length management organisation (ALMO) in October 2004. This decision followed a tenant vote, with 85 per cent in favour on a 58 per cent turnout. The ALMO manages the housing stock on a five-year contract, renewable by consent.
- 20 The functions delegated to the ALMO can be summarised as:
- stock investment decisions and repairs ordering;
 - rent collection, dealing with arrears, debt counselling;
 - consulting and informing tenants on matters which are its responsibility;
 - promoting tenant participation, including involving tenants in monitoring and reviewing service standards;
 - enforcement of tenancy conditions and lease provisions;
 - administration of the Right to buy (from April 2007);
 - managing lettings, voids and under-occupation;
 - estate management and caretaking¹³; and
 - housing-related support provision under the Supporting People programme.
- 21 The functions retained by the Council include:
- overall housing strategy and management of the HRA;
 - determining policies on lettings, anti-social behaviour and rents;
 - managing the Supporting People programme; and
 - homelessness, housing advice and administration of the housing register.
- 22 The ALMO is managed by a Board of five tenants, five council nominees and five independents. The daily running of the company is delegated to a managing director and three other directors. The ALMO employed 256 staff in 2004, but this had reduced to 195.4 full time equivalents by the time of this inspection.
- 23 A1 manages 7,105 tenancies and 147 leaseholds. The gross rental income is £20.092 million, revenue expenditure is equal to the ALMO's management fee of £10.312 million and the ALMO also manages the Council's £4.915 million capital programme budget.

¹³ Although it only took over management of grounds maintenance (from the Council) in April 2007

- 24** In February 2005, the Audit Commission inspected A1 and judged it to be providing a poor, zero-star service, with uncertain prospects for improvement. A re-inspection in February 2007 showed that the service had improved to a fair, one-star service, with excellent prospects for improvement. As A1's service now meets government criteria, the Council will receive supported borrowing of £3 million in 2007/08 and may be allowed to seek up to its total bid of £62 million by 2013/14.
- 25** Alongside other areas of the UK, Bassetlaw suffered from severe flooding in July 2007, which affected around 100 properties managed by A1 and left around 50 of its older residents temporarily homeless. This forced emergency action to address the needs of residents, including temporary re-housing, repairs and major improvement work, requiring the capital programme to be reconfigured.

How good is the service?

What has the service aimed to achieve?

- 26 The Council's strategic plan has three priorities: community safety; community prosperity; and community engagement. Its mission is:

'to secure the best possible quality of life for everyone in Bassetlaw. This can be achieved through working with others to provide the widest range of services our means will allow.'

- 27 A1 Housing has recently adopted a new mission and core aims. The mission is:

'to work in partnership with local people to deliver quality homes and support sustainable neighbourhoods.'

- 28 A1 Housing's core aims for 2005-2010 are:

- to provide high quality, warm and well maintained homes;
- to be a resident-led organisation providing fair, accessible and equal services;
- to provide an excellent and seamless service;
- to play our part in community leadership; and
- to be an ambitious and well-run organisation.

Is the service meeting the needs of the local community and users?

Access and customer care

- 29 In February 2007, we found a balance of strengths and weaknesses in this area. Despite significant improvements in the quality of written information, the website and reception and telephony services, A1 was not proactively managing frontline services. There were some shortcomings in service standards and in systems for managing complaints and compensation, and performance management in the contact centre was not robust.
- 30 In this inspection, we found that strengths now outweigh weaknesses in this area. A1 has an improved strategy, customers can access services easily and there is good information available. A1 has begun to review demand for changes to opening times and in house contact centre performance is strong. A1 has implemented and responded to results from its robust customer feedback programme. It can also demonstrate customer care following the recent floods. However, out of hours warden call performance is weak and complaints management is only partially effective.

- 31** A1's access and customer care strategy provides a strategic basis for its customer services work. It continues to focus on accessibility and continuous improvement, outlining how A1 will get to further know its customers and particularly how their views will be sought and used to drive service improvement. It has been strengthened, in liaison with the joint housing advisory group (JHAG) of customers, to address the weaknesses we found. For example, the ALMO now promotes private interview facilities effectively and has reviewed standard letters for effectiveness and its literature for consistency. It has begun to have more impact, as the customer services team has become more embedded since its implementation in the autumn of 2006 and, for example, as the customer insight programme, described below, has been implemented. This provides a strong strategic basis for frontline service provision.
- 32** The frontline service continues to be accessible and has been improved. A1 had previously received 'Charter Mark' accreditation for its approach and we found reception and contact centre staff continue to be polite and helpful. Reception areas are accessible and welcoming and an additional surgery was being added to those already provided, which are well advertised. It has also improved promotion of the help point, rural video-conference facilities provided by the Council, with re-launched leaflets and adverts in its newsletter. Telephone access remains available 24 hours for emergency repair and lifeline services, with others available from 8am to 8pm. This has been enhanced by leaseholder and aids and adaptations customers now having access to a single point of contact, as described later in this report. Translation facilities are promoted and readily available for customers who do not speak English. Therefore customers have good access to both face-to-face advice and telephone-based assistance.
- 33** A1 has now started to review demand for frontline services outside of traditional office hours, in response to the last inspection. It has begun to undertake more detailed analysis of footfall, including through its property shop located at the Council's Worksop office, which improves its understanding of contact, having previously relied on the Council's data. It has also just completed a survey of customers, which is still to be fully analysed, but initial results show high customer interest in the potential for both telephone and personal contact outside current opening times. This information will inform a review of the current reception facilities service level agreement (SLA) with the Council. This demonstrates improving robustness in the strategic approach to frontline service delivery.
- 34** Contact centre performance monitoring has been improved and performance is strong. A1 has addressed the absence of peaks and troughs monitoring and now targets its resources at the busiest periods. It is also monitoring abandoned calls, along with its existing monitoring of call performance. At the end of June 2007, 99.51 per cent of calls were answered within ten seconds, against a target of 90 per cent and 5 per cent of calls were abandoned which mirrors the ALMO's target. This compares well to 99.48 and 9.0 per cent respectively at the end of 2006/07, showing improving performance since the last inspection.

- 35 Warden call performance is mixed, however. A1's own performance in office hours is strong, but its contractor performance, at other times is significantly weaker. This performance, described in more detail in the supported housing section of this report, does not ensure that customers are receiving a consistent level of service.
- 36 Written customer information is accessible and has been further improved. This has been enhanced by amendments to the repairs handbook which makes it clearer, publication of the compensation policy, a service level agreement and plain English guide to leases for leaseholders, alongside a review of other existing information to ensure greater consistency across varying documents. A1 has also reviewed key correspondence in a number of services to make it clearer and customers can be provided with translated documents quickly. Newsletters are well presented and have effectively communicated the results of the last inspection and proposed action, alongside regular items of interest and key messages, including performance information. These various means of written communication are an accessible means of transmitting important customer information.
- 37 A suite of accessible service standards has been implemented following customer consultation, providing a positive approach to setting out how A1 intends to deliver services. A1 has reviewed its leaflets to ensure – other than aids and adaptations - they all provide a consistent message about the performance that can be expected. The standards are linked to outcome measures reported to managers and the board and to performance reported in the newsletter. A programme of mystery shopping had just begun at the time of inspection, to assess performance against the standards. This approach makes most of them relevant and useable by customers to challenge poor performance and sends a clear message to staff about customer focus.
- 38 Use of A1's website has grown strongly since the last inspection. A1 has more widely promoted its website, which provides customers with access to a range of services, including online rent account and repair details, and repair, complaint and anti-social behaviour (ASB) reporting, alongside a range of other useful information. Use has grown from around 160 'hits' a day to over 700 currently (and over 1,000 at June 2007), which is a rise of over 400 per cent. 'Seemydata' use by tenants has also grown from 24 to 43 which, while still relatively low, shows some success in promotion of the service. A1 is adding a new translation facility and pre-translated documents to the site, but they are not yet fully functional. Customers therefore have good access to most aspects of the service through information technology (IT) based systems.

- 39 The customer 'insight' programme, which A1 has now fully implemented, provides a robust approach to collecting and analysing customer feedback. The programme is sensitive to customer needs so, for example, the adaptations survey is done by 'phone, reflecting the greater potential for customers who might have difficulty completing forms. The programme now addresses most gaps in service related surveys we identified previously and also ensures other ad hoc activity is programmed evenly throughout the year to prevent customers being 'over surveyed'. It also includes qualitative data from the STATUS survey, complaints, compliments, consultation events and the new programme of mystery shopping. The results, first available in June, are incorporated into a comprehensive quarterly report for managers, the board and JHAG with summaries provided to other customer forums. This is beginning to provide A1 with a clear picture of the service from the customer point of view.
- 40 While only the first quarter's data is available, A1 has responded positively to some key messages from its initial 'insight' results. For example, its repair survey identified lower satisfaction with aspects of operative performance than previously, supporting further information received in formal complaints. The ALMO has now organised customer care training for all operatives, alongside discussion about customer care at team meetings. Its first mystery shopping exercise identified some inconsistent responses to telephone and email enquiries, which has prompted consideration of various measures to ensure a more consistent approach. This demonstrates a prompt response to areas of weaker performance.
- 41 The ALMO has not yet addressed weaknesses in the management of customer complaints, but is in the process of doing so. It has not improved its target timescale for sending responses, which remains unchallenging at 15 days. Performance in meeting this fell in the first three months of 2007/08, with 25 per cent of complaints not being responded to on time, compared to 13.5 per cent previously. It has put a framework response in place, which has improved the consistency of responses, but this does not tell customers the next stage of the procedure. A formal 'learning loop' is now in place however, through the customer insight programme, which helped highlight the issue with operative attitude highlighted above. A1 is currently reviewing its policy, in line with good practice guidance from the ombudsman service and expects to consult customers on proposals by November 2007.
- 42 A1 can demonstrate an effective response to customers who were affected by severe flooding over the summer of 2007. Staff responded sensitively and the ALMO quickly co-ordinated support and assistance, including repairs, re-housing and advice. It worked well with a range of other agencies and has received significant praise from residents and local politicians, alongside positive reports in the press. This demonstrates a customer-focused response to effectively meeting the needs of vulnerable people, in an emergency situation.

Diversity

- 43 In February 2007, we found a balance of strengths and weaknesses. A1's strategic approach was much improved, with a robust approach to addressing legislative requirements and adopting good practice. The ALMO had a developing understanding of its customer base and access arrangements generally met their needs, although it was not making optimum use of profile data. However, there were some weaknesses in managing contractor compliance.
- 44 In this inspection, we found that there remains a balance of strengths and weaknesses. A1's strategic approach has developed further and it has made more progress in understanding and using its customer profile. Its board and staff more closely match the community and the adaptations service has improved. However, it does not yet comply with the commission for racial equality code of practice and in particular, it is weak at setting diversity targets to ensure equitable service delivery. In addition, not all buildings are fully accessible, it cannot respond to all communication needs effectively and is still not maximising diversity related outcomes from its partners.
- 45 The ALMO's strategic approach to equality and diversity has continued to develop. Prioritisation of diversity issues at board level has made it central to policy and procedural development and allowed it to exercise leadership on these issues. A SMART five year strategy and work plan sets clear objectives and identifies resources and risks. It is being implemented through a monthly equality steering group, made up of board members, staff and trade union representatives. Several equality impact assessments have been carried out in key areas. The involvement of A1 is integral to the Council's implementation group working towards Level 2 of the Equalities Standard for Local Government. The two organisations are also working together to merge the current disability and gender equality schemes. This approach provides a solid foundation for ongoing development and monitoring of equalities and diversity work.
- 46 A1 does not yet fully comply with the Commission for Racial Equality (CRE) code of practice in housing¹⁴. At the time of the last inspection, the ALMO had undertaken a detailed self-assessment against the code, which has now been peer validated by Nottingham Racial Equality Council, providing a clear framework for compliance. This enables gaps, such as its limited suite of performance targets, to be incorporated into its strategic planning. While this provides a robust approach to ensuring eventual compliance, the ALMO does not currently have in place all the good practice the CRE recommends.
- 47 Some barriers to service delivery and employment for disabled people have been successfully addressed. Following its offices being made fully compliant with the Disability Discrimination Act 2005 (DDA), A1 has now completed work in the one sheltered scheme where there was outstanding work, meaning these are also all compliant. In relation to employment it has achieved the positive about disabled - two ticks' accreditation. This provides assurance to sheltered scheme residents and customers or (potential) employees when accessing the ALMO's offices.

¹⁴ The CRE code of practice in housing, published September 2006, replaces the codes of practice in rented and non-rented housing issued between 1990 and 1991. It is available at www.cre.gov.uk

- 48 However, there are some barriers to access for disabled people that still need to be removed. Sensibly, A1 decided to place DDA related work on its community houses on hold until the review of them determined those to be retained. However, it does not have a budget for work to be started on the two it already knows will be retained and therefore these will not be made accessible until April 2008, at the earliest. The ALMO has also not undertaken any DDA audits of communal areas within its general need stock, despite its customer profile. This means customers cannot yet be satisfied that everything practicable has been done to ensure access to surgery venues and their homes.
- 49 A1 has made progress in understanding and using its customer profile information. A profile of 50 per cent of customers was completed by consultants, on a survey basis, by the autumn of 2006. This had been supplemented by information collected at application stage, sign ups, support planning in sheltered schemes and by other means and the profile is now 72 per cent complete. Since the last inspection, it has addressed the biggest gap in its data, by developing a 100 per cent profile of leaseholders. Information about individual customers is recorded on the IT system used in the contact centre and is now flagged up on the systems used by all other staff when accessing a tenant's records. This has enabled the repairs, housing management and leaseholder services to respond to individual customer vulnerability and communication needs.
- 50 Although individual customer communication needs are met by staff using the database, the IT system does not lend itself to mass mail outs such as rent statements, so manual lists are in use. This is time consuming and increases the risk of human error, which could result in some customers not receiving important documents in an understandable or preferred format.
- 51 The repairs service continues to be particularly responsive to the needs of vulnerable customers. A1 has built on its previous strengths, such as the availability of passwords for vulnerable customers and fitting specifically sourced child and disability friendly kitchen unit handles and lever taps. It has also now provided staff with guidance on dealing with vulnerable customers and automated the transfer of vulnerability, communication and password data to work orders, further supporting its use by trades' people when undertaking work. This demonstrates A1 valuing diversity within service delivery.
- 52 Significantly, the ALMO has improved its approach to aids and adaptations. The service – described in detail later in this report – has fewer weaknesses and is now quicker and more customer-focused. This is particularly important given the profile of customers within the district.

- 53 Some progress has been made in A1 better reflecting the community it serves. Since the last inspection it has set appropriate targets for board membership and for representation among senior managers of women, BME and disabled people. Its recent recruitment of a new board member actively sought to attract applicants from underrepresented groups and a younger female member was recruited. Twenty per cent of Board members and 16.7 per cent of its managers declare a disability. 6.7 and 11.1 per cent of board members and managers respectively are from a BME background and half of its managers are women. This means that positive role models are in place for some key groups and that decision making can be seen to reflect the views of the broad community profile.
- 54 However, A1 has not yet begun to use its profile data to look at diversity targets on service delivery in areas other than lettings. This reduces its ability to effectively monitor performance and customer satisfaction, to respond to cultural as well as communication needs and ultimately, to ensure that all its services are provided in an equitable manner.
- 55 A1 has further evolved its diversity work with its improvement partners. Building on the inclusion of four diversity-related performance indicators used as part of its capital programmes (related to use of the local labour market and local supplies and BME and female employee levels) and contractor inclusion in the diversity training programme, the steering group has also developed a draft code of conduct for contractors about the behaviour of employees. These various measures are positive, because they emphasise the importance of diversity issues in how services are delivered and help ensure the benefits of large scale investment are retained locally and in more disadvantaged communities.
- 56 There are still, however, some weaknesses in this area. Although arrangements and tools to monitor performance are in place, investment in achieving them will only be made by contractors once the main capital programme begins on release of government funding. Subsequently, performance in the first two areas, though slightly above target, is not actually linked to any initiatives to maximise outcomes and in the latter two is not currently measured. A1 has not agreed any interim targets for the current programme and therefore it will be sometime before any positive outcomes from the contract arrangements are realised.
- 57 Diversity training is appropriate. Compulsory online diversity training is in place for all staff and has also been completed by relevant personnel from contractor partner organisations. Targeted training for board members was held in July 2007, using external specialists, in order to help them to challenge managers and to monitor performance in this area. Board members and managers have also been trained in carrying out equality impact assessments. Hate crime training was also attended recently by relevant staff, along with some board members, partners and active customers. In addition, A1 has produced useful staff guidance on dealing with the needs of refugees, gypsies and travellers. This means that key people are equipped to address diversity issues within the ALMO in future.

- 58 A1 has yet to analyse the success of its training and information for staff on dealing with excluded groups or some of its recent policy and procedural changes in these areas. It has not yet for example, used its mystery shopping programme or staff or customer surveys to examine whether there is any impact on service delivery or quality. Evidence from our mystery shopping as part of this inspection indicates, for example, that changes in procedures for delivering aids and adaptations may not yet be fully embedded. A1 has not therefore not yet tested key changes in terms of outcomes for customers.
- 59 A1 has effective approaches to dealing with hate crime and domestic violence, described the in the tenancy and estate management section of this report. This ensures that the ALMO is responding effectively to vulnerable customers affected by these issues, who need its support.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 60 In February 2007, we found a balance of strengths and weaknesses in this area. A1 had not addressed the key issues of using its new stock database to develop and adopt a robust asset management strategy. However, it had a sound approach to managing cyclical repairs and asbestos. It had made reasonable short-term spending decisions, collected robust stock condition information, agreed a 'decent homes plus' standard with customers and developed systems for customer support, performance and budgetary management on its improvement programme.
- 61 In this inspection, we found that strengths now outweigh weaknesses. A1 now has a robust asset management strategy, based on up to date stock data. It has continued to make reasonable short-term investment decisions, in line with customer priorities. Customers can make relevant choices, informed by the agreed 'decent homes plus' standard and are supported effectively, resulting in high satisfaction. Performance management, cyclical programmes and asbestos management are effective. However, decent homes standard performance is comparatively weak and its asset management database is only partially effective.

- 62 A1 has now approved a robust asset management strategy. Its strategy was agreed in March 2007 and was amended in June 2007. This took account of impact of the published inspection score, the revised Government target to meet decent homes standard (DHS) compliance by 2013 and reconfiguration of the budget in response to the problems caused by floods. It also incorporated proposals for digital TV and policy changes across maintenance services made as the result of inspection recommendations. The strategy now includes up to date financial and stock data and comprehensive information on its wider proposals. It is also linked to an effective option appraisal process for stock identified as hard to let. A1 has consulted its customers effectively through the Tenant Investment Group (TIG), enabling it to approve medium-term investment plans, to ensure it meets the deadline for DHS compliance and to provide an effective planned and responsive repair service until 2013.
- 63 Although it is still awaiting external validation, A1 has comprehensive data on the condition of its housing stock, following a full stock survey. This includes compliance with the decent homes standard and the housing health and safety rating system¹⁵ and is of sufficient quality to provide 30-year expenditure requirement forecasts. It has also appraised the viability of its non-traditional stock, which has a life expectancy matching that of traditional stock and surveyed all garages to inform strategies for both, which were agreed with the Council in October 2006. A rolling programme of sample surveys will keep the information updated.
- 64 The ALMO is in the lowest 25 per cent of comparable organisations in relation to the number of properties which do not meet the decent homes standard (DHS). The stock condition survey indicated a 59.4 per cent failure rate, which has risen to 60.14 per cent taking account of properties which have since become non-decent. The data has been used to inform its revised investment profiles¹⁶, taking account of the new 2013 timeframe. The profiles, which take into account properties due to become non-decent in the interim, indicate that the standard cannot be achieved using the major repairs allowance and capital receipts alone, but that it can be achieved if government funding is released.

¹⁵ National system for assessing hazards within housing stock which may impact on a person's health and potentially affect compliance with the government's decent homes standard.

¹⁶ Requiring £73.8 million government funding, in addition to the MRA, (to 2013) allowing for £10 million to be spent on 'decent homes plus' improvements, in addition to implementing the basic standard.

- 65 A1's asset management database is still not fully functional. It now includes current and future DHS compliance data on almost all stock¹⁷, but deadlines for the full implementation of the system, due by June 2007 – including its 'what if' modelling tool, job management system and links to other systems - have slipped. The ALMO does not have any confirmed dates for implementation of these elements, though its software supplier has committed to providing extra resources for 12 months, to ensure this is progressed from October 2007. This means that it can still not undertake modelling of a range of scenarios for long-term planning and updates of responsive, void, aids and adaptations and other repair data is still being undertaken manually. The database will not provide a fully effective live database of all property information until these enhancements are in place.
- 66 A1 has continued to make sound short-term decisions about the use of limited funding for improvements since the last inspection. Capital spending has focused on meeting the decent homes standard and in particular, on improving energy efficiency and thermal comfort. This has enabled A1 to increase the average SAP rating from 56 in 2004/05 to 63.8 at the end of June 2007, which includes a further rise of 2 per cent since the last inspection. Its £4.91 million budget is also apportioned to provide investment to improve safety and security and further improve the aids and adaptations service. These issues have been prioritised by customers, whose profile is generally older, poorer and with higher levels of disability than the wider population. This spending has helped provide warmer and safer homes which are less expensive to heat.
- 67 A1 has managed the investment requirements in response to extreme flooding effectively. It quickly reconfigured its budget, without affecting customers who had already been promised improvement works in 2007, by redirecting around £1.1m of funds from less essential works. This included adding neighbouring properties to the programme, to ensure cost effectiveness by completing the whole area at the same time. A1 contacted customers and held consultation meetings, with everyone offered the same level of choice as those within the standard improvement programme. The impact of these decisions were discussed with the TIG and A1 has received significant praise from customers affected. Although no additional funding was available, which has meant other work being postponed¹⁸, this demonstrates that A1 has taken a sensible and joined-up approach to handling this emergency, in line with the customer care demonstrated earlier in this report.
- 68 However, not all frontline staff are aware of improvement and other planned works. Only contact centre staff have access to manual records of work being undertaken, meaning other frontline staff can not always answer customer queries about when work is due. This will be of growing importance, as the programme gathers pace on the release of funding.

¹⁷ c.200 properties (2.8% of stock) where access was not available, are being cloned from other data

¹⁸ The Council is seeking Government assistance through the national funding scheme, which – depending on the size of any award made – may enable some of funding to be replenished

- 69 A1 has agreed a 'decent homes plus' standard with customers. This includes for example, improved security, high quality fittings, hard-wired smoke detectors, decorations and floor coverings. It has continued to take an innovative approach to providing modern heating systems, particularly where there is no mains gas supply. It has received further external funding of £46,500 to fit air source heat pumps, worth around 25 per cent of the total cost. This includes 19 pumps fitted at Habbleshthorpe, as part of the improvement works to refurbish flooded properties. These pumps are significantly cheaper to maintain and service than existing oil-based systems and have a longer life expectancy, while the running costs for customers are around 25 per cent less. Total ALMO and customer savings are expected to be around £100,000 over 20 years. The DHS-plus standard is therefore helping to improve standards and efficiency from both the ALMO and customers perspectives.
- 70 Customers have sufficient choice and liaison and support arrangements are effective. They are able to choose from a good range of high quality components and can influence kitchen and bathroom layouts through a tailored '3-D design' consultation session at the planning stage, with a 'cooling off period' before work begins. Open days are held six weeks before work starts, customers receive a comprehensive information pack, including in and out of hours contact details and regular visits from the tenant liaison officer, before and during work. This helps ensure that the choices made meet customer needs and expectations and they are happy with how work is undertaken.
- 71 A1 is beginning to deliver high customer satisfaction with completed work. It has revised its previously unchallenging target, in liaison with contractors, from 80 to 92 per cent. Satisfaction levels have steadily rose since the end of September 2006, from 90.3 per cent to 93 per cent at June 2007. Positively, satisfaction is tested in ten questions about information and choices, quality of work and the attitude of workers, all of which show similarly strong results, with little difference between the two contract partners. In addition, no work has yet been refused, which suggests that improvement work is matching customer expectations.
- 72 Performance and budgetary management systems in this area are robust. Contracts include penalties for poor performance and the ALMO meets monthly with contractor partners, alongside their attendance at TIG meetings, which addresses both individual customer feedback and overall trends in performance. A1 reports capital programme expenditure monthly to the Board. It spent 100.5 per cent of the budget in 2006/07, improving already strong performance of 97 per cent in 2005/06. This includes additional capital receipts, which were released by the Council mid-way through each year of £1.5 million and £1.8 million respectively. This indicates that A1 is effective at managing large scale spending.

- 73 The approach to managing asbestos is sound. Four hundred property types have been surveyed to provide cloning information to recognised national standards. A 'live' and comprehensive database is provided through the internet to all staff and contractors, alongside a CD-ROM. A summary hard copy version is also provided for operatives, with photographs and coded guides to the location and nature of asbestos in each property type. Operatives are required to complete a check box on job tickets, before starting work, to confirm that they have looked up the code in their guidebook. General information for customers outlines the dangers of asbestos and offers more detailed individual property information, should they be considering DIY projects. This approach ensures that anyone likely to disturb asbestos is properly informed of the likelihood of its presence and the risks it poses, without being alarmist.
- 74 Cyclical work is well managed. The painting programme has been incorporated into the improvement programme to help reduce costs and disruption for customers. This has been agreed with TIG on the basis that few properties will fall outside their original timetable for painting works. Other cyclical maintenance includes fencing and external works, servicing and small scale window replacement, as well as some packaged catch up repairs from poorly managed previous schemes. This comprehensive approach means A1 can demonstrate a value for money approach to doing non-urgent work.
- 75 A1 has contracts in place to service electrical systems, communal heating systems, stair lifts and other plant and mechanical equipment in accordance with manufacturer's guidelines, statutory requirements and good practice. This reduces the risk of equipment failure and helps prolong the life of components.

Responsive repairs

- 76 In February 2007, we found that strengths outweighed weaknesses in this area. The service was generally customer-focused, most ordering processes worked well and most repairs were done by appointment. Performance was improving, with a focus on 'right first time', supported by effective quality assurance and performance management. There were some processing and policy weaknesses and the ALMO was doing too many repairs on an emergency basis.
- 77 In this inspection, we found that strengths still outweigh weaknesses in this area. The service remains customer focused overall, improvements in repairs ordering arrangements mean most work well, and most repairs are undertaken by appointment. Performance has improved further. There are, however, still some weaknesses in repair processing arrangements, some areas of weaker customer care and emergency repair levels remain too high.

- 78 The responsive repairs service remains customer-focused. The repairs handbook, which we previously assessed as comprehensive, has been further improved, to address minor weaknesses. Acknowledgements are issued to customers on every repair reported and now include a copy of the contractor code of conduct on the reverse, as well as a description of the work, target date for completion and any appointment details. Customers are also now informed of repairs which are cancelled and of referrals to contractors where they are recalled to amend defective work. Customer recharge notifications are now clear. Details of vulnerable tenant requirements on work orders, along with a password system, maximise the likelihood that all customers will receive a service tailored to their needs. Customers we contacted continued to rate the service strongly. The current customer insight data indicates that 89 per cent of customers are satisfied with the service, compared to 87 per cent who ranked it above average, under the previous survey, in December 2006.
- 79 However, there is evidence of some lapses in customer care in this area. Complaints about staff attitude have risen from one in 2006/07 to five in the first quarter of 2007/08; it is not informing customers whose work cannot be completed right first time of the reason, the date it intends to return and revised completion date; and additionally, the ALMO had also reintroduced operatives requesting tenant signatures to confirm satisfaction on completion of work, as it began to rollout the use of handheld technology in August. Positively however, in addition to responding to each of the above complaints, discussions have been held at operative meetings and customer care training for operatives has been arranged, which is due to take place in October. In response to our comments, it has also now taken steps to amend the latter two issues. This is important to ensure these issues do not begin to impact on the service more significantly.
- 80 Repair ordering is now more effective. Reporting software at the contact centre meets A1's needs for managing repairs and allows sophisticated monitoring. Its diagnostic tool replicates diagrams in the repairs handbook and staff guide customers through relevant questions to accurately pinpoint the repair required. Vulnerability, password and asbestos details are now added automatically by the IT system, eliminating the risk of these being missed through previous manual transfer. These systems have resulted in improved job ticket accuracy, reduced pre-inspections and increased ability to complete repairs 'right first time'.
- 81 Though reduced, there are still some weaknesses in how repairs are processed. A1 remains reliant on manual systems for informing staff of planned and completed improvement work and warranty information. This will not be rectified until integration with its asset management database is completed and continues to risk duplication when ordering repairs, which could cause A1 to pay twice for a job to be done, or that invalidate warranties. Although it now has staff guidance on dealing with vulnerable customers, officers are still required to seek manager authorisation before taking action in line with the policy, which is an unnecessary barrier to providing an effective service at the first point of contact. This means A1 has not yet eliminated all areas where ineffective systems are in place.

- 82** All non-emergency repairs are done by appointment and customers are offered a range of options at the point of reporting the repair, including evenings and Saturday mornings. Performance for the number of appointments made and kept improved further to 99.41 per cent of all non-urgent repairs. This is an increase from 98 per cent at the time of the last inspection, and significantly better than the 81 per cent achieved in 2005/06. This is largely due to embedding of the system of telephone call reminders by the contact centre shortly before appointments are due, optimising both convenience for the customer and value for money for A1.
- 83** Repairs performance has continued to improve. 99.4 per cent of emergency and 100 per cent of urgent repairs had been completed within target timescales, against 99.5 and 99.7 per cent targets respectively, in quarter one of 2007/08. This improved the performance of 98.7 and 99.33 per cent at the end of 2006/07, which itself exceeded previous performance, already in the top 25 per cent of comparator organisations. The figure for non-urgent repairs was 98.1 per cent at the end of June 2007, compared to 97.9 per cent at the end of 2006/07. A1 has revised the target for this category of repair to 98 per cent, from its previously unchallenging level of 95 per cent. This means customers are receiving an increasingly prompt response to repairs.
- 84** A1 has continued to steadily increase the number of repairs completed 'right first time'. Performance has improved to 89 per cent from the previous inspection level of 85 per cent as improved diagnosis, efficiency in the supply of parts and materials and empowering operatives to vary work by up to £150 without further approval have become more embedded. Operative training has also increased levels of multi-skilled workers to 90 per cent. It has also continued to actively monitor larger variations to identify and address inputting errors and overcharging. This maintains the focus of everyone involved in ensuring customers receive the right repair, at the right time and with the minimum of disruption.
- 85** Repair inspection performance continues to be in line with good practice guidance. Pre-inspections timescales are built into the overall repair response time, ensuring they do not cause any delay in work starting. They are only undertaken where repairs cannot be effectively diagnosed, with current levels of only 1.9 per cent of all repairs. Post inspections are risk-based with a random 10 per cent of all jobs costing over £250 visited and phone calls or visits made in response to every case of negative customer feedback. Performance is currently 11.8 per cent. This is a proportionate approach which helps ensure quality and cost are kept under scrutiny, but which is not, in itself, excessively costly.
- 86** A1 is still doing too many repairs on an emergency basis. Combined emergency and urgent repair performance continues to meet good practice levels at around 30 per cent in 2006/07 and the first quarter of 2007/08. Of these, however, almost all – 28 per cent - are emergencies. Doing so much repair work on an emergency basis does not impact directly on costs because current contracts are based on flat rate fees for each job, regardless of speed, but it impacts on indirect costs which will eventually have to be passed on to customers via rent increases.

- 87 There are comprehensive arrangements in place to manage repairs in communal areas. A1 carries out inspections of these areas on a 13-week cycle and orders urgent repairs as necessary. Non urgent work is planned over the following quarter. This is supplemented by repairs staff attending estate inspections. This approach helps ensure a systematic approach to addressing problems in communal areas which might otherwise go unreported by customers.
- 88 Performance management systems in this area are robust. In addition to monitoring performance against BVPIs and 'right first time', A1 has a sound approach to issues such as tracking variations, cancellations, defects, repeat repairs and expenditure on individual properties. It has also started to track trends identified by inspections, which has enabled, for example, a common fault with boiler inhibitor replacement and poor quality light fittings to be rectified early on. This means A1 is optimising the use of data to drive service improvement and can demonstrate that it has a system for checking that works are done within the time frames set out in service standards.

Empty (void) property repairs

- 89 In February 2007, we found a balance of strengths and weaknesses in this area. Void turnaround times were worsening and void quality was inconsistent. Quality assurance and performance management arrangements were not effective. There was evidence of some reduction in costs, better joint working, improvements in managing void security and a reasonable policy was in place about bringing voids up to the decent homes standard.
- 90 In this inspection, we found that strengths now significantly outweigh weaknesses. Void performance is improving, while A1 is delivering a consistent, high quality product, resulting in rising tenant satisfaction. Monitoring has been improved and costs have fallen. However, the current void contract is restrictive and not all monitoring is robust.
- 91 Void turnaround performance is now improving. Following the recommendations made in the previous inspection, A1 has brought the entire process of managing empty homes, within one section. This has built on the foundations of better joint working we previously identified, resulting in a much clearer focus on quality, performance and performance management. The average time taken to repair and relet an empty property at the end of 2006/07 was 33.65 days, which, though a deterioration from the 2005/06 figure of 32 days, had improved from December 2006 when it was 35 days. Performance improved to 30.49 days at the end of June 2007, with signs of further improvement at the time of inspection, with current voids averaging 26.45 days. This is close to top performance levels. A1 can show that breaking the stages of the process down has enabled it to identify and respond to unnecessary delays in the turnaround process.
- 92 However, further improvement is restricted by a single repair target timescale for void repairs. The current repair contract, which does not expire until March 2008, sets a single target of 16 days for void repairs – other than for major voids - to be completed, regardless of the level of work required. This acts as a barrier to the efficient turnaround of void properties requiring minimal work to be undertaken.

- 93 Properties ready for letting are now more consistent in quality, in line with the comprehensive lettable standard agreed with customers. At the end of June 2007, 92.6 per cent of void properties met the standard at handover, compared to only 75 per cent at the time of the previous inspection. Since June, performance has increased to 96 per cent. This was supported in that all of the properties we visited this time met the standard and were well presented, compared to only four of nine previously. A1 has raised awareness of the lettable standard with its contractors and both pre and post inspection arrangements and quality checks of contractor performance are now undertaken in line with it. New customers are therefore moving into homes provided to a high standard of repair.
- 94 A1's new customer survey indicates rising satisfaction with the overall standard of relet properties, from 76 per cent at the end of 2006/07 to 83 per cent at June 2007. Satisfaction was lower with the tidiness of gardens, at 53 per cent, though this is an increase from the previous 48 per cent. All customers had received the lettable standard as part of the viewing (compared to 71 per cent previously) and 91 per cent said that the property met it, from their perspective, closely matching the performance data above and mirroring the views of customers we contacted.
- 95 There is a reasonable approach to bringing voids up to the decent homes standard. Any due to fall into the improvement programme within six months are brought up to the standard. This has been agreed with customers to ensure that they understand why some newer customers will move into improved homes before neighbouring properties are brought up to the same standard.
- 96 A1 has continued to make other improvements related to the void process. Although its main focus has been on improving turnaround time through better analysis of performance, it has continued to work with the empty homes improvement group (EHIG), involving customers, to identify new initiatives. This has included multiple-viewings at properties it anticipates may be harder to let, reducing delays in identifying interested applicants and further reductions in the use of metal sheeting. In addition to a number of positive initiatives we identified previously, it is making smarter use of sheeting, such as only on rear or ground floor windows, rather than the whole property, where alternatives are deemed insufficient. This demonstrates a continuing focus on the whole void process.
- 97 Customers receive some support in decorating their new homes. A1 has maintained its links with the DYNAH¹⁹ charity, making referrals for customers who are unable to do their own decorating for a fee based on income and circumstances. The EHIG has re-considered the initial decision not to provide vouchers through retail outlets and A1 has subsequently agreed a pilot programme to overcome the difficulty of there being no one supplier conveniently located throughout the district. A pilot is about to begin where customers will be offered the choice of vouchers from four suppliers, where different discounts have been negotiated. This will enable customers to access the best discount, most local store or preferred outlet as they prefer. This demonstrates A1 has sought to overcome this difficulty, from a customer perspective.

¹⁹ Do you need a hand? – DYNAH

- 98 Void repair costs are continuing to fall. Average costs, inclusive of inspection fees had fallen to £1,693 at the end of the first quarter of 2007/08 from £1,755 in 2005/06, which A1 expects to maintain throughout the year. Positively, this has been achieved alongside the improvements in performance and customer satisfaction outlined above.
- 99 Void monitoring arrangements are now more robust. At a strategic level, A1 has incorporated new quality, cost and performance indicators in its reports to senior managers and board. Operationally, it now monitors void sheeting use and costs and is also now breaking down each stage of the void process and further analysing this by individual officers and contractors, against targets at each stage. This has enabled it, for example, to identify some areas of weaker contractor performance, which it has addressed through monthly performance meetings and individual officer performance which has been addressed at one-to-one meetings. A1 identified this improved monitoring as being the key element in targeting activity towards its improved performance shown above.
- 100 However, some elements of performance management are still not effective. Pre-termination monitoring to ensure customers leave properties in a tenable condition for immediate re-letting and to identify whether major works may be necessary is weak. Although anecdotal evidence suggests that the level of pre-inspections matches the number of cases where notice to quit was given by the outgoing tenant, the ALMO is not systematically monitoring this individually or overall. Monitoring of elements of the letting process, which could impact on the repairs service, such as reasons for refusal is also not embedded. This is reducing its ability to identify and respond to any trends which could be identified.

Gas servicing

- 101 In February 2007, we found more strengths than weaknesses in this area. Performance in servicing appliances was strong, the importance of gas servicing was well promoted to customers, servicing programmes were designed to maximise access, record keeping was strong and quality assurance and performance management systems were robust. A1 was, however, over reliant on the use of legal action and there were some weaknesses in procedures.
- 102 In this inspection, we found that strengths now significantly outweigh weaknesses. Performance is strong and there have been further improvements in the promotion of gas safety to customers and the comprehensiveness of checks undertaken. Procedures have been implemented which are increasing early access and reducing legal action. Record keeping, quality assurance and performance management systems are robust. However, the ALMO is not being fully effective in pursuing difficult to access cases and has not overcome weaknesses in its servicing database.

- 103** Performance in this area continues to be strong. At the time of this inspection, only two of the 4,912 properties with appliances requiring annual gas servicing had an out-of-date landlords' gas safety certificate. In both cases, the 12 months had expired the week before and legal proceedings were pending, after other contact efforts had failed. A1 was also ahead of schedule in servicing both oil-based and solid fuel appliances on the current year's programme. This shows it is ensuring servicing arrangements are undertaken.
- 104** There has been further improvement in the promotion of the importance of gas servicing, with safety information now being included in the revised repairs handbook. Other promotional work has continued including a comprehensive guide to gas safety being sent to every home and included in sign up packs, alongside the HSE leaflet 'Gas Kills', included with all appointment letters. Gas safety is actively promoted in the newsletter, alongside advertising of the outline servicing programme. Flags appear on the repairs system and this information is now transferred to work orders, alerting operatives to the issue, to remind customers when on site. These various tools maximise the clarity of the message to customers and increase the likelihood of early access.
- 105** Servicing arrangements are now more customer-focused. Customers now receive at least seven days notice of servicing appointments and letters provide clearer details of appointment availability, which include evenings and Saturday mornings. New procedures, which have removed previous silo-working, have led to a wider range of tools being used to seek access before legal action is considered. Earlier contact is now made with any tenants where access has previously been an issue, with none of these cases to date being difficult to access this year. Housing officers now visit and telephone tenants, taking account of where poor literacy or chaotic lifestyles exist. A1 also uses an incentive scheme and high-visibility door stickers and checks are made on contact used in each case before legal proceedings are taken. These initiatives have resulted in 8 per cent more properties being accessed at the first visit in 2007/08, with subsequent reductions in the levels of legal action being taken, reducing the use of time consuming and expensive processes.
- 106** A1 is not however fully effective in pursuing cases. It has increased the tools used, but our sample review of cases found some where there were long periods between attempts to gain access. It is still not therefore maximising the potential for early access in all cases.
- 107** The range of checks made is now comprehensive. Servicing of customers' own appliances and smoke detectors is now incorporated into servicing arrangements. A1 has also implemented a comprehensive procedure relating to customers forced to sleep temporarily in rooms with fixed, open flued appliances. This is a significant issue for A1 in view of the high level of older and disabled customers, the size of the re-housing waiting list and demand for adaptations. It can demonstrate positive responses made where cases have been identified and has successfully asked the fire service to alert it to any cases it comes across. This is good practice, as it minimises the risk of any faulty appliances or blocked or inefficient flues putting customers' households' lives in danger.

- 108 Record keeping systems remain sound. Our checks indicate that the information held on the servicing database is accurately updated and CP12 certificates are carefully stored. Robust systems are also in place to ensure that all properties with a gas supply are included on the programme and database and that sold properties are promptly removed. These systems help ensure that no customers are put at risk because of faulty record keeping and also that money is not spent servicing appliances for which A1 has no responsibility.
- 109 Although improved, there remain some weaknesses in monitoring systems. Positively, the ALMO now regularly reports the level of cases at each stage and no longer treats cases referred for legal action as complete. However, it has not yet completed migration from its simple excel spreadsheet to its dedicated 'Task' database, which will provide a full process monitoring, workflow and reporting system. Transfer of data was almost complete at the time of inspection, which A1 anticipates will release 14 hours each week in officer time. However, at the current time, its database has to be manually searched to identify action stages and overdue cases, which is resource intensive.
- 110 Performance management and quality assurance systems are robust. Inspections or visual checks are carried out on 10 per cent of completed work. A quality check of 10 per cent of paperwork is also undertaken, alongside periodic checks of IT flagging systems. Monthly contractor meetings help ensure the programme is delivered on target and the likelihood of A1 failing to meet its legal responsibilities is minimised.

Aids and adaptations

- 111 In February 2007, we found that there were more weaknesses than strengths in this area. Performance in delivering adaptations had begun to slip over the past year, systems were not customer-focused and A1 did not effectively monitor the progress of adaptation requests. The quality of the work carried out was generally good, there had been improvements in partnership working and the ALMO was doing some preventative work in this area.
- 112 In this inspection, we found there is now a balance of strengths and weaknesses in this service. It is now more customer focused and performance is improving. Customer satisfaction is high and the ALMO is doing some preventative work. However, customers have not been involved in service development, the improvements are not fully embedded, a self-referral process for minor work is not in place and performance management is only partially effective.

- 113** The aids and adaptations service is becoming more customer-focused. A new dedicated adaptations team has a clearer customer perspective, through the development of revised comprehensive procedures. It no longer refers customers straight to social services when an enquiry is first made and has received around 50 direct applications since the last inspection, as a result of actively promoting its change in approach. Requests are quickly acknowledged and letters have been reviewed to provide clearer details to customers on the progress of their application. There is no waiting list, as the budget was topped up in 2006/07²⁰ and has been increased by £190,000 in 2007/08, to meet expected demand. Tenant liaison officers provide support enabling customer input into fixtures and fittings on major works. This demonstrates a positive change in emphasis, to a service more driven around customer needs.
- 114** However, customers have not been involved in development of the service. A1 has not involved its existing customer groups or residents interested or affected by the adaptations service about any of the improvements made. This means that A1 can not be certain the service is meeting all of its customers' needs.
- 115** There are still instances where customers are not provided with appropriate advice. Our mystery shopping of the service found that customers were sometimes still told that A1 could only help after a referral from the occupational therapist service and some information is unclear on the changes. The improvements are not therefore fully embedded and this means that some customers may still be experiencing a differential level of service.
- 116** Performance has improved significantly. A1's targets for providing adaptations are now much more challenging, as they now include the time taken for an OT assessment (OTA). It has set targets of 95 days for minor works and 140 for major works, compared to 98 and 149.8 days previously, which both excluded the OTA target timescale of 40.3 days. Taking account of this²¹, between 2005/06 and June 2007, performance has improved by around eight weeks for minor works and 22 weeks for major works, to a timescale of 13 and 14 weeks respectively. A1's development of new procedures has enabled it to cut down processing times and it has also worked with the OT service and its contractors as part of a joint protocol to seek to minimise any delays. This means customers are waiting substantially less time to receive adaptations they need.
- 117** However, A1 has not yet resolved the lack of self-referral process for minor works, such as grab rails and lever taps. It has worked with neighbouring authorities and the county council to develop a 'preventative adaptations' service pilot programme, which it is part funding by £5,000, but this is not due to come into effect until the end of September 2007. As part of this, it has worked through proposals with its partner contractors to provide minor works within five or 15 working days (depending on the type) once approval is given. This would mean customers wait only a similar time as for responsive repairs to be undertaken. However, as this initiative is not yet in place, it will be some time before significant improvement from its implementation will impact on the service overall.

²⁰ The Council released an additional £200,000 and £111,000 was redirected from other capital budgets.

²¹ by adding the expected OTA timescale of around 6 weeks to the difference between 2005/06 and June 2007 performance shown. 2005/06 performance was was 15 and 30 weeks respectively, excluding OTA.

- 118 Information for customers about the service has been improved, but remains of mixed quality. A1 has brought together its previous disparate documents into one comprehensive leaflet. However, it does not provide customers with clear information on the new timescales for works to be completed, suggesting the national minimum standards apply. Additionally, though letters are generally clearer, they still do not provide customers with a clear indication of when to expect works to be completed. These remain weaknesses because, given the vulnerability of this customer group and the importance of the service for which they are waiting, good quality information is essential to them.
- 119 The quality of work being carried out, however, is generally good. Effective post-inspection arrangements ensure that all major and 20 per cent of minor works are inspected and remedial works carried out if necessary. Customer satisfaction with the overall process has risen from 87 per cent at the end of 2006/07 to 98 per cent at the end of June 2007. Customers also expressed high satisfaction with quality of work and information, speed in which work began, and the attitude of workers. This suggests that the improvements in the overall service are more closely meeting customer needs.
- 120 Performance management arrangements are still not fully effective. Although the ALMO has improved its overall monitoring of timescales, targets have not yet been set and monitoring is not undertaken for each stage of the process, so A1 has only anecdotal understanding of where the main improvements and bottlenecks are in the process. Additionally, while there is more contact with tenants up to adaptations being approved, checks are not made once an order has been sent to contractors to ensure that work proceeds within the timescale expected. Even in cases highlighted as urgent, the ALMO relies on the eventual return of a completion note from contractors, which can be several weeks later, to determine that work is completed. This is a weakness as the ALMO is not ensuring customer care throughout the process.
- 121 The ALMO is doing some preventative work in this area. For example, level access showers are offered instead of baths wherever older people are having bathroom replacements done. Lever taps are also fitted as standard when undertaking repairs or doing kitchen replacements. These measures show a commitment to addressing the needs of vulnerable customers and are intended to help reduce demand over time.
- 122 A1 has had some success in reducing the cost of providing adaptations. It has negotiated with its contractors a further reduction in the cost of preliminaries of £37,000, which are being re-invested in the service and fund the preventative pilot scheme described above. With its contractors it is working to source efficiency savings in the provision of major items such as hoists, to help ensure greater value for money is delivered.

Housing income management

- 123** In February 2007, we found that weaknesses outweighed strengths. Rent accounting was robust and a broad range of payment methods was offered. Performance in recovering current rent arrears was improving, relationships with housing benefits and advice agencies were good and approaches to recovering FTAs were robust. There were, however, some procedural weaknesses in the management of arrears and non-rent debt and, particularly around quality assurance and the use of data to drive a more strategic approach to arrears recovery and financial inclusion.
- 124** In this inspection we found that A1 has largely addressed the weaknesses identified last time and strengths now outweigh weaknesses. Performance is strong, payment options have been further extended and customers have better service information. A1 has used influence to address service charge pooling and rent accounting is robust. Procedures are being followed through smarter working. A more effective approach to financial inclusion is emerging, but is underdeveloped, as are partnership arrangements with other agencies. Additionally, A1 is not maximising the use of account data.
- 125** Performance in recovering rent arrears is strong. Rent collection at the end of 2006/07 was 99.61 per cent of rent due, compared to 99.57 per cent in 2005/06. Rent arrears stood at 1.69 per cent of the rent debit, compared to 2.03 per cent over the same period, making A1 a top performer in the former and above average in the latter indicator, against comparator organisations. Between the end of 2006/07 and June 2007, A1 can show a reduction in the level of tenants in arrears over seven weeks from 4.5 to 4.2 per cent. Projected over the year, the level of tenants served with a notice seeking possession and evicted in the first quarter of 2007/08 also look set to fall against 2006/07, from 22.5 to 16.8 per cent and from 1.81 per cent to 1.51 per cent respectively. This demonstrates continued improvement in performance.
- 126** A1 has continued to broaden customer payment options, which now include 'payzone', alongside direct debit, standing order, telephone, internet, post office and Council cash counters. Cost effective direct debit and standing order options are effectively promoted, through targeted mailings, with gift vouchers offered as an incentive to switch and a choice of four monthly payment dates. This has resulted in a rise in use of these methods from 11.8 per cent of customers in 2004 to 20.16 per cent currently. A fee reduction is also offered to telecare customers as an incentive to switch from quarterly to less expensive annual invoices. A1 has renegotiated cash counter transaction costs with the Council (from £1.07 to 68p), which, depending on how many customers switch payment methods, will generate savings of up to £22,000 per year. This approach has increased cost effectiveness without reducing customer choice.

- 127 Information for customers is now clear and well presented. Good quality leaflets are in place, including a detailed debt Advice booklet which takes the reader through solution options and signposts support agencies. Annual rent increase letters and quarterly statements, which are also provided at any time on request, give clear information about rent accounts and where to go for advice. All standard letters have recently been rewritten and clear guidance has been issued to staff about the limited occasions and style in which non standard letters are to be written. Rent recovery staff have some use of hand held computers (two per office), which allow access to rent account information and benefit calculation software during visits and surgeries. This information helps customers understand how much rent they need to pay and how to address debt issues.
- 128 A1 has made improvements to leaseholder invoices, which now include relevant details in line with the Commonhold and Leasehold Reform Act. This is important because, as these documents were not appropriately issued previously, the Council could not legally recover a number of unpaid charges and has subsequently written off around £2,995.
- 129 There are still some weaknesses in the use of data to tailor income management services. For example, although it uses text messaging and email, A1 doesn't optimise these contact methods to reach traditionally less available customers, such as young people and those who work during office hours. Its IT system can not automatically recognise individual customer communication requirements when it produces large scale mail-outs like rent increase letters or statements. Although manual lists are used instead, this is cumbersome and leaves scope for human error. This risks customers missing important messages about their rent or debt situation and also means staff are not yet making the best use of their time by smarter working.
- 130 A1's approach to financial inclusion is developing. It now has a draft strategy, which is currently out for stakeholder consultation. Although this means that it does not have a comprehensive approach in place at present, it has identified the key gaps in its approach and begun to address some of the weaknesses we identified previously, such as working more closely with partners and promoting use of the local credit union. This is important to ensure a comprehensive approach to maximising tenant incomes to support sustainable tenancies.
- 131 A1 has exerted relevant influence over the Council on rent setting issues. Rents continue to be increased in line with the government's rent restructuring policy, but the Council has now set up a working group after agreeing to adopt good practice around 'unpooling' its service charges, by April 2009. This includes building cleaning, caretaking, communal television and grounds maintenance charges, which annually represent over £150,000 of income. The charges are currently divided between all tenants (excluding leaseholders) rather than only to those who receive the services. A clearer timetable is also now in place to introduce a three-tier charging system for sheltered support costs by May 2008. This means A1 has done all it can to begin to address the continuing subsidy of services received by others by customers who do not receive them.

- 132** Rent accounting procedures remain robust. Accounts are set up promptly for new tenants and separate sub-accounts are set up for charges such as court costs and rechargeable repairs. Processing of rent, housing benefit and Supporting People payments is timely. 'Seemydata' information is updated weekly, so is kept current. These processes assist staff and customers by ensuring accounts are accurate.
- 133** Arrears recovery procedures are appropriate and are being followed. They focus on prevention and early action, with affordable repayment agreements in use and court action beginning at an appropriate level of debt. Effective use is made of direct payments from benefit to prevent legal action, appropriate referrals are made to other agencies for benefits advice and to the homelessness service in advance of evictions. Staff from A1 also attend court user group meetings which helps to ensure that cases are listed and warrants issued promptly, where legal action is required. This means A1 is taking a proactive approach to ensuring it recovers its most significant debts in a responsible manner.
- 134** A1 has addressed the various weaknesses identified last time around the cumbersome nature of its case management system. Better use of IT has improved the smartness of working practises, allowing staff to spend more time with customers. It has reduced the scope for human error because automatic prompts in the system are now operational. Revised exception reporting systems are in the process of being implemented, which will soon allow managers to focus more clearly on cases where appropriate action has not been taken by staff. This means rent staff are now working more productively and there is less scope for differential approaches to be taken.
- 135** A1 has also addressed weaknesses in how it manages tolerated trespassers. A clear policy and procedure is in place and almost 200 customers have been identified as falling into this category. In each case, the customer's status has been flagged and a well written letter will be sent out during September, which clearly explains what this status means. This minimises the risk of accidentally creating a secure tenancy for a customer whose tenancy has been legally terminated, optimising the likelihood of recovering the arrears which are outstanding.
- 136** The approach to recovering former tenant arrears (FTAs) remains robust, with clear procedures for tenancy termination and early intervention afterwards. Targeted use is made of external debt collection agencies on a competitive 'no win, no fee' basis, with rates regularly reviewed in the marketplace. Recovery action taken by external agencies is governed by a service level agreement and code of conduct and performance is monitored through website access to individual accounts. Write off processes are reasonable and clear, based on whether a debt is uneconomic or unethical to pursue. A1 recovered £73,000 and wrote off £160,000 in 2006/07, reducing FTAs from £561,519 at the end of 2004/05 to £333,082 at the end of June 2007, against a year end target of £310,000. This demonstrates a focused and proportionate input into cases where debt is most recoverable.

- 137 A1 has made some progress in addressing weaknesses identified previously around the recovery of non-rent debt. While still a complex arrangement, (the responsibility for recovering rechargeable repairs, lifeline charges and sundry debts delegated to A1 by the Council is sub-contracted back to it) the service level agreement has been amended, with an understanding that the relationship will be kept under constant review. The overall recovery target has been raised from 77 to 81 per cent, with differing targets for each individual debt type. A performance incentive and penalty clause has been introduced, whereby £1,000 is awarded or deducted for every one per cent recovered above or below the target at the year end. The Council's performance has begun to improve in some areas, most notably in recovery of 90 per cent of leaseholder service charges in 2006/07, compared to only 68 per cent in 2005/06.
- 138 A1 has a strong relationship with the Council's benefits and revenues team. This is governed by a service level agreement and monthly liaison meetings monitor the arrangement. The ALMO has participated in joint housing benefit take up campaigns and staff have been trained in housing benefit verification, which is used at surgeries in rural areas. This helps ensure speedy benefit assessments, minimising the level of arrears caused by delays in benefit being paid.
- 139 A1 now works more effectively with other partner agencies. It has a protocol with the Citizens' Advice Bureau (CAB) to refer cases of multiple debt for specialist advice, which it supports with annual funding of £5,000. It has also made progress in developing a relationship with the local credit union by covering its work in the tenant's newsletter, displaying its leaflets and signposting customers to it. Arrears letters and leaflets also include references to advice and support available from the CAB and credit union. These partnerships help ensure that customers receive the best possible money and debt advice or can access low-cost loans if they need it.
- 140 However, A1's relationships with partner agencies are still under-developed. For example, as it is not monitoring its protocol with the CAB effectively, it can not determine whether the 33 referrals made since it was set up late last year, were made at the appropriate stage or that it is obtaining value for money on its investment. A1 is also not yet making good use of its customer profile or 'reasons for arrears' survey data to work with partner agencies on, for example, benefit take-up or ethical lending campaigns. Although meetings are planned to take all of these issues forward with partners, the ALMO cannot currently demonstrate well developed partnership working around either debt recovery or financial inclusion on estates.

Resident involvement

- 141** In February 2007, we found more strengths than weaknesses in this area. The ALMO had taken a more strategic approach to resident involvement, put sufficient resources in place and expanded the range of opportunities for involvement. There was evidence of effective involvement in shaping and managing services and this principle was becoming embedded. However, there was still a reliance on consultation, rather than involvement, not all activities had been proportionate and there was limited focus on training for active customers.
- 142** In this inspection, we found that strengths now significantly outweigh weaknesses. A1 has a strengthened strategic approach to involvement and provides effective resources, including a robust training programme which is building skills and capacity. More residents are now involved, who generally represent the wider customer profile and there is continuing evidence of outcomes from involvement activity. However, there are gaps where customers have not been involved to date.
- 143** A1 continues to support resident involvement through an effective strategic approach. Its tenant empowerment strategy is comprehensive, with continued support for a range of involvement initiatives, captured in an accessible tenant compact and a menu of options, detailed in its 'stepping stone' leaflet. These include, tenant and residents groups (TRAs), 'village voices', the tenant investment group, customer champions group, Joint Housing Action Group and mystery shopper programme, alongside a strengthened A1 hundred club, which has amalgamated less effective and resource-hungry focus groups. It has now developed four local performance indicators, improving its ability to measure progress against its strategic aims. The strategy is therefore providing a robust basis on which to build customer involvement in the service.
- 144** Resources and support in place for effective customer involvement, is continuing. Two full-time workers provide an enabling role to residents and support to staff, who can access £77,000 per year funding, to support individual groups, training for active customers and a range of consultation and involvement events. A1 has also committed to continue to provide community houses for free use by TRAs where the level of use outweighs the benefit of bringing them back into general management. Customers have direct control over a further £10,000 per year 'bonus reward scheme' which considers bids of up to £2,000 from groups for environmental improvements in their areas. This supports customer groups to develop and function and ensures A1's various departments have access to dedicated resources for customer involvement in service development.

- 145 A1 now has a robust customer training programme. A comprehensive training programme has been developed, which includes activities related to running groups, performance monitoring and IT skills, following an analysis of training needs with actively involved residents. A1 has also sought two days of free training from the priority estates project, to help build capacity in the new A1 hundred club. This is important to ensure that customers have the appropriate confidence and skills to enable effective involvement in forums and to develop a pool of potential customer board members, able to confidently take on company director roles within a short period of joining the Board, in view of its three-year terms.
- 146 The level of involvement has grown since the last inspection. The database of interested tenants is now over 300 and 77.6 per cent of residents have representation through a TRA or one of four 'tenant voices', which has increased from three previously. The ALMO actively promotes involvement to both new and existing residents, including increased promotion to leaseholders, boosting the level of involvement. It also continues to promote public participation at Board meetings, through popular question time sessions and plans to continue use of workshop-based customer conferences to promote messages and for limited consultation on high level issues, such as revisions to service standards. The STATUS survey 2006, found satisfaction with opportunities for participation had risen from 66 per cent in 2005 to 69 per cent. This places the ALMO in the top performing 25 per cent of districts, adjusted for deprivation, in 2007/08.
- 147 Customer involvement is generally representative of the customer base. A1 has strong representation in its forums from older residents and people with disabilities, with around 5 per cent of its active customers having a black or minority ethnic background. However, it recognises that young people are under-represented and is seeking to promote its activities through joint work with Surestart, Bassetlaw community development and through its partnership work in the Manton and Sandy Lane areas. This helps to ensure customer feedback represents the wider customer view.
- 148 There is continuing evidence of formal customer involvement in shaping and managing services. The JHAG is A1's formal consultation forum and is made up of representatives from the TRAs, the 'tenant voices' and tenant Board members. It is now receiving performance reports on the revised set of 25 key indicators, and sees all anonymised complaints. Most new policies and procedures are taken to JHAG for consultation before they are approved by the Board and influenced for example, development of the ASB policy and leaseholder SLA. A mystery shopping programme had just begun at the time of inspection. The newly formed A1 hundred club has developed terms of reference for its work and has been involved in development of the vulnerable tenants' policy. These provide A1 with sounding boards for new ideas and also an element of accountability for performance.

- 149** This work continues to be supplemented by the tenant investment group (TIG) which is made up of customers, staff and partners. The TIG plays a pivotal role in challenging how the improvement programme is delivered. Building on its previous influence on initial work programme schedules and investment it has, for example, been involved in approving changes to the programme forced by the floods and in monitoring progress. Its rigorous approach continues the theme of customer involvement in maintenance issues which began when customer representatives were included in the contractor partner selection panel. It has been key to ensuring transparent and inclusive processes in this key area of expenditure and customer service.
- 150** There is some evidence of customer consultation in business planning. In the autumn of 2006 all of the then 250 customers on the active resident contact list were invited to comment on the five key aims and their underlying objectives. This led to a number of minor changes in the current service plan for 2007/08. A clear plan is also in place for a more structured approach this year, with JHAG involvement in objective setting in October and tenant conference consultation on a draft in December. This gives customers a role in setting the strategic framework for the organisation.
- 151** Customer consultation is becoming embedded more widely than the specialist involvement team. For example gaps in leaseholder consultation have been addressed through active involvement in developing their service level agreement and customers have helped to develop proposals for launching the choice-based lettings scheme. The customer insight programme is also focussing staff attention on how services are received by customers across the organisation, through a more comprehensive approach to understanding services from their perspective.
- 152** However, there remain gaps in ensuring consultation is comprehensive. There has, for example been no consultation on the improvements made to the aids and adaptations service and customers have not yet been involved in discussions on the grounds and building maintenance contracts which A1 took over in April. While A1 has or is putting into place improvements in these services, it has not so far ensured this has been done through a clear assessment of customer views.

Tenancy and estate management

Tenancy management

- 153** In February 2007, we found more strengths than weaknesses in this area. Introductory tenancies were in use and all tenancy management systems had a focus on tenancy sustainment. There was a generally robust approach to managing ASB, with a range of appropriate diversionary and enforcement measures in place and effective multi-agency working. Approaches for dealing with hate crime, however, had some weaknesses, A1 was not yet fully 'Respect' compliant, performance management could be improved and the Council had given insufficient priority to the need for CCTV in one particular area.

- 154** In this inspection we found that there continue to be more strengths than weaknesses. There are effective arrangements to help sustain tenancies. A1 uses introductory tenancies and a range of tools to tackle ASB and support victims. It promotes the service and its success effectively. It is proactive in dealing with hate crimes. It is using hotspot information and working with its partners effectively to target resources. However, it still does not have a 24-hour reporting service in place, and its work with partners in providing diversionary activity is underdeveloped. It also has weak procedures to identify and manage vulnerable perpetrators.
- 155** Tenancy sustainability is a priority. Rights and responsibilities are clearly set out in a plain language tenancy agreement and tenant handbook, designed to help ensure customers understand the types of behaviour expected. Tenancy support is offered from sign up onwards and clear referral processes are in place with four local specialist providers, ensuring sufficient support is available quickly for a wide range of needs. Officers visit new tenants within six weeks to help ensure they are settled in and annual occupation checks have recently been introduced to help staff identify breaches in tenancy conditions and to offer support before problems escalate. These are effective tools to help customers understand their rights and responsibilities and sustain tenancies, when extra support is needed.
- 156** A1 has a number of incentives in place to reward responsible tenants, including a well promoted quarterly £250 draw for all customers who do not breach tenancy conditions. This means that, while not all customers who abide by their tenancy conditions are rewarded, the issue of responsibility remains high profile.
- 157** Introductory tenancies are used as an effective deterrent to anti-social behaviour (ASB). They have contributed to managing breaches of tenancy among new customers, with four evictions of introductory tenants last year due to ASB and seven to rent arrears (out of 33 total evictions). They are effectively monitored at a ninth month visit, allowing time for problems to be addressed before secure tenancies are given at 12 months. Those most at risk of perpetrating ASB are not given security of tenure, while a board of elected members hears customer appeals against their eviction which has provided challenge to the ALMO on its decisions in some cases. A1's approach to the use of introductory tenancies helps ensure that ASB is detected and addressed early in tenancies.
- 158** A1 is effective in publicising work being done to tackle ASB. The service is well promoted via leaflets, the newsletter and website and successes are reported in the local press. The wider community is also made aware of action taken in serious cases, such as in a recent case where ASBOs were obtained against two young people, in partnership with the police and local authority. Caretakers leafleted local properties, including a map of the exclusion area and photographs of the perpetrators, empowering local people to report any breaches of the ASBO. These approaches reinforce A1's stance on ASB and provide some understanding of the action available to and taken by it in response to cases reported.

- 159** Customer satisfaction with handling of ASB cases is strong. At both the end of 2006/07 and in June 2007, all customers responding to the customer survey on ASB were satisfied. This suggests the ALMO is providing a service which meets customer expectations.
- 160** A1 has clear procedures for staff to follow in dealing with ASB. Its revised its policy recently, following customer consultation, and in line with an assessment against the government 'Respect' standard. It now gives more emphasis to supporting victims and publicising successful action and implemented a 'traffic light' system to categorise the seriousness of incidents. An action plan is developed for each case at the point of initial reporting, and staff keep complainants informed throughout the process. The ALMO responds actively to reports of lower level ASB, through intervention, such as increasing use of mediation, as well as enforcing more serious cases, through tools such as anti-social behaviour orders, injunctions and acceptable behaviour contracts. It has a clear commitment to using possession proceedings only as a last resort, with only nine of 367 ASB cases leading to eviction in 2006/07. This helps ensure measured action is taken in line with customer priorities.
- 161** A range of mechanisms for gathering evidence of ASB is in use. These include diary log books (with dictaphones available as an alternative to written records), along with noise monitoring and mobile CCTV equipment via the Council. This helps to maximise information gathering to support intervention or enforcement where that becomes necessary.
- 162** However, a 24-hour reporting service is not yet offered. A1 has plans in place to begin delivering this via its contact centre, with ten officers having volunteered for a duty rota, but only from October 2007, which has not yet been publicised. Customers can still not therefore access emergency support from A1 in dealing with ASB outside office hours, which could result in some vulnerable customers suffering from unnecessary distress over weekends and holiday periods.
- 163** There is some evidence that 'hotspot' data is being used to target resources and drive service improvement on ASB. On the Sandy Lane estate, for example, the team has been temporarily restructured to focus one member of staff's attention on ASB for a six month period while her other duties are covered by colleagues. This is in response to customer demand for this service to be prioritised and early indications are that ASB is being brought under control in the area as a result of this approach.
- 164** Multi-agency partnerships are effective at both a strategic and operational level. A1 and the Council are represented on the crime and disorder reduction partnership and a range of more local task groups at estate level. Each housing management team has a weekly meeting with the council's ASB team and the police. Information sharing between partners is effective and has resulted in the police, for example, assisting A1 to obtain injunctions. A1 also works jointly on more general community engagement issues, such as a 'week of action' with the police earlier this year at Sandy Lane. Regular meetings with victim support monitor the operation of a protocol and A1 has very recently begun running surgeries at Surestart for young parents who might otherwise not access services. These partnerships have helped A1 deliver better targeted services.

- 165 Although the approach has been limited to date, some use has been made of diversionary activities. This includes referrals to the council's Sporting Chance service, which has assisted some young people at risk of offending, to access activities during school holidays. There have also been a range of 'come and play' sessions held over the summer to provide alternatives for bored young people on estates. A1 has not yet invested significantly in these activities and is not able to demonstrate how they have reduced juvenile nuisance on estates, but they represent the early stages of a more proactive approach to prevention.
- 166 Partnership working however remains underdeveloped in this area. For example, A1 is not yet working with the youth offending or drug action teams or with the county youth service, despite the fact that this would increase its capacity to deliver diversionary activities and support to younger people with chaotic or nuisance behaviour on estates. This is a missed opportunity to take a more holistic approach.
- 167 A1 takes a proactive approach to dealing with hate crime. This is an increasing problem, with a 56 per cent increase in reported racist incidents in the district over the past year, though most occurred in the town centre and have rarely involved A1 tenants. It has a comprehensive hate and race crime policy, with clear definitions of hate crime incidents, how they differ from ASB and how they should be handled. Its procedures emphasise prevention, support for victims and witnesses and multi-agency working, including sharing of information. Key staff, board members and resident representatives have all attended hate incident reporting training. A1 is a member of the Nottinghamshire hate crime forum, which meets six weekly to analyse 'hotspot' and other trend information. Where perpetrators are applicants or tenants, A1 flags their applications or files. While no incidents involving customers have resulted in charges being brought, A1 has an effective framework in place, which provides assurance they will be dealt with sensitively and on a priority basis.
- 168 This is supported by good customer information on hate crime. A 'tackling race and hate incidents' booklet clearly outlines what behaviour will not be accepted on its estates, its service standard of an initial response within 24 hours and ongoing monthly contact, together with advice on security, priority re-housing and the action which can be considered by the partners. Posters are displayed in its reception areas and there is further information on its website. This provides reassurance of A1's approach, to help encourage victims to report any incidents which occur.
- 169 A1 has an appropriate approach to dealing with domestic violence (DV). It has a well presented leaflet and four DV champions among frontline staff, who provide an intensive specialist service to complainants. They also attend local DV forums and are involved in sharing learning with partner agencies. These customers are referred for support to Women's Aid as well as to Victim Support, if they wish, to ensure they have access to specialist counselling. This helps ensure that survivors approaching the organisation are treated sensitively and in line with good practice.

- 170** Performance management in relation to ASB and hate crime is robust. A comprehensive spreadsheet is used to track cases, along with regular one to one sessions to discuss complex or high risk cases. This helps ensure staff receive sufficient support and guidance in case handling, while providing a quality check that cases are handled in line with policy.
- 171** There are some weaknesses in how vulnerability of perpetrators of ASB is handled. Although there are cases where these customers were treated sensitively and staff routinely involve support workers in addressing problems, there is no formal policy for handling cases outside routine procedures. A new policy has recently been adopted which aims to identify vulnerable tenants, but this provides only a list of categories of people which can be classified as vulnerable, with little guidance in considering which behaviours might indicate vulnerability. This increases the risk that problematic behaviour which results from issues such as mental illness will not be identified or dealt with appropriately and means A1 can not demonstrate that there is equal treatment across patches.

Estate management

- 172** In February 2007²², we found more strengths than weaknesses in this area. Estates were generally well maintained, garages were well managed, environmental improvement work was resourced and responsive to need and there was particularly strong partnership working on the ALMO's largest estate. Estate inspections, however, were not fully effective.
- 173** In this inspection we found that there continue to be more strengths than weaknesses in this area. Estate inspections are carried out more effectively, encouraging more involvement. Estates are clean and tidy. Outcomes are emerging from positive partnership work in Manton, which has improved the popularity of the area, there is evidence of designing out crime and A1 has an effective strategy for dealing with poor quality garage sites. However, there has been little progress in improving ground maintenance, building cleaning and caretaking services and there are weaknesses in the Manton good neighbour agreement being proposed.
- 174** Estate inspections are now more effective than previously. Their frequency (of between three and 12 months) is risk-based, on the basis of progress since the last inspection and local issues in the area, which are assessed through records of interim visits undertaken on at least a monthly basis. The inspections are well publicised and include key stakeholders, who are all invited to contribute to a new scoring system to better judge each element of the inspection, including the two new services taken over in April. Action taken following inspections is publicised on the website, attendees receive a report within seven days and feedback is a regular agenda item at tenant meetings. This approach encourages customers to get more involved in the process and to better understand how estates are being managed.

²² The inspection in February 2007 did not include grounds maintenance or building cleaning, because at that time, the service was managed by the Council. A1 took on responsibility for these services in April 2007.

- 175 A1 has continued to engage in effective partnership working, particularly with the Manton Community Alliance on its largest estate. Manton is home to a neighbourhood management pilot scheme, supported by annual government funding of £359,000, which is popular with residents. The partnership has enabled the estate to have additional community support officers and provision of skips, in addition to A1's funding of a partnership caretaking scheme. Proactive community involvement work has resulted in agreement from partners to fund a play area on the estate and a new initiative where residents will participate in a 'green inspector' scheme. These various initiatives have improved the popularity of the area and the general appearance of the estate.
- 176 However, there are weaknesses in the ALMO's plans to invest in the Manton good neighbour agreement, which A1 has not critically reviewed. A draft agreement has been developed by the partnership, after some local consultation on what constitutes acceptable behaviour. However, its terms are less robust than the current tenancy agreement and not as easily enforced. It will also only apply to new tenants of rented housing, rather than all residents. A1's measure of success is not reliable, as it will only consider the number of signatories who have sustained their tenancies, compared with the number of those who have not signed the agreement. As A1 has not thoroughly considered these issues, it is unclear that the agreement will achieve its aims, how A1 can demonstrate that it has done so and how it will be able to gauge whether its investment in the initiative can provide value for money for its customers.
- 177 Some progress has been made in designing out crime on estates, despite limited funding of only around £22,000 for each of the two local housing teams. This is typically spent on installing fencing, running 'skip schemes' to reduce fly tipping and working with probation and local people to clear 'grotspots', often as action plans following estate inspections. However, it is also building in 'secure by design' features on improvement schemes, such as security doors, windows and entry systems. This means it is making good use of limited resources to address environmental problems raised by customers or identified by staff.
- 178 A1 and the Council have developed a strategy to address the problem of poor quality and low demand garages. The Council has consulted customers on their garaging needs and an option appraisal process is in place, which enables A1 to recommend disposal of any relevant sites. The Council will ring fence any capital receipts from the sale of garages on housing land for parking and estate improvements, although all of those sold to date have been on public land, with the proceeds returned to Council funds. A1 manages garage allocations effectively and includes these sites in estate inspections. This means that popular sites are refurbished and remain in use and that unpopular sites are demolished.
- 179 Estates are still clean and tidy, with little evidence of graffiti or vandalism. Communal areas are cleaned to a high standard and well maintained and protocols are in place with the Council to deal with fly tipping, animal nuisance and abandoned vehicles. Gardens are generally well maintained and there are robust procedures to deal with abandoned properties and graffiti, with offensive items cleaned within 24 hours. These factors contribute to ensuring estates are pleasant environments.

- 180** A1 has maintained the gardening assistance (GA) scheme for vulnerable customers it inherited in taking over the grounds maintenance contract in April. Just under 600 customers over 60 or with disabilities receive three grass cuts and one hedge trim per year. Membership of the list has recently been reviewed and there is no waiting list. The retention of the service assists customers who can not manage their garden or afford a gardener, to maintain tidy gardens.
- 181** However, little progress has been made in revising systems for delivering grounds maintenance and building cleaning and caretaking arrangements have not developed since last time. Customers have not been given details of the service specifications, costs or performance and A1 also acknowledges contractor performance is not yet effectively monitored. This is despite the fact that they cost over £600,000, which is currently pooled. The GA scheme also costs around £330,000 (£550 per property) and is subsidised by all tenants, who have not yet been given opportunity to consider its value for money.
- 182** This is compounded by complex caretaking arrangements, with four different services delivered across estates, with different contract arrangements and very low customer satisfaction with them, at only 53 per cent. A1 has plans to market test its 'estate services', but these are not robust, as described in the value for money section of this report. It is therefore unable to demonstrate that it has improved how they are delivered, either in terms of quality or cost, over the past six months.

Leasehold management and Right to Buy

Leasehold management

- 183** In February 2007, we found more weaknesses than strengths in how services were provided to the Council's 147 leaseholders. There was no single point of contact, information provided to leaseholders was not comprehensive and the quality of consultation, income and asset management services was not high. There were, however, appropriate procedures in place for managing service charges and communication with leaseholders had improved in recent months.
- 184** In this inspection, we found A1 has made progress on many of the key issues and strengths now outweigh weaknesses. It has developed a comprehensive service level agreement and plain English guide to leases and implemented an effective single point of contact. Maintenance and income management services are now on a par with other customers and the appropriate procedures for managing service charges remain in place. However, it has not consulted customers on some key issues and has no effective feedback processes in place.

- 185** A1 has developed a comprehensive service level agreement (SLA) with leaseholders. Building on early improvements in communication made last time, it invited all leaseholders to two consultation events, where there has been open discussion about the service provided and the weaknesses identified from the previous inspection. This led to a SLA being drafted, which was due for approval immediately following the inspection. All leaseholders were invited to comment on it, with respondents views incorporated into the final draft. The SLA addresses weaknesses in the handbook we identified previously, alongside minor changes to the handbook itself. The agreement includes promises relating to consultation and meetings, correspondence, communication, housing management services, resident involvement and service charge issues, alongside a two year review of the SLA itself. Along with the handbook, this provides a clear understanding of the service leaseholders should expect to receive.
- 186** Leasehold customers now have a single point of contact for all service matters. One officer now acts as a central contact point for all enquiries and is able to answer most queries. Where this is not the case, there are now clear arrangements for information to be provided, whether the query relates to parts of the service provided by the Council or A1 itself. This has improved the organisation's ability to provide a professional service which meets customer needs at the first point of contact.
- 187** A demonstration of the positive impact of the single point of contact is given in the feedback received about poor communal window cleaning service. A1 was already aware of poor contractor performance in this area, but since the introduction of the dedicated 'leasehold officer', many leaseholders have contacted the ALMO to provide feedback, which was not experienced previously. This has led to A1 refunding relevant service charges paid to all leaseholders, while its review of communal servicing arrangements, which was already planned, takes place.
- 188** Although the SLA provides new promises on consultation, the ALMO has not yet consulted customers on all aspects of the service, including service charge setting policies or buildings insurance. The consultation events focused on the overall manner in which services are provided, rather than any detailed aspects of the service itself, which was a sensible approach in the limited time since the last inspection. Although the next consultation events are booked for February 2008, these are centred around service charges, rather than policy discussions. Leaseholders have not therefore had the opportunity to influence such policy decisions.
- 189** A1 and the Council have now addressed the issue of not having a plain English version of the lease, though it has been slow, compared to other organisations, in achieving this. The wide range of leases in place makes providing a plain English version difficult and so, after discussion, it was agreed to provide a plain English guide to leases instead. The guide is comprehensive, explaining in easy to read style what clauses of the lease mean. The guide was due to be sent out to all leaseholders alongside a copy of the approved SLA. This was widely supported by leaseholders, as an inexpensive and effective way of addressing this matter.

- 190** Maintenance and income management services for leaseholders are now on a par with tenants of rented properties. A1 now offers all leaseholders gas safety and electrical checks and a responsive repair service, alongside the previously agreed protocol for improvement works. A few leaseholders have taken the service up, which have been actively promoted through the tenants' newsletter and SLA. Leaseholders now receive details of the proposed service charge uplift in advance and the SLA guarantees a meeting to discuss the changes in advance of their implementation. They are also now offered the same extensive range of payment methods as other residents. Service charge statements – other than still being termed 'invoices' – have been strengthened and now include a summary of rights and responsibilities, a schedule of overall expenditure and a ground rent notice. This ensures customers are not receiving differing service quality based only on their tenure type.
- 191** A1 has appropriate procedures in place relating to managing service charges. They include robust procedures to consult customers in relation to major works and escalation procedures to resolve disputed charges, up to leasehold valuation tribunal level. The costs of services such as cleaning and window cleaning are appropriately recorded and divided to ensure charges made are correct. This helps to ensure it can efficiently respond to any service charge issues that may occur.
- 192** A1 does not have effective customer feedback procedures in place for leaseholders. The customer insight programme does not include any surveys of leasehold customers and no other surveys are planned at the current time. This is a key weakness, as a lack of feedback processes will not enable the ALMO to gauge the impact of the changes it has implemented and other leaseholder views, from the customer perspective.

Right to Buy administration

- 193** The inspection in February 2007 did not include right to buy administration, because at that time, it was managed directly by the Council. A1 took on responsibility for this service in April 2007.
- 194** In this inspection we found that strengths and weaknesses are balanced. General customer information about the scheme is strong, but correspondence is poor. A1 has successfully brought its influence with the Council to bear, in response to mixed performance levels.
- 195** Information about tenants' right to buy (RTB) is good. A1 has a specific leaflet which clearly explains tenants' rights and circumstances where this can be lost. The leaflet details service standards, which are set in line with national minimum targets and also gives customers advice on the implications of becoming a home owner, including leasehold information for tenants in flatted accommodation. Information is also on A1's website and all applicants are also sent the government RTB leaflet, which gives further details, after their application is received. Potential RTB applicants are therefore well informed.

- 196 The quality of customer correspondence is however poor. Details sent to applicants are somewhat ambiguous, particularly in relation to the timescales in which they can expect to receive information. In some cases the information sent included only the statutory notice, without any explanatory letter. This was in part because the ALMO inherited previous Council practice of being intentionally vague about when offers would be sent. A1 responded positively to our feedback on this issue, by immediately amending its letters to provide clearer details.
- 197 A1 has successfully used its influence with the Council to improve currently mixed performance. Between April and June 2007, initial applications have been acknowledged quickly and confirmation of an applicants' entitlement to buy their property (or otherwise) have all been sent within the eight week target. However, of 16 eligible applicants, only three have received their offers within the target timescale of 84 days, with average performance being 26 days overdue. This is due principally, to delays in the Council completing property valuations, which A1 has raised through liaison meetings. The local authority has subsequently put in extra resources to speed up the process. A1 has therefore done all it can to meet its statutory performance targets.

Allocations and lettings

- 198 In February 2007, we found more strengths than weaknesses in this service area. The ALMO had used its influence with the Council to increase customer choice, the register was managed effectively and properties allocated fairly. There were appropriate arrangements to manage nominations, performance management systems were robust and mutual exchanges were used effectively. There were, however, some weaknesses in the quality of information given to customers about their prospects of re-housing.
- 199 In this inspection we found the service had improved and strengths significantly outweigh weaknesses. A1 has continued to use its influence to increase customer choice. The waiting list process is transparent and applications are managed effectively. Properties are allocated fairly and let in a customer focused way, resulting in high customer satisfaction. Arrangements for managing nominations have been improved, mutual exchanges are used effectively and A1 has a successful accelerated transfer scheme, which has released larger accommodation. However, prospects information is still limited and the ALMO has been slow to make use of refusal data.

- 200** A1 has continued to use its influence to increase customer choice, driving forward work on choice based lettings (CBL), which the Council agreed to adopt in April 2007. A1 has developed a proposed scheme, currently out for stakeholder consultation, through a working group of staff and customers. The group has begun to explore IT and staffing requirements, keeping the proposed scheme on target for implementation by April 2008. Until then, it has increased customer choice by allowing applicants an unrestricted number of offers and allowing them to specify heating choices. This is particularly important because large areas of the district do not have a mains gas supply, including 10 per cent of stock heated by solid-fuel appliances and heating type has, historically, been a significant reason for property refusal. Customers now have as much choice as possible within a points-based lettings system.
- 201** Overall, customers receive good quality information and advice about the lettings service and their individual applications. Posters advertise the service in libraries, parish council buildings and GP surgeries throughout the district. The application pack, revised following customer consultation, contains: clear guidance on the process and the points system; estimated waiting times for specific areas; local housing association information; and tenancy terms and conditions. A property shop, based in the council's Worksop offices, provides comprehensive advice on a drop-in basis, and plans are in place for a second, in Retford, by April 2008.
- 202** However, A1 has not yet fully addressed the weaknesses we previously identified about the quality of prospects information provided to applicants. Although a full analysis is now available on request, it had also intended to send out a summary with its annual review letters, to enable customers to make informed decisions about their choice of area and property types. IT problems are, however, preventing renewal letters from automatically including these details. While work is underway to resolve this, the impact of the new system on customers will be limited until the issue is resolved.
- 203** A1 manages the Council's register effectively. There is a transparent points system and a well advertised appeals process for customers who disagree with allocated points or suspension from the waiting list. Service standards of ten days for application processing are being met and anecdotal evidence suggests verification of medical self assessments, by a panel which includes a GP, are being undertaken within one month. References are obtained for applicants with previous tenancies and any relevant history of anti-social behaviour or rent arrears are addressed. This may include either by temporary suspension from the list until the applicant abides by an agreement to clear arrears, or by the provision of tenancy support when a property is allocated. A multi-agency protocol is in place to ensure appropriate re-housing and management of high risk and prolific offenders. These approaches help ensure that applications are processed quickly and that exclusions are reasonable.

- 204** A1's approach to letting properties is customer focused. Neighbourhood information is provided as part of its property shop displays, showcasing stock types and areas. Accompanied viewings are carried out in all cases, with advice given about the lettable standard, the property and the wider area. Sign ups are comprehensive and follow up visits are designed to ensure appropriate support is available for new tenants. This enables customers to make an informed decision about accepting properties and increases the prospects of tenancies being sustained.
- 205** Properties are allocated in line with the policy. A1 does not have any unreasonable age restrictions or informal local lettings policies. Only 110 decommissioned sheltered flats are formally designated for people over 40, because they are above or adjacent to sheltered stock. Properties are allocated on a priority basis, through an automated IT system, in conjunction with the council's homelessness team. It also achieves a balance of efficiency and customer focus in allocating adapted properties, using separate databases of adapted stock and applicants with medical needs. A protocol with the county council's occupational therapy team ensures properties are inspected quickly before an offer is made, which facilitates sensitive letting. These systems help ensure that applicants are treated fairly and properties let as quickly as possible.
- 206** Customer satisfaction is strong. At June 2007, 87 per cent of applicants were satisfied with the overall housing application process, with levels above 90 per cent in all areas except prospects information, at 78 per cent. This suggests that other than this, the application and letting process matches expectations.
- 207** A1 is optimising the use of its stock to meet demand, despite the negative impact this has on turnover rates. It awards additional points to transfer applicants willing to free up more popular properties, which led to 26 'accelerated transfers' in the first five months of 2007/08. This included 15 under occupied homes and 11 properties where the tenants moved into lower demand sheltered stock. This is popular with tenants and has been incorporated into the proposed CBL banding system, following tenant consultation. This scheme helps to free up homes for larger households moving out of overcrowded conditions.
- 208** It also has an effective strategy for dealing with hard to let stock. Although this has not needed to be used recently an effective procedure is in place to ensure properties are either let or an option appraisal carried out on them as quickly as possible. Lettings staff highlight known demand issues which allows housing staff to improve marketing and offer small scale incentives, such as enhanced decoration allowances and support with removals, within controlled guidelines. An option appraisal process follows if this is unsuccessful, as described earlier in the report. This provides an effective approach to maximising letting potential while dealing quickly with properties that are no longer viable as rented housing.

- 209** Mutual exchanges are well promoted and used, including with housing association tenants. Details are advertised in reception areas and on A1's website, with monthly updates keeping the register current. Forty three mutual exchanges were completed during 2006/07 and 13 in the first five months of this year. Promotion of this option has extended opportunities for customers to move quickly into a property of their choice.
- 210** A1 has worked with the Council and housing associations (HAs) to develop a single nomination agreement because existing ones allow some associations to accept fewer nominations than others. Fifty eight per cent of all lettings in 2006/07 were to HAs, but there was significant variance between each. The new agreement, currently out for consultation and due to be implemented in October 2007, works on the basis of 100 per cent nominations on newbuild schemes, (other than where specific agreements are reached as part of the planning consent) and 50 per cent on existing stock. A1 meets the Council monthly to discuss these and other lettings issues, which helps ensure A1's performance is managed effectively and synergy between waiting list management and the homelessness service.
- 211** Robust performance management is in place around lettings and a wider range of clear performance indicators is now reported to the board. It analyses trends in application and allocation data, including on diversity issues. A1 has also responded to increased demand from EU citizens (principally from Poland and Turkey) by starting to collect information on country of origin, as well as ethnicity, in order to set more realistic BME targets for the period to the next census. This approach means that policy, procedural and access issues can be identified and addressed.
- 212** A1 has not, however, been proactive in all aspects of performance management until very recently. There have been high levels of refusals for several years, with 224 in the first quarter of this year, which is more than half of all offers made. It has now started to analyse this data, but the figures point to obvious problems. The most common reasons for refusal are the property having the wrong heating (29 per cent), being offered in the wrong part of the area (24.1) there being no response (20.5) and the customer being too ill to move (17). A1 could have addressed these much sooner by focusing on area and heating choice options in allocating and by more frequent waiting list application renewals (than the standard annual renewal) for certain categories of applicant, which it has only now put into place. This demonstrates a missed opportunity to improve the letting process and contribute to speedier void turnaround performance.

Supported housing

- 213** In February 2007, we found a balance of strengths and weaknesses in this service. There were weaknesses in customer involvement in decision-making. However, housing management and support services generally met customers' needs and decommissioning was managed efficiently. A1 had adopted as strategic an approach as possible to scheme option appraisal in the absence of a district wide older persons' housing strategy.

- 214 In this inspection we found that there is still a balance of strengths and weaknesses. A1 has developed its strategic approach and continued to be sensitive to customer needs in decommissioning properties. Sheltered schemes provide a supportive environment and A1 is extending use of telecare equipment at no cost to residents. In-house warden call performance is strong. However, there is a lack of flexibility in support provided at sheltered schemes, contractor performance is weak and there has been a fall in customer satisfaction which has not been explored. Performance management is not robust. A1 has not addressed delays in letting extra care properties, but bears the cost. Monitoring is not robust.
- 215 A1 has made some progress in developing a strategic approach to the provision of sheltered housing. At the time of the last inspection, it was decommissioning two schemes, but this was being done in the absence of a district wide 'older persons' housing strategy'. The Council has since rectified this, allowing A1 to develop its own three year strategy, both of which are currently out to consultation. A1's strategy focuses on developing its existing services, rather than meeting the needs of all its older customers, but nevertheless, is a useful starting point. It aims to improve its understanding of needs and aspirations, better promote services, expand extra care in existing schemes in line with the county supporting people strategy, introduce more equitable charging, improve the warden role and ensure ongoing value for money in the customer contact centre, including by expanding telecare across other tenures. This provides clarity about A1s aims and a basis for monitoring progress.
- 216 Scheme decommissioning has been managed efficiently, with minimal disruption for customers. One scheme has been sold recently and another decommissioned ready for sale. The latter has taken almost a year, because care has been taken to ensure residents were re-housed in their areas of choice. This included, for example, knocking two bed-sits together in a neighbouring scheme to meet the particular needs of one customer (with full consideration of the rental stream implications), demonstrating an innovative approach. Two specialist officers liaised closely with customers throughout the process and caretakers assisted with packing and removals. This ensured a sensitive and directly accountable service, tailored to needs, with processes not reliant on external contractors or service providers.
- 217 The environment in which tenants live is good. Schemes are clean and tidy, with plans in place to redecorate and refurbish where necessary. All sheltered schemes are DDA compliant, with the recent installation of a lift at Westmoreland House. Effective use is made of communal areas for activities and events arranged by scheme managers. This means sheltered customers have a comfortable environment in which to live.

- 218** A1 conforms to the code of practice for sheltered housing and all its support services meet the national minimum standards for supporting people accreditation. Support plans are in place for each tenant customer, with three monthly reviews incorporating a risk assessment. Telecare customers, who also include residents of a local housing association, have some flexibility, with four levels of support offered from daily visits to quarterly equipment checks only. In the two schemes where extra care is provided, A1 adopts a partnership approach, through a protocol with other agencies, which meet quarterly to discuss cases. This means customers can be confident that A1 is providing, or ensuring that other agencies provide an acceptable level and quality of support.
- 219** There is currently no flexibility in the levels of support offered in sheltered schemes. Residents have no option to downgrade the extent of support they receive when their circumstances change and to reduce their support charge accordingly. Support charges are currently low at £9 per week, with other customers subsidising the service, but this will increase when an economic charging system is introduced in April 2008. A1's charging plans do not, however, offer an 'opt out' option, but assume all sheltered customers will continue to receive daily visits at a flat rate charge.
- 220** The rationale for this approach is that A1 is working towards a future where sheltered schemes are increasingly occupied by the frail elderly, with extra care support. Those customers requiring less support will be increasingly accommodated in 'category two' bungalows with telecare. This approach, however, restricts customer choice in the short and medium term, may be at least partially responsible for falling satisfaction levels and may result in reduced demand, for which A1 has not planned. Although the effects of the increase in costs will largely be born by the supporting people service rather than customers, it also means that the public purse will continue to pay, at least in the short and medium term, for services which customers may not need or want.
- 221** A1 is actively involved in extending the use of telecare equipment in its housing stock. It is currently installing a lifeline alarm and up to two sensors (such as smoke or fall detectors), which are linked to its monitoring centre, in 85 vulnerable tenants' properties, at no charge to customers. The initiative, which is equivalent to an inward investment of around £52,000, is being funded by the County Council. In addition, service charges are eligible for supporting people funding, so there is no ongoing cost to residents, while the ALMO benefits from a potential extra service charge income of £35,000 per year. A1 is doing this while addressing our previous finding that it was introducing new equipment which would increase customer call charges. Those plans have been shelved and other options are currently being explored, including the use of digital equipment. This demonstrates how A1 is making good use of funding for new initiatives to improve the quality of service delivered to existing and new customers at no cost to them.

- 222** A1's performance in responding to emergency warden calls between 8am and 8pm is strong. Current performance has improved since the last inspection, with 93.7 per cent of calls being answered within 20 seconds, 96.5 within 30 seconds and 98.8 per cent within 60 seconds. This is against targets, set in line with TSA²³ standards, of 80, 90 and 98 per cent respectively. This means that A1 is providing a strong service to most people.
- 223** However, warden call performance of its 'out of hours' contractor is significantly weaker. At June 2007, it had only answered 42.3, 57.2 and 78.2 per cent of calls respectively within target, with only 76 per cent resulting in a follow-up visit, against a 100 per cent target. A1 met its contractor in July 2007 and held a performance clinic in August 2007 to investigate the latter in detail. It is now meeting its contractor monthly to implement an improvement plan and monitor performance. It had originally planned to market test this service from September 2007, but was prevented from doing so because of issues outside its control, related to the supporting people programme. Strong performance is important because this service responds to people who may need emergency assistance.
- 224** Warden call monitoring is not sufficient. A1 does not monitor the actual length of time taken to answer all calls, the longest time being 203 seconds, which for an emergency service of its type is not acceptable. It is not therefore minimising the risk to the health and safety of customers by ensuring any weaknesses in its processes are quickly identified and addressed.
- 225** A1 has a positive approach to resident involvement in sheltered schemes. There is a particular focus on social activities, with active committees in each scheme arranging diverse outings and events, including inter-scheme sporting tournaments and social events. Residents are also involved in making decisions, such as changing the use of guest bedrooms into IT rooms, resulting in the recent installation of computer equipment for residents' use. They have also been able to influence proposed refurbishment schemes, such as plans at Swallow Court being revised after residents prioritised relaying paths and improving heating controls over the fencing and conservatory which had been proposed by the ALMO. This demonstrates customers have an active role in both social events and service delivery at scheme level.
- 226** However, customer satisfaction with the service has fallen, from 92 per cent in 2006 to 84 per cent in 2007. Assumptions have been made that this relates to the decommissioning mentioned above, but most of those residents had moved into successful new tenancies before the survey was carried out. A1 has not asked customers whether any other issues have impacted on their perceptions. Without exploring the reasons for the reduction in customer satisfaction through more detailed consultation, A1 can not effectively address any customer requirements from the service.

²³ Telecare standards association

- 227** A1 has not effectively addressed the issue of delays in letting extra care properties, which account for 15 units of 40 in one scheme and 19 of 31 in another, with plans to increase this to 25 units from November 2007. Delays in letting this stock are typically four to six weeks, due to the need to wait for referrals from social care partners. Current arrangements do not require social care to cover any proportion of this void rent loss. A lack of proactivity in renegotiating arrangements means that A1 is currently carrying the cost of poor performance by partner agencies.

Is the service delivering value for money?

- 228** In February 2007, we found a balance of strengths and weaknesses. A1 did not have a comprehensive understanding of its costs, although there are exceptions in some service areas. Its approach to reviewing and managing its SLAs did not ensure optimum efficiency, some procurement processes had not been robust and there was a limited strategic focus on VFM outside maintenance services. These do, however, represent two thirds of its expenditure and it had made a number of efficiency savings and significant improvements in procurement since the last inspection. It was achieving close to good practice levels in terms of the number of responsive and planned repairs carried out, its in house contractor operated efficiently and it had begun to tackle VFM issues in its relationship with the Council.
- 229** In this inspection we found that there are now more strengths than weaknesses in this area. A1 has developed a better understanding of its costs in a wider range of services than previously. It has improved benchmarking arrangements, with recent results showing a generally positive picture. It has been proactive in delivering efficiency gains and using its modern approach to procurement. It is now more robustly challenging service level agreements and undertaking more VFM reviews. However, there is only limited current or planned involvement in deciding how surplus efficiency gains are spent, there are weaknesses in some review arrangements and gaps in areas which are subject to a value for money analysis.

How do costs compare?

- 230** A1 has improved its understanding of its costs, particularly in areas other than repairs and maintenance. It has built on its previous understanding of overall management and maintenance costs and high level benchmarking of some services, by beginning to assess and compare service costs in all its major service areas (although not yet down to transaction level in most). Supporting this, managers have attended a workshop to better understand and take ownership of cost and performance relationships. VFM fact sheets and traffic lighted HouseMark comparisons are issued to managers on a service by service basis, who have recently begun monthly meetings with a member of the business management team to discuss cost and performance issues. This will result in a monthly report by to the senior management team (SMT) identifying any emerging strategic issues. These various initiatives are beginning to result in systematic cost reviews to improve management systems and VFM.

- 231** Middle manager understanding is beginning to improve in relation to service costs. Several key managers were able to talk knowledgeably about high level service costs in their areas and, although there is an acknowledgement that this information is not yet well understood by more junior staff, it is becoming embedded at SMT level. For example, managers in lettings understand that current process costs are relatively low, on a per property basis, but are also conscious of how choice-based lettings (CBL) will impact on this. This has enabled them to consider 'SMART²⁴' marketing and access systems to support the new team set up to manage CBL. This illustrates that managers are beginning to understand what issues to explore around cost and how they might either be justified by high quality service, or the ways in which they need to be addressed.
- 232** Recent benchmarking data shows top to median level performance in most cost indicators in its comparison group, with fewer areas where its costs are relatively high. A1 received a draft HouseMark performance report at the time of inspection which showed high level costs continued to be in the lowest-costing 20 per cent of ALMOs nationally in three areas and the lowest-costing 40 per cent in the remaining two. Service related costs showed A1 ranked 5.4 on average of the 14 non-metropolitan ALMOs in its comparison group. Performance and satisfaction indicators are less strong, but taking these into account still gives an average rank of 5.9. Overall, the benchmarking data shows a mostly positive picture.
- 233** A1 has continued to build on the work it had done to reduce costs in areas of repairs and maintenance. Average responsive repair costs was one of two costs ranked second in the benchmarking data shown above. In the short time since the last inspection, it has reduced fees on capital works to 8.8 per cent, already ahead of its 2008 target of 9.5 per cent. Void repair costs have fallen by 3.5 per cent and the contract price for gas servicing has been frozen for 2007/08, with no inflationary uplift added. It has also reduced preliminary costs for adaptations by £37,000 and is working with its partner contractor to identify less expensive parts suppliers, demonstrating an embedded approach to costs within this area.

How is value for money managed?

- 234** A1 has been proactive in making efficiency savings. Most focus during 2006/07 was on areas where larger scale efficiencies were likely to be achieved, including reviewing the future use and subsequently closing the in house window factory (£254,000 saving) and joiners' shop (£40,000), reducing SLA charges (£229,000) and reducing sickness absence (£103,000). These, along with a range of smaller scale efficiencies, resulted in £1,109,091 savings by the year end, against a £400,000 target.

²⁴ SMART - Specific, Measurable, Achievable, Time-bound, Resourced

- 235** Customers have limited involvement in prioritising how efficiencies are spent. Because A1 has to achieve its efficiency targets in order to balance its budget, it is only when it outperforms its plans that additional resources are available for use elsewhere. It substantially outperformed its target last year and expects to do the same this year (by £700,000 and £130,000 respectively), but there has been only limited customer consultation about the use of these efficiency gains. Other than plans to have a VFM stall at future customer conferences and to ask JHAG to come up with suggestions, there are no plans for any significant work with customers on developing a 'wish list' for spending 2007/08 efficiency gains. Customers are not therefore determining how these resources are used.
- 236** The ALMO has developed a modern approach to procurement. Most asset management contracts have been market tested, including improvement programmes and responsive repairs, which are A1's biggest areas of expenditure. Its improvement programme has been jointly procured with a neighbouring ALMO to deliver economies of scale and attract national contractors. The resulting partnership for short-term works is based on an 'open book' approach, with risks and incentives shared between A1 and its two contractors, commitment to securing year on year reductions through improved efficiency built into the contract and an agreement that more favourable rates can be renegotiated once longer term funding is guaranteed. External validation of these processes has provided reassurance about the robustness of A1's approach and customer involvement in evaluating tenders has helped ensure outcomes represent what they consider delivers VFM.
- 237** A1 can demonstrate smarter purchasing to improve VFM. Last year, for example, it made savings such as halving its £70,000 waste disposal bill by using one of its partner's facilities; £8,000 by leasing instead of buying tools; and £10,000 by improving office supply purchasing arrangements. Since then, it has looked again at some of these issues and identified a range of further savings, including £5,000 per year on both telephone services and office supplies. At the same time, it has been careful to avoid savings being detrimental to customer service. For example, despite one of its five decoration voucher suppliers offering a 13 per cent discount it has only switched some business to this supplier because its prices for tenant customers are relatively high for some key items and it is not accessible throughout this large, rural area. This demonstrates a value for money approach, taking account of customer needs, rather than one based on cost alone.
- 238** A1 has continued to reduce the number of responsive and increase the number of planned repairs it carries out, through effective monitoring and preventative strategies. At the end of June 2007, the ratio of planned to responsive repairs was 59:41, compared to 55:45 at the end of 2006/07, almost in line with good practice levels of 60:40. A higher ratio of low priority planned repairs increase VFM through economies of scale and the ability to plan for peaks and troughs in workload.

- 239** The in house contractor's support systems continue to represent VFM. The current comprehensive review of stores aims to build on the strengths we identified previously, while A1 is reviewing whether a new supplier joining the procurement for housing consortium may reduce the price of parts, which to date it has bought at a lower price than the consortium offered. Procedures supporting an efficient service such as vehicles being serviced outside office hours and operatives carrying imprest stock continue, while it is expanding training through the government-supported 'safe and fuel efficient driving' scheme (SAFED), having negotiated a reduced training rate, which will be returned through fuel saved over two years. A1's responsive repair admin costs were ranked second against other ALMOs, demonstrating a focus on efficiency in its repairs service.
- 240** However, A1 has not yet tackled emergency repair levels, as described earlier, which remain high at around 28 per cent of all repairs. This increases indirect costs, which impact ultimately on rents charged.
- 241** Component life is extended, where possible. For example, there are processes in place for a specialist agency to dismantle stair lifts and use the parts for future maintenance if the lift is no longer required. This helps ensure not only that parts are available when necessary, but also that VFM is maximised from equipment purchased.
- 242** A1 has improved its approach to managing its service level agreements (SLAs) with the Council. A programme of annual review is underway and these are now more robust. This has resulted in plans to bring all human resources and board member support functions in-house from April 2008 and, as outlined earlier, better arrangements for the debt recovery SLA. A review of the customer services SLA is underway, which will take account of an analysis of footfall data and the recent customer survey on opening hours. Although not finalised, A1 has already negotiated a significantly improved price for delivery of cash collection services and clearer service standards are being discussed. This demonstrates A1 is still achieving improvements in value for money from its SLA reviews and systems are in place for this to continue.
- 243** A number of VFM reviews are under way, following criticisms made during the last inspection. These include desktop reviews of the future of A1's community houses and community centres, the administration support provided at Carlton Forest and of the housing services' structure and repairs stores arrangements. A1 has begun to incorporate VFM as a key strand in some of its policy and procedural reviews.

- 244** A1 has separate plans for market testing 'estate services'²⁵ but these are underdeveloped. They lack clarity about the specification or packaging of works and the working group of staff and tenants due to drive the process forward has not met yet. Customers have not been involved in considering whether the gardening assistance scheme provided is value for money and in what form it should continue. The process will need to include European procurement rules, consider potential employment issues for current caretaking staff and ensure full consultation with affected tenants on what they want from the combined service, which is not currently planned. This risks missing the beginning of the grounds maintenance year, with potentially expensive temporary arrangements resulting until the new contract is put in place.
- 245** There remain a number of key areas where no VFM analysis around investment and outcomes is being done yet. For example, A1 contributes £25,000 each year towards a partnership caretaker on the Manton estate, rather than funding this service via one of its other caretaking facilities. It has not analysed its rewards schemes to see whether the benefits justify the costs. It is also still providing £600 grants to each of its residents' associations without reviewing whether funds are being spent in line with business objectives. These are missed opportunities to review and revise how money is spent, to optimise service quality outcomes.

²⁵ The term used by A1 to describe grounds maintenance, building cleaning and caretaking collectively

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 246** In February 2007, we found more drivers of improvement than barriers. The ALMO had made excellent progress, from a low base, over a relatively short period of time. A1 had addressed all the recommendations made at the time of the last inspection and performance in most areas had improved.
- 247** In this inspection, we found that there continued to be more drivers for improvement. A1 has made strong progress on all of the inspection recommendations, alongside other weaknesses in the inspection report. Performance has mostly improved and A1 has continued to deliver improvements that customers would recognise, redirecting resources to achieve improvements in some key areas. It can demonstrate an improving focus on value for money. However, in some areas performance has not improved or is weak, there are limited quality checks which lessen the customer focus in some areas and there remain some barriers to improvement to overcome.
- 248** As the table below demonstrates, A1 has taken action on all of the recommendations made after the last inspection, which form the basis of its current improvement plan. Progress which has not fully addressed recommendations mostly relates to the limited time since our last inspection. It has also addressed most of the weaknesses outlined in that report which did not form part of formal recommendations. Although some of its actions have been too recent to impact significantly on service outcomes, early indications from surveys undertaken as part of its customer insight programme and feedback from customers we contacted is mostly positive about improvements over the last six months.

Table 1 Recommendations of previous inspection

A1 Housing Bassetlaw

Recommendation	Progress
R1 Further develop the access strategy to include:	
<ul style="list-style-type: none"> a review of demand for frontline services; 	Partly addressed
<ul style="list-style-type: none"> better use of customer profile data to tailor communication to individual needs; 	Partly addressed
<ul style="list-style-type: none"> action to address problems in service standards of inconsistencies between documents, weak outcome measures and missing service standards; 	Addressed

Recommendation	Progress
<ul style="list-style-type: none"> a review of the use of non-standard letters across all services and reduction in the scope for poor communication by either standardising them or issuing guidance for staff on their use and content; 	Addressed
<ul style="list-style-type: none"> a review of all policies where discretion is given to staff about dealing with vulnerable people, ensuring clear guidance and appropriate publicity is in place (including particularly in repairs, rents and ASB); and 	Addressed
<ul style="list-style-type: none"> a review of good practice and adoption of it in dealing with complaints. 	Partly addressed
R2 Develop a strategy for improving void management, specifically including:	
<ul style="list-style-type: none"> effective monitoring and management of costs, quality and performance in each element of the service; and 	Addressed
<ul style="list-style-type: none"> a review of arrangements for decorating and/or providing assistance to vulnerable customers in managing their own decorating. 	Partly addressed
R3 Address a range of procedural weaknesses identified in the body of this report in:	
<ul style="list-style-type: none"> gas servicing; 	Addressed
<ul style="list-style-type: none"> rent and debt recovery; 	Addressed
<ul style="list-style-type: none"> managing ASB; 	Addressed
<ul style="list-style-type: none"> managing estate inspections; 	Addressed
<ul style="list-style-type: none"> dealing with rechargeable repairs; and 	Addressed
<ul style="list-style-type: none"> managing adaptations. 	Partly addressed
[and] build relationships with the OT service and voluntary sector organisations working on debt management to enhance capacity to further improve existing policies and procedures.	Partly addressed
R4 Develop robust performance management systems at frontline service level, as identified in the body of this report.	Addressed

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Recommendation	Progress
R5 Develop a comprehensive system for consulting leaseholders on key issues around the management of their homes and explore how services offered to them could be tailored to better meet their needs.	Addressed
R6 Work with the Council and customers to develop a robust strategic framework for delivering supported housing services to older people.	Addressed
R7 Enhance approaches to achieving VFM by:	
<ul style="list-style-type: none"> developing a robust understanding of costs in every service area and developing systems for using this information to drive service improvement – particularly outside maintenance services; and 	Partly addressed
<ul style="list-style-type: none"> questioning the fundamental basis for SLAs as part of reviews and exploring more creative service delivery models, where appropriate. 	Partly addressed
R8 Extend the middle manager competency review and consider the benefits of introducing a management development programme throughout the organisation to develop skills at this level and among junior managers.	Partly addressed
R9 Continue, with the Council, to implement improvements planned at the time of this inspection. In particular:	
<ul style="list-style-type: none"> development of a robust asset management strategy; 	Addressed
<ul style="list-style-type: none"> implementation and use of the customer 'insight' programme to inform service improvement; 	Addressed
<ul style="list-style-type: none"> development of a 'plain language' lease; 	Addressed
<ul style="list-style-type: none"> unpooling of service and support charges; and 	Partly addressed
<ul style="list-style-type: none"> implementation of choice-based lettings. 	Partly addressed

Source: AC inspection report 2007

- 249** Performance has generally improved since the last inspection. This has continued to impact on services to customers directly, through, for example, further reductions in waiting times for adaptations, consistent quality of void properties and continued increases in the number of repairs carried out right first time. Improvements including better void performance, better early access rates for gas servicing and improved rent arrears have also impacted less directly, in terms of general efficiency. It has also maintained performance in areas where this was already strong, such as gas safety performance, rent collection and responsive repair completion. In 2006/07, 14 of 15 key performance indicators exceeded their target and in the first quarter of 2007/08, 22 of 25 are performing at or above more challenging targets now set. Overall, performance trends are positive.
- 250** However, there is not universal improvement in performance. For example, the level of complaints responded to 'on time' has fallen, emergency repair levels remain too high, right to buy 'offer' performance is poor and out of hours warden call performance is weak. These are indicators related to services which are key to the delivery of effective outcomes for customers and therefore reduce the otherwise strong impact of performance improvement shown above.
- 251** A1 has made a number of procedural customer facing improvements since the last inspection. In particular, it has addressed some of the fundamental weaknesses we found previously in the aids and adaptations and leaseholder services. Both sets of customers now have single points of contact and – though there remain issues in both to address – the improvement in the period since the last inspection is significant. It has also tackled a number of key weaknesses in other service areas, such as the quality of void properties and effectiveness of estate inspections, and began to address some of the issues which require longer term work, such as the review of opening hours. It has also built on existing strengths, such as in the responsive repair service, and made progress in each of the cross-cutting areas (access, diversity and value for money) which, by definition, impact on overall service delivery. In most cases, A1 has continued to involve customers in service development, using their views to influence the improvements made. It can therefore demonstrate strong progress against its service delivery plan.
- 252** It has also sought to exert relevant influence on the Council where this affects the quality of service and outcomes for customers. For example, it has been successful in seeking agreement from the Council to review service charge pooling and driving forward choice based lettings. Discussion of performance issues has also led to the Council increasing resources to provide property valuations more quickly. This demonstrates that A1 is challenging the Council in areas affecting customer outcomes.

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- 253** Despite this, the ALMO has still not fully embedded a sense of customer focus in all that it does. There are indicators of clear customer focus, such as in the manner in which the ALMO responded to recent floods and prompt response to its insight programme findings. However, there are also indicators that changes are not always made from the customer perspective. This is evident in, for example, the lack of follow-up made in adaptation work once it has been passed to contractors, the weaknesses in customer correspondence in managing the right to buy process and the lack of customer information provided on new cleaning and gardening contracts. Though the customer insight programme now includes more robust assessment of ongoing service delivery, the ALMO sometimes lacks quality checks of how services are received by customers, at the point the improvement or new service is put in place.
- 254** A1 has continued to redirect resources towards addressing the issues which matter most to customers, based on its context. It has retained an emphasis on energy efficiency, security and improving the adaptations service, which has had a positive impact on its older and poorer customer base, by enabling more of them to live safely and independently in their homes. It successfully redirected funds, while retaining customer choice, in light of the floods it experienced. Significantly, it also redirected resources to the areas we highlighted as fundamentally weak previously – adaptations and leaseholder services. This demonstrates that the ALMO is responsive to redirecting resources where they can be most effective.
- 255** There is evidence of a further focus on VFM issues since the last inspection. Its awareness of costs has improved, with better use of benchmarking and greater understanding of the impact on service delivery. A1 has developed a modern approach to procurement and made a number of smarter purchasing decisions which, with other initiatives, led to it exceeding its efficiency targets. It has reviewed its service level agreements with the Council and is undertaking a series other VFM reviews. While it has made progress in value for money in areas other than repairs and maintenance, improved performance and lower costs in areas such as void management, demonstrate that this area continues to contribute positively to overall outcomes. A1's approach has delivered significant savings and improved outcomes for customers.
- 256** Some barriers to further improvement still exist. In particular, it lacks clarity for delivering service improvements beyond the current inspection recommendations, as described later. In addition, contractual arrangements relating to its void repairs targets are restrictive and its IT systems, while improved, does not provide full functionality in some areas. Operational performance management is still under-effective in some areas and customer care and quality checking is also not sufficiently embedded in all parts of the organisation, to ensure changes in the service which reach customers always matches their needs. This lessens or slows the impact in which customer outcomes can be realised.

How well does the service manage performance?

- 257** In February 2007, we found more drivers of improvement than barriers. Plans were generally SMART and there was some efficiency planning. Performance management systems had improved since 2005, there was significant evidence of learning from good practice and effective leadership from the Board and corporate management team (CMT). Robust partnership working and monitoring arrangements were in place between the ALMO and Council. There were weaknesses, however, in terms of longer-term planning, some elements of performance management and the roles of junior managers in planning and performance management.
- 258** In this inspection, we again found more drivers of improvement than barriers. A1 and the Council have begun to address the long-term future of the ALMO and work in a robust partnership and monitoring arrangements. A1's delivery plan is SMART and supports the Council's corporate plans. There continues to be clear leadership from the board and senior managers and A1 is becoming more strategically focused. Performance management arrangements have improved and A1 has continued to learn from others, with improvements in learning from customer feedback emerging. However, A1 does not have a clear vision of what services should deliver beyond two stars and performance management still has weaknesses, at both strategic and operational levels.
- 259** A1 and the Council have begun to address the weakness of the absence of clarity for the long-term future of A1 as a delivery agent. A1's board and management team have held 'blue sky' away days in May, to start to develop its long-term proposals. These have considered the options available, taking account of greater freedoms and flexibility in business arrangements now offered by the Government to high-performing ALMOs, such as housing development opportunities. The Council has also been appraising the options for the ALMO in both the short and longer term, taking account of the two possible outcomes from this inspection. There is greater clarity now about support for its future, particularly in light of the potential extra outcomes that the new freedom and flexibility can bring for local people. A1 plans to use the outcomes from this to help develop its 2008/09 service plan, work on which begins in November 2007.
- 260** A1's delivery plan outlines clearly how the ALMO will support delivery of the community strategy and the Council's corporate and housing strategies. A1 has recently reviewed it, to ensure proposed revisions in the Council's corporate objectives will still be met by it. It is SMART, focuses on outcomes rather than outputs, identifies risks and resources, and a traffic light system is in use to track performance against it. This has been developed with some customer consultation and using an effective planning template in operation across the organisation, which ensures individual plans are in line with corporate and directorate objectives.

- 261 While the board has set a three year target to achieve an excellent service, there is a lack of clarity about what this actually means for each individual service area. The service improvement plan focuses essentially on addressing the previous inspection recommendations, rather than setting out clear priorities and milestones to deliver improved services to levels agreed with customers. This is because the ALMO has focused on becoming a two-star organisation through implementing the inspection recommendations, rather than these being part of wider service development on a route to excellent service delivery. New policies, procedures and frameworks have therefore been agreed, without clear consideration of how they will be sustained in the future. The ALMO indicated that it intends to undertake an assessment of three-star services in the future, but there are no clear plans for when and how this will be achieved. This increases the risk that the pace of improvement will slow until a clear plan is in place.
- 262 It does have a range of strategies in place which provide a focus for improving service delivery. For example, it now has a robust, comprehensive asset management strategy and its access and tenant empowerment strategies have been improved. It has also developed an older person's housing strategy since the last inspection, which provides a useful base from which to develop a wider approach and is beginning to develop a clearer strategic approach to financial inclusion, supported by an effective action plan. These are beginning to provide a clearer strategic focus across the organisation.
- 263 The strategies are supported by project plans for some services, but these are of mixed quality. The proposed CBL system is transparent and accessible, which should provide easier customer access, offer increased choice and reduce refusal rates. The ALMO also has plans to further develop its role in the community, including the Manton estate. As described later, its approach should result in A1 consolidating its position as a key service delivery partner in the district and contribute to improved facilities on estates. However, its underdeveloped proposals for consolidating its grounds maintenance, building cleaning, window cleaning and caretaking services into one contract and market testing them risk, as described earlier, increased costs and reduced performance. This increases the likelihood of inconsistent quality in service delivery.
- 264 There are clear short-term plans in place to make savings, with a target of £600,000 for 2007/08. Current forecasts indicate £730,000 is likely to be achieved by the year end, despite poor reported performance of only £56,000 in the first quarter. In response to this, a clear plan is now in place which identifies at what point in the year each major saving is due. Planned savings include market tested and renegotiated estate services and voids contracts, subsidised installation of ground and air source heat pumps and stores review, as well as month on month savings through reviews and non inflationary increases on SLAs and repairs contracts, plus a number of smaller scale savings due to measures such as increasing the number of customers paying rent by direct debit. Although longer term efficiency plans cannot be drawn up until future spending programmes are clearer, there is an understanding these will be driven by partnering on improvement programmes and by wider use of consortium procurement once spending on components increases.

- 265** However, the above plans focus on making efficiencies, rather than outlining how these will feed service improvements or how customers will be involved in prioritising how they will be spent. They also include as efficiency gains funding which is actually inward investment. For example, £72,500 provided by energy companies relating to the installation of heat pumps, which is not actually an efficiency gain, but instead an additional source of funding. This confuses the plan and the measurement therefore of the actual efficiencies which the ALMO can achieve.
- 266** There has been some improvement in middle manager involvement in corporate planning since the last inspection. A1 recognised then the need for more training in use of the planning tool, which was accessible to them but not well used, and also the need to improve competence at these levels, in order to facilitate better understanding of costs and better use of performance and other data to drive improvement at service level. Guidance has now been issued to middle managers on the use of the tool and a management competency framework is in place to ensure that management skills are better developed across the organisation.
- 267** A range of KLOE improvement groups has involved staff in driving forward improvements. For example, the lettings group has met monthly and ensured the weaknesses identified last time were addressed, as well as looking at how the CBL scheme can be implemented, how lettings must change in response to the Council's homelessness strategy review and resolving operational and performance issues which arose during the period. Its improvement plan has been 'owned' by the group's members throughout the period and this has resulted in involvement in planning and delivery from a range of staff at all levels in the organisation.
- 268** The board and corporate management team (CMT) are continuing to provide effective leadership. Board members are generally of high calibre, with a good skills mix, a clear understanding of their roles, and are visible in the organisation without taking on operational duties. They work well with the CMT who have developed a strong collective approach to leadership and driving forward improvement in the organisation. They can demonstrate examples of decisions made to deliver improvements, such as redirecting resources to provide single points of contact in the adaptations and leaseholder services and working with trade unions to increase operative multi-skilling and reduce sickness absence. This shows evidence of a maturing organisation, where effective leadership is recognised as a key driver in ensuring continuous improvement.
- 269** Robust partnership working is in place between A1 and the Council. They share a common goal of achieving a two-star service rating, which has resulted in a joint focus on improvement planning and performance management. The 'task force' adopted in the run up to the last inspection has evolved into a fortnightly session focussing on implementing the inspection recommendations. This has been followed by a strategic meeting between senior managers from both organisations, board members and councillors. The effectiveness of this joint working is illustrated by improvement against the action plan and the delivery of an effective emergency response to the recent floods.

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- 270** Robust monitoring arrangements are in place between the Council and the ALMO, with a clear protocol governing strategic and operational meetings. The Council's liaison officer has been based at A1's offices over the past 6 months to help ensure improvements are being driven forward and that problems are highlighted at task force and strategic or operational meeting levels. The Council has a sophisticated understanding of its complex dual role as strategic lead in some areas and contractor, under SLAs in others. It is particularly sensitive to the need for A1 to be able to achieve VFM by purchasing services elsewhere and the loss of SLA income is highly prioritised on its corporate risk register.
- 271** There are however some weaknesses in the Council's influence over VFM issues within A1. Although the Council accepted A1's efficiency target of £600,000 for 2007/08, it has not agreed milestone targets with it, or set efficiency performance indicators (PI's), other than the year end target, as part of its monitoring role. This is a weakness because the ALMO's efficiencies are intrinsic to the Council's performance, are included in its own annual efficiency statement and the fact that it has achieved only 9 per cent of its target to date is not being clearly reported or explained to councillors. The nature of the efficiencies planned could have been taken account of in setting milestone targets, but the opportunity is lost to clarify the position, track progress and identify any failure to perform early on, by not taking this approach.
- 272** Performance management systems have continued to evolve. Board reports are user-friendly, with bar charts, traffic lights and benchmarking data. They now include a more comprehensive set of 25 'signpost' indicators, compared to 15 previously. Exception reports are well presented and inform A1's recently implemented 'performance clinic' process. This involves two board performance 'champions' scrutinising under performing areas in detail with senior managers, to thoroughly analyse the reason and action which can be taken, which is then reported in the next performance report to board. In addition, a fuller suite of indicators, plus improved qualitative data from the insight programme are provided for discussion at service champions' group sessions, corporate management team (CMT) and board meetings and to customers at the joint housing advisory group (JHAG). This approach enables performance to be easily determined, to inform decisions about addressing under performance.

- 273** A performance management culture is becoming more embedded. Building on the positive findings at the time of the last inspection, training has been held for TRA reps and board members on interpreting PI's and accessing the HouseMark benchmarking database. A performance framework and outline is being developed to provide greater clarity on A1's approach to staff, board and customers, which has helped to address some of the key gaps in operational performance monitoring we found previously. Targets are now more challenging, through being assessed against benchmarking data, outturns and expectations of continuous improvement. Improved performance information is now included in monthly staff briefings and the intranet and to customers through the newsletter and website. The insight programme is also beginning to positively influence how performance is assessed from the customer perspective and most staff we spoke to now had a clearer perspective on organisational objectives and performance, as well as their own. Performance management is more effectively used throughout A1.
- 274** There are weaknesses in A1's approach to performance management. Its key framework document is only in draft and has not yet been fully consulted on. Although improved, there remain gaps in the effectiveness of operational performance management and quality checks, highlighted in this report. There are no automated triggers or tolerance levels above or below which performance is referred to a clinic and this therefore relies on manual interpretation of performance results. Champions have to wait four weeks for feedback on issues raised and the outcome is only reported to the board three months after being raised, which is too long to determine sufficient progress is being made. Additionally, performance and financial information are not reported together in a systematic way and the IT system does not enable live performance data to be automatically updated and viewed. These various weaknesses reduce the effectiveness of the performance management systems in quickly and comprehensively identifying and addressing performance issues.
- 275** There are now improved systems in place for learning from customers. The 'insight' programme is beginning to provide quantitative and qualitative data on customer satisfaction by service area and at tenancy termination. This is emerging as an important element of performance data. This is supported by board member attendance at a range of customer forums and events, where customers provide direct feedback on the services they receive. This ensures that the customer perspective is considered as a central element in assessing the organisation's progress.
- 276** A1 is continuing to learn from others. It systematically identifies learning opportunities, and has continued to contact other organisations and adapt their policies and procedures to fit the local context. Since the last inspection, it has, for example reviewed how other organisations with large and diverse rural stock deal with the challenges of advertising and access in implementing choice based lettings and visited other strong performers who use performance clinics effectively. There are examples of service improvements as a result of learning across the organisation, demonstrating a firmly embedded learning culture.

Does the service have the capacity to improve?

- 277** In February 2007, we found more drivers of improvement than barriers. A1 had addressed capacity shortfalls in the Board and CMT and used partnerships and resources effectively to boost capacity. It had effective approaches to governance, IT, risk management, procurement, health and safety and HR. Staff morale was improving, but there was still work to be done in this area and budget setting and management systems required further development.
- 278** In this inspection, we found that the potential impact of drivers and barriers for improvement are balanced. A1 has reviewed its board and third tier management structure, creating greater capacity at strategic level. The board is mature and able to make hard decisions. A1 has reduced sickness absence and increased multi-skilling. It has a strong focus on partnership work, a more effective budget management process and makes effective use of resources available to it. However, the ALMO has lost some key staff and is not sufficiently addressing risks to staff retention. It does not have a thorough awareness of current staff perceptions. It still does not have a management development programme and its competency framework will take some time to reach all staff and to impact on the frontline skills available throughout the organisation.
- 279** The issue of management and Board capacity is kept under review. A1 has addressed the wide breadth of responsibility of the director of housing and technical services and reviewed management capacity at third tier level. A competency framework for managers has been launched to help ensure skills and structures match future requirements. Strengths in board capacity have been further boosted by recruitment of a new member following an assessment of the current board's skills and it's make up now more closely reflects the community. Good quality induction, training and away day processes and appraisals and training self-assessments have helped develop both new and experienced members.
- 280** Governance systems are effective and a governance improvement plan is in place. The Board tends to operate on the basis of consensus and members are not identifiable by their constituencies at meetings. It has reviewed its structures and retained only one sub committee, covering finance and audit issues. In other areas, it has set up quarterly champions groups meetings with officers. These drive forward improvement in key areas, such as the recent review of community houses, where champions asked for more customer consultation before taking the report to the Board. Board meetings work well, with focused agendas and reports which now highlight value for money, customer, staffing and diversity impacts, alongside the previous approach of outlining business risks inherent in any proposals. Evidence of the Board's maturity was demonstrated in 2006, when it made difficult and sometimes unpopular decisions to close its window manufacturing and joinery shops and to decommission two of its sheltered schemes.

- 281** A1 has been developing its competency framework since the last inspection, though it is not yet fully implemented across the organisation. It's framework for Board members, senior and operational managers, which it adapted from learning from another ALMO, is in place and informing training and development plans for managers to have the skills required to carry out their roles. It expects to roll this out to all operational staff by December 2008, and has recruited a consultant to align roles to one of the seven competency levels. Once completed, staff appraisals will be used to assess individual staff against their designed competency level. It will therefore be some time before the competency framework is effective in ensuring frontline staff with the right skill base are in place.
- 282** A1 does not have a comprehensive approach to retaining staff. Although turnover is low, it has lost two key staff since the last inspection, reducing the capacity of its management team to drive improvement. Salary levels are lower than comparators and the ALMO acknowledges that this is a major reason for key staff leaving or considering doing so. A1 is starting a job evaluation process in December 2007, which it anticipates will result in two thirds of salaries reducing or remaining the same. It has headed off the loss of other key managers in the short-term through ad hoc use of market supplements, but this has not addressed the gap and risks ongoing requests being made or resentment among other employees.
- 283** Additionally, personal development is the lowest priority on A1's training budget and rarely approved, because its standstill budget of £38,000 is already insufficient to meet business training needs. This also means there is still no management development programme. Operational staff identified the lack of personal development training as a barrier to career advancement, which was demonstrated in no internal candidates feeling qualified to apply for a recent middle manager post. A1 has not robustly considered the seriousness of this issue which could have led, for example to some of last years surplus efficiency savings being directed to this area or an alternative option as part of its attendance reward scheme. It has done little to address this risk or to assess the benefits of developing staff against the costs of losing and recruiting externally.
- 284** It does however have an effective approach to other aspects of human resource (HR) issues. The HR plan has focused on training, improving communication, supporting attendance, introducing effective appraisal systems, providing increased flexible working opportunities, workforce planning and maintaining the Investors in People accreditation. Notwithstanding the above issues, this provides a strong HR framework.

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- 285** A1 has been very successful in reducing sickness absence, through a number of popular measures. This has decreased from an average 17.5 days per employee in 2005/06 to 8.6 days by June 2007. A1 robustly tackled individual cases of problematic long-term sickness and introduced an ongoing system whereby managers review sickness records and challenge frequent unreasonable absences. A revised sickness reporting system, direct to an occupational health service, allows professional assessment of each case and immediate medical advice, followed up by regular contact during the sickness period. A non-contributory health scheme has also been introduced, which allows staff to see consultants and therapists at short notice and receive free flu jabs, cholesterol and blood pressure tests. This approach is supported by an attendance reward scheme, which gives an additional half day leave for each six month period of full attendance.
- 286** A1 is addressing the issue of multi-skilling in its workforce. After the previous inspection, it undertook a thorough skills audit of its operatives, which found an increase in recorded skills from 50 per cent to 90 per cent between December 2006 and July 2007. It has begun to work with staff and unions to implement a revised pay scheme based on three levels depending on the multi-skill level of individual staff. Although approaching optimum levels of multi-skilled staff, when compared to the increase in performance which can be driven from any significant training schemes, A1 is continuing to support specialist training where this will help further improve right first time completion rates.
- 287** A1 has developed a particularly robust approach to managing health and safety at work. It brought this function in house, which has tightened its control. A specialist officer has developed a comprehensive health and safety policy and procedures. He has also carried out extensive training and risk assessment work and developed a 'Key Line of Enquiry' approach which has been used to assess its current position in relation to a detailed set of indicators. This is used for action planning at a corporate level and within services.
- 288** A1 has not re-run its staff perception survey since the last inspection, so it is unable to demonstrate progress in the areas which were less strong in February 2007. It plans to undertake a full survey in February 2008, but we assess this to be a missed opportunity, particularly following the re-structure of management arrangements and the outcome from the last inspection, to find out how staff morale and views about A1 has changed to inform improvements early on.
- 289** A1 has an inclusive approach to boosting capacity through partnership working. It has nurtured strong relationships with its contractor partners, developing structured approaches to learning from their extensive experience. It is investing in skills for the future by providing a local school with a base to teach construction skills to young people, inputting its own expertise and facilitating links with partners for free materials. This has raised the interest of local young people in technical and craft careers, particularly among girls. Students from three other schools will also begin using the base in 2007/08 and plans are in place with the Groundwork Trust to expand the scheme by setting up a training academy. This will not only support a deprived community by reducing joblessness, but may also assist A1 and its partners to recruit skilled local labour in future.

- 290** A1 has plans to further develop its role in the community. On closing its joiners' shop last year, it donated all its benches and equipment to the Serlby School project. A commitment has been given jointly by A1 and its partners, should DHS funds be released, that it will partly fund an all purpose track and play area. This project will involve the partners doing all groundworks and A1 contributing in kind and/or cash to project managing the development. There is also 'in principle' agreement with the partners that a community amenity area/playground will be developed on the site of each compound used during DHS works, at the expense of the contractors. This approach should result in A1 consolidating its position as a key service delivery partner in the district and should contribute to improved facilities on estates.
- 291** More effective financial management systems have been put in place since the last inspection. Each budget holder is assigned a finance support officer, who meets with them regularly in order to discuss performance in managing budgets and to regularly review whether further efficiencies can be made than planned during the budget setting process. Although it does not adopt a zero based approach, budget setting has been rationalised to separate out and centrally control budgets for employee costs, supplies and services and key business objectives like the diversity plan and inspection preparation. This limited control at the front line sufficiently empowers middle managers by giving them control over service delivery expenditure, but retains control over some of the largest budgets within the CMT and finance team and provides transparency about expenditure in the areas where there is most scope for improving VFM under specialist management.
- 292** Resources from the Council are maximised. The capital programme is well managed, resulting in expenditure being on target (100.5 per cent) in 2006/07. The Council is releasing £500,000 of capital funding from October 2007, to enable A1 to 'kickstart' its decent homes programme in anticipation of £6-£8 million government funding being released later in the year, through a two-star inspection score being obtained²⁶. This is a sensible approach which maximises the outcomes that A1 can achieve in the second half of 2007/08.
- 293** The Council has been willing to take a flexible approach to A1's management fee. In order to balance this year's budget, for example, it agreed to provide an additional £388,000 funding. This was possible as a result of over performance on rent collection last year, coupled with a 53 week rent year and reduced right to buy applications, which led to increased income for the council. This means that, although there are no formal performance rewards built into the management agreement, there is an understanding that good performance will be rewarded with additional funding, if it is required.

²⁶ On the basis that this is recoverable on receipt of government funding or from the 2008/09 capital budget

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- 294** A1 has not identified sufficient resources to continue to implement SMART working practices and improve customer service in all areas. Implementation of new software was being carried out at the time of inspection, which is anticipated to release around 14 hours per week from manual searches of the existing gas servicing database. However, it now lacks clarity on whether its plans to roll out handheld technology to housing management staff can be completed. It has made no progress in identifying a budget for this, despite a successful pilot programme. There is a rollout programme in responsive repairs and one planned for capital works when funding is released, but housing management staff have limited access to PDAs, which are very helpful in accessing information on site. Limited funding currently means they do not know when or if wider use is likely to be available.
- 295** A1 has been successful in attracting inward investment, although it has classed these sums as efficiency savings in its budget management systems. This is because funding has been obtained for items which the ALMO says it would have funded anyway (such as refurbishment of its canteen and installation of ground and air source heating pumps) and which are built into budgets. As it is not treating these items as additional to existing budgets, it cannot demonstrate that it is benefiting from innovations it would not otherwise have found funds to support. This approach is further complicated by the fact that it set itself a target of levering in £40k of external funding into the organisation this year, but this was not based on an understanding of what might be available, it has no clear plan in place about how this will be achieved and the £100,000 already attracted in cannot be counted against this target because it is already shown in the accounts as efficiencies.
- 296** Although there is no formal ICT strategy in place, A1 has done some work to prioritise its ICT needs and has developed a prioritisation action plan of enhancements required to existing systems. When it was set up, A1 inherited systems from the Council and a service level agreement (SLA) preventing it from having direct dialogue with its software supplier. This has been addressed by appointing an in house IT manager and renegotiating the SLA to allow a direct link with the supplier, while helpdesk facilities are still provided by the Council. A1 now manages its own website and is driving the strategic direction on IT. This ensures it meets business needs and has introduced new tools to support the business, such as its own server. It is committed to its relationship with its software provider until 2012 and the risk register identifies the need to plan for a longer term solution in the run up to this point.
- 297** Risk management arrangements are robust and well embedded. The risk management strategy is sound, with quarterly Board reports on the risk register and training for managers and Board members in identifying and mitigating risks. The register clearly identifies the likelihood, impact and owner of each risk, as well as outlining control measures and contingencies.
- 298** A1 recognises the need to revise its procurement strategy for the future. The director of resources has been tasked with reviewing this issue, which will happen in the second half of 2007/08.

Appendix 1 – Performance indicators

Table 2 Bassetlaw performance 2003/04 to 2006/07

Performance indicator (BVPI)²⁷	03/04	04/05	05/06	06/07	June 07/08	Districts Top 25% 2005/06
63 Average SAP rating	55	56	58	63*	63.2	69
66a Percentage rent collected	97.9	99.52	99.57	99.65	99.61	98.84
66b Percentage tenants with > 7 wks arrears (gross)	-	-	4.33	4.49	4.20	3.39
66c Percentage tenants in arrears with NoSP served	-	-	20.58	25.22	4.46	13.55
66d Percentage LA tenants evicted for rent arrears	-	-	0.60	0.38	0.04	0.15
74a Percentage tenants satisfied with overall service	-	75	75	78.52	N/A	85
75a Percentage tenants satisfied with TP	-	62	62	69.42	N/A	59
184a LA homes which were non-decent at start of year (%)	54	47	39	34	60.14 [^]	12
184b Change in proportion of non-decent homes (%)	16.9	19.8	8.8	10.1	-96.44 [^]	29.2
212 Average re-let time (days)	-	36	32	34	30.49	27

²⁷ Performance indicators shown are based on published performance data to 2005/06 and unaudited data from A1's own performance reports for 2006/07 and quarter one 2007/08.

* BV 63 compiled in accordance with 2001 guidance as Audit Commission has required

[^] Decent homes figures for June 2007/08 take account of the improved data available from the ALMO's full stock condition survey and properties which have since become non-decent.

Appendix 2 – Documents reviewed and reality checks undertaken

- 1 Before going on site and during our visit, we reviewed documents which were new or had been updated since our previous inspection. These were determined by our standard document request list, together with any additional information A1 or we felt would be helpful in reaching our judgements.
- 2 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - interviews with a range of people involved with the service, including frontline staff, service managers, directors, the managing director and members of the board of management;
 - interviews with key figures from the Council;
 - a focus group of actively involved tenants and contact with a number of other residents;
 - visits to a number of the managed properties, including empty (void) properties, some properties affected by the floods and schemes where improvement work had been undertaken;
 - observation of an A1 board meeting, the customer contact centre and estate visits;
 - observation of the asset management and gas servicing databases;
 - mystery shopping of the service;
 - visiting A1's website (www.a1housing.co.uk); and
 - inspection of a random sample of recent case files, relating to adaptations, gas servicing, anti-social behaviour, allocations, rent arrears and customer complaints.

Appendix 3 – Positive practice

‘The Commission will identify and promote good practice. Every inspection will look for examples of good practice and innovation, and for creative ways to overcome barriers and resistance to change or make better use of resources’. (Seeing is Believing)

Customer insight programme

- 1 A1 has implemented a comprehensive programme of ongoing quantitative and qualitative research into customer views of services received. The programme aims to turn information from a full range of sources - including satisfaction surveys, customer complaints, mystery shopping and customer involvement - into intelligence, with a systematic process for then reporting and acting upon it. A detailed report is provided to the ALMO's managers, board and shared with customers and staff, focussing everyone's attention on gaining a clearer understanding of the issues which matter to customers. The process is continuous with each piece of information helping to refine this understanding over time. A1 is in the early stages of implementation, but has demonstrated an effective response to initial data collected, to respond to its customers' views.

Previously identified positive practice

- 2 We identified four areas of positive practice in the February 2007 inspection, which continue to be areas of good practice and innovation from which others may benefit. They relate to the following areas and details can be found in the report published in May 2007 at www.audit-commission.gov.uk/housing
 - Serlby Park School Initiative
 - Health and Safety Key Lines of Enquiry
 - Asbestos Management Systems
 - Managing a reduction in sickness absence