

# **Re-inspection of Landlord Services**

**Southend on Sea Borough Council**

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## Local Authority Housing 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 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](http://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;
- 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.

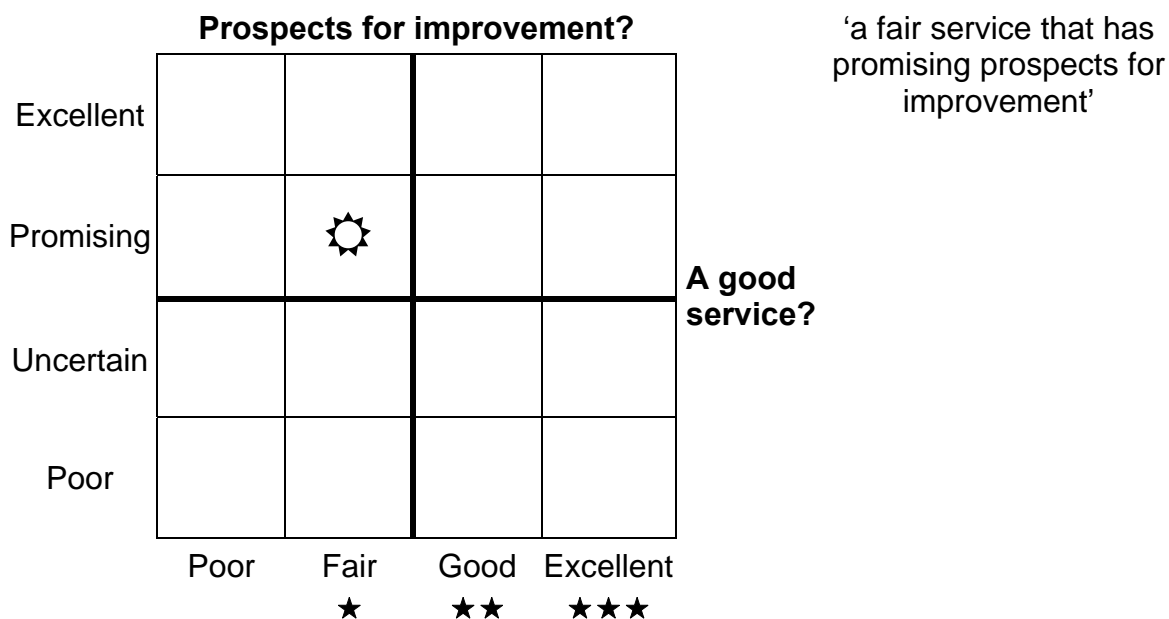
## Summary

- 1 In this inspection we have assessed the inspected services that South Essex Homes (SEH) provide as fair with promising prospects for improvement.
- 2 The inspection took place at a time when major changes in service delivery processes had just been introduced. The new contracts for responsive and voids repairs and gas servicing and repairs commenced no more than one month before the on-site stage of the inspection. In addition, the housing management service had in the previous three months been radically reconfigured from a generic approach to a 'One Stop Shop' reception service with specialist teams in support. There is early evidence of improved outcomes across many services, and while not conclusive, this evidence has been taken into account with that of service performance in 2006/07.
- 3 Since the last inspection there are some service areas that have clearly improved where strengths now outweigh weaknesses. These are in Access to services, Gas Servicing, and Tenancy and Estate management. Some services have improved where they now have a balance of strengths and weaknesses, such as most of the Asset Management Services, and Value for Money. In addition, Resident Involvement has continued as a strong service overall.
- 4 However, there are still service areas that remain poor such as Diversity, Aids and Adaptations and Housing Income Management. There has been insufficient progress in these areas following the recommendations of the Inspection report in June 2006. Significant improvement will be required in these areas if strengths are to outweigh weaknesses.
- 5 We have assessed SEH to have promising prospects for improvement. Despite the relatively short time since the last inspection, some major improvements have been put in place, driven by the Board and senior management. The relationship with the council has also improved and the council is playing a supportive and monitoring role. However, there is a need for both parties to work more effectively together in relation to medium term financial planning and some SLAs and some service delivery processes, such as grounds maintenance and the future of sheltered accommodation. The management capacity has improved but there remain some gaps in the capacity required to successfully drive through the enormous scale of change and improvement that is taking place and is due to take place in the near future. SEH has training plans in place for further leadership and management training.
- 6 While the management of service and the performance management framework have improved there is still some way to go before both are robust. The need to adopt a genuinely SMART approach to improvement and action plans will be a crucial factor in achieving the level of services that both the council and SEH aspire to.

## Scoring the service

- 7 We have assessed Southend on Sea Borough Council as providing a fair one-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 chart<sup>1</sup>**



Source: Audit Commission

- 8 We found the service to be fair because of the following strengths.
- SEH has consulted with residents on access and has responded to residents views.
  - Most publicity and information materials are informative and customer focused.
  - SEH is feeding back to customers on the impact of resident involvement on service delivery.
  - SEH has produced an Asset Management Strategy and is progressively developing it.
  - SEH has robust data and has mapped out existing failures and projected failures in the Decent Homes Standard.
  - SEH has a good track record in investing in energy efficiency works.

<sup>1</sup> 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.

- An Asbestos policy and register is in place and information is provided to residents in a leaflet.
- Satisfaction survey data for planned works show a high level of satisfaction with standard of work and operatives' customer care.
- SEH has put in place a financially stable and market tested responsive and voids repairs, and gas servicing contracts.
- There have been improvements in the repairs reporting service.
- There are robust procedures in place for efficient responsive repairs administration.
- The administrative processes for voids repairs have been streamlined.
- The approach to maximising access for gas servicing at an early stage is robust.
- Recent performance in gas servicing is positive.
- SEH has widened its methods of rent payment.
- SEH offers a wide range of methods by which tenants can become involved in shaping services and influencing improvements.
- SEH provides a high level of resources for resident involvement.
- There has been an increase in satisfaction with opportunities for participation, especially amongst BME residents.
- There is a high level of commitment and enthusiasm from staff.
- SEH works effectively with partners to prevent and address ASB.
- The support needs of new tenants re-housed from hostels are assessed and addressed.
- Estate management services are working effectively to support effective action on anti-social behaviour.
- There are effective day to day performance management arrangements in place regarding the reletting of empty property.
- SEH has revised its caretaking service to address residents concerns and to provide a more consistent service across the borough.
- Common areas on estates are well maintained.
- SEH has introduced radical changes to service delivery processes that are generating substantial value for money savings, including almost £400,000 in 2006/07.
- A modern procurement approach is being rolled out across all asset management services.

9 However, there are some areas which require improvement. These include the following.

- The Tenant profile is incomplete with only 40 per cent coverage.
- Performance management of call handling is not yet robust.
- Some customer information about tenancy and estate management is out of date.
- Customer focus in service delivery is not consistently applied.
- There is no consistent and comprehensive approach to customer satisfaction surveying.
- SEH has been slow to address issues around equality and diversity.
- SEH does not fully comply with the CRE code of practice for rented housing.
- SEH does not achieve full spend on its annual capital works programme.
- The assessment of housing demand in the medium and longer term is underdeveloped.
- Housing capital planning is significantly restricted by the council's lack of a medium term financial strategy.
- The Asset Management Strategy does not effectively address environmental works.
- The operation of the decoration allowance scheme is still not sufficiently customer focused.
- Joint working on the aids and adaptations service between SEH and the council is not effective.
- The average waiting time for aids and adaptations demonstrates a poor service for some of the most vulnerable residents in the borough.
- SEH is still not performing well in rent collection.
- The introduction of specialist teams for rent arrears has not been effectively managed.
- There are significant gaps in welfare rights advice and money advice services.
- Residents are not always kept informed of progress on an ASB complaint.
- The SLA for grounds maintenance is not sufficiently robust.
- SEH is not yet using estate walkabouts and inspections effectively.
- The Value for Money strategy is not fully robust as it has not been informed by comprehensive benchmarking from which priorities and SMART action plans have been developed.
- SEH has not undertaken benchmarking of SLA services.
- The costs benefit analysis of access arrangements has not yet been actioned.

- 10 The service has promising prospects for improvement due to the following.
- There has been a sustained and substantial improvement on turn around times for the reletting of empty property.
  - There has been an improvement in routine repairs completion times in 2006/07.
  - There has been progressive improvement in appointments made and kept.
  - Performance on responsive and void repairs is mixed, although showing signs of substantial improvement with the new contracts in operation.
  - SEH has introduced new methods of rent payment and improved value for money.
  - Satisfaction levels with opportunities for participation increased to 69 per cent in 2006/07.
  - Progress is being made in implementing most of the recommendations of the 2006 Inspection report.
  - SEH has improved its strategic planning with a range of new strategies in place, for example asset management and customer service.
  - SEH is putting in place major organisational systems changes to improve performance including specialist teams, new procedures and IT systems.
  - The new repairs contractor has agreed and is implementing a continuous improvement plan for the repairs service.
  - There are substantial examples of applied learning from good practice.
  - SEH can demonstrate other applied learning as a result of encouraging the involvement of residents.
  - SEH has improved performance management of the gas servicing and repairs contract.
  - The Board understands its role and effectively exercises its strategic and monitoring roles.
  - There has been an increase in management capacity.
  - SEH has invested in the engagement of external expertise to assist it with the major reorganisation and reconfiguration of services.
  - SEH has made significant improvements in its human resources management.
  - SEH has demonstrated its commitment to achieving value for money.
- 11 However, there are a number of barriers to improvement. These include the following.
- SEH does not yet effectively monitor and report its performance against service standards.
  - SMART action and improvement planning is not robust and several strategies do not have an action plan.

## 10 Re-inspection of Landlord Services | Scoring the service

- The performance management system is not yet fully effective.
- The performance management of rents arrears recovery is not robust.
- The lack of benchmarking is restricting SEH's plans for improvement in value for money.
- The draft Income Management Strategy is not fully robust.
- Sickness management is not yet fully robust.
- Leadership development and change management training has not been undertaken for middle managers despite major changes to systems structures and processes being rolled out.

## Recommendations

- 12 In order 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 costs<sup>2</sup> 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 Council shares the findings of this report with tenants, the SEH Board Members, and councillors and addresses all weaknesses identified in the report. The inspection team makes the following recommendations.

### **Recommendation**

*R1 Further develop customer care and access by:*

- *continue the Tenant profile ensuring at least 80 per cent coverage;*
- *regularly record and report performance on call handling;*
- *ensure that all publicity material is up to date and has all the relevant strap lines included;*
- *implement the outcome of the access review and generate value for money savings; and*
- *implement a consistent and comprehensive approach to customer satisfaction surveying.*

The expected benefits of this recommendation are:

- improved and consistent customer focus; and
- value for money savings from a rationalisation of area offices.

The implementation of this recommendation will have high impact with low costs. This should be implemented by October 2007.

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<sup>2</sup> 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.

**Recommendation**

*R2 Improve progress on equalities and diversity by:*

- *producing a SMART action plan for the implementation of the equalities and diversity strategy;*
- *involve users and key stakeholder groups in the local statutory, community and voluntary sectors, in service impact assessments;*
- *analyse resident profile when completed and implement practical action to address inequitable service outcomes; and*
- *implement an action plan to meet compliance with the CRE code of practice for rented housing.*

The expected benefit of this recommendation is:

- an action oriented approach to ensuring that service development and delivery processes address the needs of all diverse groups within the local community.

The implementation of this recommendation will have high impact with low costs. This should be implemented by April 2008.

**Recommendation**

*R3 Further develop the asset management strategy:*

- *integrate quantitative and qualitative assessments of housing demand into the asset management strategy;*
- *specifically address the issues of bed sit sheltered accommodation and the needs of disabled residents in the medium and longer terms;*
- *develop an aspirational standard in excess of the DHS;*
- *include community safety and environmental improvement works within a strategic approach; and*
- *develop a plan for rolling out modern procurement best practice in relation to process and cost optimisation, sharing of benefits and open book accounting.*

The expected benefit of this recommendation is:

- a fully robust asset management strategy.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by April 2008.

**Recommendation**

- R4 Significantly improve the housing income management service:*
- *implement a SMART improvement plan for current and former arrears recovery;*
  - *ensure staff are trained and equipped to give benefits advice;*
  - *ensure that residents in arrears can access independent money and benefits advice and monitor the outcomes; and*
  - *strengthen performance management by setting realistic targets and monitoring progress against them.*

The expected benefit of this recommendation is:

- a comprehensive and robust arrears recovery service.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by December 2007.

**Recommendation**

- R5 Significantly improve the aids and adaptations service:*
- *review demand and resourcing options for the medium term;*
  - *implement a service standard with the involvement of users and stakeholders that at least meets the government guidelines on target timescales;*
  - *significantly improve performance management systems and ensure that performance is comprehensively reported to users and stakeholders on a regular basis; and*
  - *implement a working protocol between the ALMO and the council that underpins the service standard commitments.*

The expected benefit of this recommendation is:

- a significantly improved aids and adaptations service for vulnerable residents.

The implementation of this recommendation will have high impact with high costs. This should be implemented by April 2008.

**Recommendation**

*R6 Enhance the approach to value for money:*

- *complete and regularly update benchmarking data and determine relative priorities for addressing poor value for money and set targets to be achieved;*
- *agree process for the involvement of residents in both setting priorities and decisions on the use of savings generated; and*
- *implement and regularly report on a SMART, medium term, action plan for improving value for money.*

The expected benefit of this recommendation is:

- a robust value for money strategy that is regularly monitored by all stakeholders.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2007.

**Recommendation**

*R7 Strengthen the management of performance:*

- *ensuring that all plans are SMART and specifically include how the action will be measured and achieved through component tasks and resources;*
- *complete review of the performance management system and ensure that it includes targets and trends and is flexibly reported to suit the roles and priorities of stakeholders;*
- *provide management training for middle managers;*
- *ensure that all new procurement contracts are rigorously managed; and*
- *regularly evaluate the performance of specialist teams and ensure that all necessary systems are in place to support them.*

The expected benefit of this recommendation is:

- improved service delivery that can be evidenced and prompt action to address poor outcomes.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2007.

- 13 We would like to thank the staff of Southend on Sea Borough Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 2 to 3 May and 8 to 11 May 2007.

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# Report

## Context

### The locality

- 14 South Essex Homes ALMO is in the Borough of Southend on Sea, Essex in the East of England region. It has a population of 160,257 and is part of the Thames Gateway. The area is 4,163 hectares, with a population ten times the density of England as a whole.
- 15 The main industries comprise tourism, manufacturing, light industry and commercial, however, unemployment levels are considerably above average (3.2 per cent compared to a regional average of 1.9 per cent and a national average of 2.5 per cent).
- 16 Black and minority ethnic (BME) communities form 7.08 per cent of the population compared with the average for England of 13 per cent.
- 17 The area is relatively wealthy but with pockets of deprivation. It is ranked 114th of 354 areas in the Index of Deprivation produced by the Office of national Statistics.
- 18 21.53 per cent of the population are of pensionable age compared with 18.60 per cent for England; however, the age structure of the population is becoming younger.
- 19 Average wages in Southend are lower than the average for the Eastern region and the average house price in Southend is £190,601. A housing needs study in 2004 showed a need for at least 1,300 additional affordable homes per annum across all tenures in the borough.

### The Council

- 20 Southend on Sea Borough Council (SBC) is a Unitary Authority, composed of 51 councillors, and is controlled by a Conservative administration with 30 seats. The remaining seats are held by the Labour Party (7), the Liberal Democrat Party (10) and Alliance Southend councillors (4). The business of the Council is run by a leader and ten executive councillors who are each responsible for a portfolio.
- 21 The Council's net revenue budget for 2007/08 is approximately £116 million and it employs more than 5,000 people.
- 22 The Council was assessed as 'improving adequately' and 'demonstrating an overall two-star performance' by the Audit Commission's Comprehensive Performance Assessment in 2006. The housing service was assessed as one on a scale of one to four where four is the highest rating.

## The service

- 23 South Essex Homes (SEH) is an ALMO and was set up in October 2005 following an option appraisal.
- 24 The company is managed by a Board of Directors which is made up of five Council nominees, five tenants and five independent board members.
- 25 As at March 2007, South Essex Homes managed 6,242 rented dwellings, 502 leasehold properties and ten shared ownership properties. In addition to this, SEH manage 78 hostel units providing temporary accommodation for homeless people and 1,645 garages. Waiting lists for Southend Council properties currently stand at 4,200.
- 26 South Essex Homes employs 250 people and has a budget for 2007/08 of £10.07 million.
- 27 The housing stock is located evenly throughout the borough and the majority of the stock is post-war. Thirty five per cent are houses or bungalows, 20 per cent are high rise flats, 45 per cent are other flats or maisonettes. Twenty five per cent of total stock is classified as accommodation for older people.
- 28 As at 2004, 31 per cent of dwellings failed the Decent Homes Standard with this predicted to rise to 82 per cent by 2010.
- 29 South Essex Homes delivers support services to 2,373 Careline customers living in homes of other RSLs, Local Authorities and private housing providers.
- 30 The key aspects in the profile of SEH's residents are:
  - 56 per cent residents have a longstanding illness or disability compared to 19 per cent of the residents of Southend borough as a whole;
  - 12 per cent are wheelchair users;
  - 68 per cent receive housing benefit; and
  - 97 per cent of tenants consider themselves to be white British, with the largest ethnic minority being Asian or Asian British.
- 31 A re-inspection of the housing services by the Audit Commission in June 2006 found the service to be 'poor and with uncertain prospects for improvement'. This had followed a similar score in an inspection of the Council's Repairs and Maintenance services in 2004.
- 32 This re-inspection looked at some of the landlord services provided by South Essex Homes. The services included in this inspection were stock investment and asset management, housing income management, tenancy and estate management, and resident involvement.

## How good is the service?

### What has the service aimed to achieve?

- 33** The Council has five key aims, and seven corporate priorities. One of the corporate priorities is as follows.
- Driving up performance of the housing service.
- 34** The Council's focus for this priority is specifically to improve the quality and efficiency of the repairs service provided to customers, the re-letting of homes and the level of rent arrears.
- 35** The Southend Together Community Plan has several key ambitions that reflect national and local priorities. South Essex Homes are contributing to the following Community Plan ambitions.
- To create a safer community for all:
    - to respond effectively to residents' complaints of anti-social behaviour.
  - Better Life Chances for vulnerable people:
    - to improve housing conditions by meeting the Decent Homes Standard for council owned stock;
    - to provide customers with more choice in the allocation of council housing;
    - to provide services to vulnerable people in a fair and accessible way; and
    - to provide more joined up working.
- 36** South Essex Homes' Mission statement defines its approach as follows.
- Working together to:
    - involve residents;
    - invest in decent homes;
    - improve services; and
    - build strong proud communities.
- 37** It has adopted nine key objectives as follows.
- Provide an excellent service.
  - Involve staff and residents in designing and evaluating services.
  - Be accountable to residents and other stakeholders.
  - Work in partnership to create and maintain sustainable communities.
  - Continuously improve services through learning, innovation and listening to residents.
  - Meet the Decent Homes Standard.

- Support, value and develop staff.
- Ensure long term financial viability.
- Deliver best practice and value for money.

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

### Access and customer care

- 38** In the last inspection we found that weaknesses outweigh strengths. While the organisation aspired to high standards of service, and there was an improving ethos, service delivery was still inconsistent. A start had been made in involving customers more but there was little monitoring of satisfaction with services and none on the delivery of the service standards. Overall, there was no systematic evaluation of customer services. A number of developments and improvements were in hand but had yet to bear fruit.
- 39** In this inspection we found strengths outweigh weaknesses. SEH has consulted with residents on access arrangements and has changed its access arrangements in response to resident views. It has a range of ways to disseminate information and has worked with residents in the format and content of information material. It has developed a set of service standards with residents and is regularly providing information on what the ALMO has done in response to resident feedback. However, a consistently high standard of customer care has not yet been achieved, the residents profile is not yet complete and being used to shape service development, some important publicity information is out of date, and the surveying of customer satisfaction is underdeveloped.
- 40** SEH has consulted with residents on access and has responded to residents views. The Just Ask Review in 2006 considered initial contact with residents and particularly the use of Area Offices. A Customer Service Survey was conducted of 20 per cent of tenanted dwellings. The results showed that 75 per cent of residents preferred to contact South Essex Homes by telephone. This survey also showed that 60 per cent of respondents felt that they received a good or excellent service from South Essex Homes and that 93 per cent want a consistent response to their enquiries without being referred on to various departments. As a direct result of this, SEH has adopted a 'One Stop Shop' approach, staffed by a Customer Service Team, which is supported by specialist teams (Neighbourhood Services, Income Management, Resident Support, Southend Multi-Agency Anti-Social Behaviour Response Team (SMAART) and the Caretaking Team). There is evidence in customer satisfaction and some service performance that this has resulted in the ALMO being more effective and efficient in delivering customer focused services.

- 41 SEH has a range of access options for residents. There are three local housing offices with late opening to 6.00 pm on one week day. Two of the local offices are particularly customer friendly in terms of layout and facilities, although the Central office does not reach this high standard and it lacks toilet facilities for the public. Residents can access services by phone to a Customer Services Team for all initial enquiries and emailing is also encouraged. We also received positive reports from tenants while on site about how staff attitudes have significantly improved. The website is easy to navigate and has plenty of useful information and some on-line reporting for example, complaints, plus on-line polling. Residents can exercise a range of choices about how they access services.
- 42 SEH has improved access for customers through its new contract on gas servicing. Tenants are given 14 days notice of the first appointment and seven days for subsequent appointments. Tenants are phoned the day before the appointment as a reminder. Appointments are offered between the hours of 8.00 am – 6.00 pm weekdays for the first two visits, and evening and weekend appointments are made available at stage three of the non access process. A free phone service is also provided. Fridge/boiler magnets with appointment slots are sent with every service appointment as a reminder. These new arrangements improve customer focus and contribute to better levels of access and quicker completions of annual gas servicing.
- 43 SEH has worked with residents to agree the standards they will apply in each service area. There is a set of 14 service standards in place and these are in plain English and have achieved the Crystal Mark. There is a short and simple statement for residents on SEH's customer services strategy. There are also explicit response targets for phone and written contact. SEH has established and promotes a complaints procedure that also encourages comments and compliments. These service standards provide clear and transparent thresholds for service delivery and enable residents, through its complaints procedure, to challenge poor service more effectively.
- 44 Most publicity and information materials are informative and customer focused. There is clear information for leaseholders both in the leaseholders' handbook and on the website. There has been resident involvement in the review of documentation and tenancy sign-up packs. The responsive repairs contractor provides user friendly introductory letters. Where customers express preference for documents in alternative formats or languages, this information is captured and guides future information provided to that individual. All of these measures contribute to residents being better informed and more able to challenge poor service.

- 45 There are good examples of services being improved through greater user focus and involvement. SEH involves residents in programme planning on capital works and publicises the annual programme, and has established a Reinvestment Panel for this purpose on which residents sit. The panel agrees the capital programme and is involved in asset management strategic decisions. In addition, SEH has listened and responded to customers in developing its approach to ASB. It has an ASB focus group through which residents have been able to influence customer information and the organisation's approach to ASB. There are examples of where mystery shopping by customers has led to some changes to accessibility of offices. The involvement of residents in policy development and service delivery underpins more user focused services.
- 46 Incentives are offered to customers to get involved. For example there is a £100 prize draw for STATUS survey completion and shopping vouchers are provided to those residents who contribute their time to mystery shopping exercises. Providing incentives for residents can increase the level of resident involvement.
- 47 SEH is feeding back to customers on the impact of resident involvement on service delivery. It reports back through its 'Insight' magazine in a regular column 'You Said, We Did'. It displays the minutes of Focus Groups in reception areas and on the website with key actions detailed at the end of the minutes. It also reports back at the Annual Resident Conference and the quarterly Forum meeting with Southend Borough Council to discuss the performance of South Essex Homes and residents service priorities. Reporting back on actions taken in response to residents views demonstrates to residents that the organisation is genuine in its commitment to resident involvement and that outcomes can be achieved through involvement.
- 48 The Tenant profile is incomplete with only 40 per cent coverage and SEH has not yet implemented a comprehensive approach to completing the profile as soon as is practicable. While the Customer Contact Team and staff at the area offices have been carrying out telephone surveys, Neighbourhood staff are completing forms when doing home visits, and profile forms are also being completed at tenancy sign up, tenant profile information is not being gathered at every point of contact with residents. Without a robust Tenant profile, SEH is unable to assess whether its service delivery is fully customer focused, nor if some groups or communities are having problems accessing services, and is unable to effectively improve service delivery where it is not customer focused.
- 49 Performance management of call handling is not yet robust. The facility to check call handling performance at the One Stop Shop has only been in place for a short time and as yet robust performance data is not available to measure and drive performance. SEH has not historically collected qualitative performance information and so has little trend information against which it can judge current and future performance. The absence of call handling data undermines a robust performance management approach to customer care.

- 50 Some customer information about tenancy and estate management is out of date. This includes the tenants' handbook which does not reflect current practice, contact details and services. SEH is working with a residents' focus group to update the handbook. Some service standards need updating as a result of recent service changes, and the lack of consistently accurate information can cause confusion and uncertainty for customers in relation to service standards and delivery systems.
- 51 Key performance indicators (KPIs) have not yet been agreed with tenants for the set of service standards that are in place. The service standards agreed with tenants are detailed and it is not practicable to monitor and report performance on the standards. Without a realistic set of KPIs being agreed on service standards, regular monitoring and reporting performance on them will not be possible.
- 52 SEH does not have a consistent standard across its housing offices. There are no toilet facilities for the public at Central office and the reception area was inferior to the significantly higher standard of customer friendly facilities and layout at the other two housing offices. The lack of a consistent standard means that all tenants do not enjoy an equal standard of facilities.
- 53 Customer focus in service delivery is not consistently applied. Some correspondence and standard letters are unnecessarily blunt such as the annual property inspection letter. We also received feedback from tenants that the customer service approach of some operatives was not of a high standard. Another example was that some residents were not kept informed of progress on an ASB complaint they made and which they were concerned about. An inconsistent approach to customer care leads to poor and inequitable service outcomes.
- 54 There is no consistent and comprehensive approach to customer satisfaction surveying. In some services there is no surveying whereas in others there is some surveying done by telephone and some by questionnaire. There is no strategic approach to customer satisfaction and little evidence of effective analysis and applied learning. A robust approach to surveying tenants' views is a key element in ensuring and sustaining a customer focused approach to service development and delivery.
- 55 SEH is not consistently complying with its complaints policy. Regular reports are submitted to the Board about complaints though a large number of complaints are not being responded to within the ten-day response target, and the response to one third of all complaints in the first four months of 2007 exceeded the ten-day response target.
- 56 There is inconsistent use of language strap lines on the website and in the residents' magazine. While SEH states that it will determine the key languages as a result of its resident profile data once it is robust, this is no reason for not ensuring consistency for all information and publicity now. Inconsistency in language strap lines can lead to inequitable access to services and information.

## Diversity

- 57** In our last inspection we found that this was an area of significant weakness. The approach towards diversity and equality was not effectively embedded within the operation of the organisation. Although there was an increasing commitment by the SEH board, it still had to establish clear aims and objectives for the delivery of services. The service was not compliant with the requirements of the Commission for Racial Equality's Code of Practice in Rented Housing and the Disability Discrimination Act 1995. In addition, a tenant profile was still to be established to help SEH understand the needs of its tenants and to ensure that services were delivered equitably.
- 58** In this inspection we found that weaknesses continue to outweigh strengths in this area. SEH has improved its focus on equalities and diversity since the inspection in 2006. However it has still to complete, analyse and demonstrate applied learning in relation to the resident profile and the service impact assessments. It has still to develop a robust approach to performance management in this area. There are some major defects in some key service areas for disabled people, such as adaptations, and DDA compliance with regard to sheltered accommodation.
- 59** SEH has put in place an organisational framework for improving its performance on equalities and diversity. There is now a Diversity Strategy and Equality scheme for the medium term (2006-2009) in place. It has established an Equalities and Diversity Leadership Group led by the Chief Executive to monitor progress, which also includes a Board member, and there is a specific post of Equalities Officer to assist in the development and implementation of new policies and practices. The adoption of strategy and the establishment of a development resource and a performance monitoring body at a senior level sets the ground for an effective approach to planning and delivery of key objectives in this area.
- 60** SEH is actively promoting diversity within the local community. There is equalities information on the website and SEH has also arranged 'diversity' events and displays, for example, around the Chinese New Year. SEH also led a multi-agency event to mark International Women's Day in Southend. In Summer 2007 it will promote its revised Diversity Strategy and Equality Scheme at the Southend 'Community and Harmony' event, which it is part funding, and at the annual residents and tenants 'TIE-in' event. SEH has also set up focus groups such as the Disability & Impairment group to inform service development and delivery. Engagement with local communities on diversity can lead to better focused policies and action plans.
- 61** SEH is raising the awareness of its staff about diversity and equalities. Staff and Board members have been provided with training on equalities and diversity awareness. It has also provided an information booklet to staff on various ethnic groups to improve knowledge and understanding of their cultures. The use of Language Line has been promoted both to staff and customers and contractor operatives carry language line cards. Staff knowledge and understanding of local communities can assist in a more customer focused approach to the delivery of services.

- 62 SEH has been slow to address issues around equality and diversity. It has not yet reached level 1 of the local government equality standard and is only just beginning to carry out equality impact assessments of its policies and strategies; only two have been completed to date and neither of these have involved users or local stakeholders. SEH intends to reach level one of the equality standard by September 2007 and level two by March 2008. If this level to be achieved, then much more significant progress will need to be realised.
- 63 Effective processes to involve hard to reach groups are under developed. The equality and diversity strategy and action plan is not sufficiently grounded in stakeholder and customer views. While there has been some consultation with community groups regarding the ALMO's plans and it has consulted residents via its disability and impairment group and BME Group, the active involvement of a wider number of users and stakeholders within the community is underdeveloped. The impact of the Diversity Focus groups is limited in terms of changes to policy or service delivery processes. Working with and through the existing groups and organisations within diverse communities would enable SEH to achieve wider involvement of groups or communities than relying solely on the limited Focus Groups it has established.
- 64 SEH does not have adequate arrangements in place nor provide adequate information to ensure that it can effectively judge whether or not it is delivering on diversity. While there are reporting arrangements in place, for example, via the Community Involvement Committee, reports lack clarity about progress made against objectives, priorities and targets. In addition, there is no agreed set of indicators against which performance is reported. Without a robust performance management framework, the Board and the Leadership Group are not able to easily identify where progress is being achieved in practical ways, nor are they able to implement remedial action where objectives are not being met.
- 65 There are major defects in the adaptations service and many sheltered units do not comply with DDA requirements. SEH estimates that 56 per cent of its residents have a longstanding illness or disability compared to 19 per cent of the residents of Southend borough as a whole. Twelve per cent of SEH's residents are wheelchair users. The average waiting time for adaptations, which is a service provided by the council, is 13 months. While a DDA audit has been carried out of all sheltered units and a programme of works, exceeding £300,000, has commenced, this is only sufficient to address major health and safety issues and the funding falls well short of that needed to bring the units up to DDA compliance. This inadequate funding and the poor adaptations service impacts adversely on disabled people, who make up over half of SEH's residents.
- 66 SEH does not fully comply with the CRE code of practice for rented housing. For example, it does not currently report racial harassment incidents through its performance reporting framework. It has carried out a thorough assessment of its current position with respect to the code and has identified action necessary to comply with it and is implementing those actions. Compliance with the CRE code is a requirement for an organisation to deliver and sustain equitable and fair outcomes to black and ethnic minority communities.

- 67 Diversity strategy objectives are not embedded in the delivery of all services. SEH has not responded to the diversity of its local communities in the delivery of gas servicing and repairs services. There are no strap lines on letters offering the information in other languages, and SEH has not provided any customer profile information to works contractors to improve customer care in the delivery of these services. The lack of focus on delivery processes and practices entails that strategic objectives are not being given practical effect in the delivery of services.
- 68 SEH is not recording satisfaction with services by key diversity groups. In the limited range of services where satisfaction surveying is undertaken, for example in repairs, SEH is not assessing whether service delivery processes are resulting in outcomes that are equitable across all groups and communities. SEH is not able to monitor the impact of service delivery processes on all its communities and diverse groups within the borough and take improvement action where required.
- 69 SEH is not clear about the purpose and potential use of resident profile data. There is no clear plan for its use and SEH has not researched how such data has been used effectively elsewhere in housing policy development and service delivery. Some staff were unable to confirm what the data will be used for. Failure to analyse and apply learning from the data represents poor value for money for the investment in gathering resident profile data.
- 70 SEH does not have appropriate arrangements in place to respond effectively to race hate crimes and harassment. Staff are not well equipped to respond to reports of racial harassment and have not received specific training on this. An effective response to race hate crimes and racial harassment is essential to fulfil SEH's policy objectives on equalities and diversity, and on anti-social behaviour.

### **Capital improvement, planned and cyclical maintenance and major repairs**

- 71 In our last inspection we found that overall there was a balance of strengths and weaknesses. The ALMO was clearly focused on achieving and generally improving upon its strategic approach to investment. It had appointed a procurement partner and an asset management strategy was approved by the Board. However, these developments had yet to significantly impact on the way the current service was planned and delivered.
- 72 In this inspection, we again found that there was a balance of strengths and weaknesses. An asset management strategy is in place and is informed by robust stock condition data. New modern procurement contracts are due to start in July 2007 and residents are involved in the planning and delivery of programmes. However housing demand assessments in the medium and longer are underdeveloped and there are no robust plans to address obsolete sheltered accommodation and the growing demand for adaptations. Programmes are still carried out on annual cycle although the council is planning to introduce medium term financial planning in 2007. Although an integrated IT system for asset management is in the process of being implemented it will not be fully in place until December 2007.

- 73 SEH has produced an Asset Management Strategy and is progressively developing it. The strategy is informed by a robust approach to stock condition surveying and 60 per cent of the stock has now been surveyed, with 20 per cent programmed for each year, in accordance with good practice. The methodology includes energy efficiency assessments and Housing Health and Safety Ratings. A 100 per cent survey of externals has also been carried out. In addition, structural condition assessments have been carried out on all high rise blocks. A good practice approach to assessing stock condition ensures more efficient and effective planning and programming of works.
- 74 SEH has robust data and has mapped out existing failures and projected failures in the Decent Homes Standard. It commissioned consultants to map out required DHS works by estate across the whole borough. The breakdown of required works programmes by estate has provided the appropriate information on neighbourhoods to share with residents, in discussion on plans and programmes.
- 75 SEH has established the Re-investment Panel to sustain involvement of residents in asset management planning. There is evidence to show that residents are having an impact in determining the annual programme, in sustainability assessments, in tender evaluation, and in contracts performance monitoring. Resident involvement in asset management planning and delivery of programmes helps to ensure that customer focus is strengthened.
- 76 A modern procurement approach is being implemented across all capital works, with new contracts approved and programmed to commence from July 2007. These include provisions for further roll out of modern procurement practices such as open book accounting, process and cost optimisation, and incentives and shared benefits. SEH has effectively used external expertise to develop its procurement strategy and new contracts. Modern procurement practice entails value for money outcomes and a reduced potential for conflict in the contract period.
- 77 SEH has a good track record in investing in energy efficiency works. It has been steadily improving its average SAP rating in its housing stock over the medium term. The average SAP rating is 76. Energy efficiency measures produce value for money outcomes for residents, many of whom are on low incomes, and also contribute to national energy efficiency targets.
- 78 Residents can exercise choice in the renewal of fixtures and fittings. There is a range of options on kitchen units, worktops, floor tiles, and entrance doors. Residents' choice generates customer focused outcomes and increases satisfaction with planned maintenance and improvement works.

- 79** An Asbestos policy and register is in place and information is provided to residents in a leaflet. All known high risk asbestos has been removed from properties. Contractors carrying out work are notified about the presence of asbestos and can access the database which is regularly updated. Long term contracts are in place for the analysis and removal of asbestos containing materials, and there is an action plan which includes Level 2 surveys of properties and improvement of access to asbestos data, by integrating data within the new Asset Management Apex software system, that will be fully implemented by December 2007. A dedicated Asbestos Officer has been appointed as a central reference for all matters relating to asbestos. The implementation of robust policy on asbestos is a critical contribution to the health and safety of workers and residents.
- 80** Cyclical maintenance programmes are in place. There is a cyclical maintenance programme for external painting operating on a six-year cycle. There is also annual servicing of lifts and other mechanical and electrical maintenance appliances. Cyclical maintenance preserves the working life of elements and reduces irretrievable breakdown.
- 81** Satisfaction survey data for planned works show a high level of satisfaction (over 90 per cent) with standard of work and operatives' customer care. The data also shows that tenants were given satisfactory notice of works and kept well informed throughout the process.
- 82** The ratio of planned and responsive works funded by revenue expenditure shows good practice. In 2007/08, 58 per cent of revenue expenditure on repairs and maintenance is on planned works. Planned works are better value for money than responsive works.
- 83** SEH does not achieve full spend on its annual capital works programme. There was a 5 per cent under spend of the £5 million capital programme in 2006/07 and this is due to not having sufficient 'reserve works' prepared and the council restricting the programme to a single year. While this was a significant improvement on the 11.4 per cent underspend in 2005/06, this still represents poor value for money due to the annual up lift of costs that will apply to the works not completed as programmed.

- 84 The assessment of housing demand in the medium and longer term is underdeveloped. The Asset Management Strategy (AMS) is not informed by either quantitative or qualitative housing demand assessments. Specifically there have been no medium and longer term assessments on the volume and standard of older person's accommodation, nor on the demand for aids and adaptations. 25 per cent of the total stock is sheltered, of which a significant proportion is bed-sit accommodation. The council and SEH have yet to make decisions on poor standard sheltered housing, which also largely fails to comply with DDA standards. Although one scheme has been decommissioned in the last year, there is no robust plan in place to either undertake the required DDA works or to renovate or decommission bed-sit accommodation. There is also little evidence of the trends on disability informing the AMS despite SEH being aware that over half of its residents are disabled and that this proportion is likely to increase. The lack of robust housing demand assessments inhibits a robust approach to medium and longer term asset management planning and ensuring that all investment is made in only sustainable stock.
- 85 Housing capital planning is significantly restricted by the council's lack of a medium term financial strategy. In effect SEH is restricted to annual capital planning although the council has indicated that it will be moving to medium term financial planning in this financial year. Medium term financial planning is required if there is to be the realisation of savings in procurement costs, deriving from being able to commit to longer term works programming with contractors, within a modern procurement framework.
- 86 SEH still does not have a fully effective asset management system in place. It has purchased a system and is now in the process of implementing the modules and interfacing it with the repairs IT system. This is planned to be completed by December 2007. Consequently, the existing asset management database is still being updated manually and the data relating to energy efficiency and asbestos is maintained on independent databases. The lack of a fully integrated and comprehensive IT system can entail inefficiencies in asset management planning and project planning or works.
- 87 The Southend improvement standard is not customer focused and represents no addition to the DHS. The standard is in effect a housing surveyor's specification on materials and does not enhance the standard that a tenant can expect over and above the decent homes standard. There is no reference to any additional internal fixtures or standards (such as smoke alarms) or to any improvement in external areas. The lack of an aspirational standard in excess of DHS (with the potential for funding becoming available through future procurement savings) reflects a lack of ambition in improving housing standards over the longer term.
- 88 The Asset Management Strategy does not effectively address environmental works. There is reference to investigating the funding of such works from other sources but there is no evidence that this has been done. There is a relatively small fund of £60,000 of residents' schemes but there are no plans or investment for crime and disorder reduction works or other environmental improvements. The quality of the immediate environment is a crucial factor in residents' satisfaction levels with their homes.

## Responsive repairs

- 89 In the last inspection we found that weaknesses outweighed strengths. None of the recommendations in respect of responsive repairs were achieved within the timescales set out in our 2004 report. However, the ALMO had taken an active decision to completely re-engineer its approach to the delivery of this service working towards a fully mobile, IT integrated service, but this was not in place at the time of the inspection. The Board had just taken the decision that an external provider should be sought for the delivery of responsive repairs, gas servicing and void works.
- 90 In this inspection, we found that there is a balance of strengths and weaknesses. This judgment has been informed by the fact that the new contract and administrative arrangements have only been in place for one month and although the early performance data on appointments, completions against target times and satisfaction levels show a considerable improvement on the previous level of service, it is too early to make a reliable judgment on the new service.
- 91 SEH has put in place a financially stable and market tested responsive repairs service. The previous service provided by the Direct Service Organisation (DSO) had a long history of generating annual deficits that had to be funded from the HRA. In the last year of operation the DSO had a trading deficit of 3.5 per cent. The externalisation of the responsive repairs service took place on 1 April 2007, no more than one month before the on-site inspection stage. The tender evaluation was undertaken on the basis of a 50:50 ratio of price and quality. Quality assessment was based on method statements, references and interview questions and responses. Residents and Board members sat on the tender evaluation panel in addition to management and external consultants. There has been a reduction in costs of 8.75 per cent as a result on the externalisation of the service and this has been validated by external consultants. The repairs service is now constituted on the basis of sound and competitive costs that enables more stable financial planning.
- 92 There have been improvements in the repairs reporting service. The repair reporting service has been incorporated into a new one stop shop Customer Services Team, which sits within the client operation. The benefits of this are that there will be more operators to answer and action residents' repair requests, in addition to day to day enquiries. The call centre has been located within the same building as the Programme Delivery Team and Estate Management Team, which will facilitate a quicker response to enquiries associated with repairs, planned maintenance and other tenancy issues. Appointments are offered to residents between the hours of 8.00 am to 8.00 pm Monday to Friday. Appointments will be based on am or pm slots. The new contract requires the contractor to keep 95 per cent of appointments in 2007/08 rising by 1 per cent per year to reach a target of 100 per cent. Residents are now provided with a more accessible repairs reporting service and more extensive appointment times.

- 93 There are robust procedures in place for efficient responsive repairs administration. There is guidance for call centre staff on what should trigger a pre-inspection. There is also clear guidance on rechargeable repairs. Pre-inspections are undertaken by operatives or by a surveyor in cases where a specialist assessment is required. The operative has direct contact with the client administrator and on account of imprest stock in vans and the use of a purchase card for local supply outlets, the operative can undertake a high percentage of repairs on a 'right first time' basis. The operative also has discretion up to a threshold of a £50 cost to carry out any required works in addition to those specified on the order. For anything above this threshold the operative can directly seek the required approval while on site. The client monitors the level of variations and also undertakes post inspections of a 10 per cent sample of completed works. These streamlined procedures improve the level of 'right first time' repairs and ensure a value for money approach to quality monitoring.
- 94 The new contractor is required to meet a greater number and a more challenging set of key performance indicators (KPIs) than was previously expected of the DSO. Performance is monitored on a weekly and monthly basis via performance management reports generated by the Asset Management Team. All risks and 'hot spots' are reported to the client's contract administrator. Performance is reported to the Board of South Essex Homes and the Council on a regular basis. The new responsive repairs contractor attends the regular Responsive Repairs Focus Group meetings with resident representatives to discuss performance. Clear and customer focused KPIs that are regularly monitored and reported are a requirement for good contract outcomes.
- 95 There is a comprehensive plan being implemented for re engineering business processes and increasing the capacity of the workforce. The workforce is largely that of the DSO who were subject to TUPE. The improved processes include Imprest stock in vans and the operatives are now able to quickly acquire any required components or materials from a local supplier without returning to the depot for supplies. Training and incentives for more multi-skilling are being introduced. All business processes are being reviewed and changed if required in order to remove inefficiencies. Vans are to be fitted with trackers and all operatives are issued with a mobile phone. By September 2007, all operatives will be issued with a handheld device for repair orders. Re-engineering business processes and increasing the capacity of the workforce generates costs and process efficiencies that benefit users of the service.
- 96 Information on repairs is of mixed quality. The repairs handbook provides an easy to understand guide on repairs specification, and there is a clear list of respective landlord and tenant responsibilities for repair. However the repairs information in the tenants' handbook is out of date, specifically in relation to repairs categories and timescales. Incorrect information is confusing for residents and has a detrimental impact on effective challenge when service standards are not met.

- 97 Performance on repairs is mixed. Performance on repair completion times have been poor until recently. In 2006/07 in the run down of the DSO contract, which was a difficult set of circumstances for staff and management, the service was poor but was 'held up'. In 2006/07 there was an improvement in completion times for routine repairs but other performance marginally deteriorated. With the new contract in place, there are early signs of significant improvement in the responsive repairs service. The performance data for the first month of the new contract shows 98 per cent of emergency repairs, 95 per cent of urgent repairs and 100 per cent of routine repairs were carried out within target times. This compares with corresponding figures of 94, 84 and 68 per cent for 2006/07. Satisfaction levels are at 97 per cent for the first month of the contract. The percentage of repairs where an appointment was made and kept has increased from 87 per cent for 2006/07 to 97 per cent for the first month of the new contract. Given that there are often teething problems with new contract arrangements in the early stages, these figures support a valid, if not conclusive, assessment that the new procurement arrangements for the repairs service is producing an improvement in outcomes for residents.
- 98 The level of customer care is still not consistent. While on site we had reports from tenants of unsatisfactory customer care by some operatives. This will be addressed as the new contractor rolls out and completes their improvement plan in the first six months of the contract. Inconsistent customer care by operatives leads to some residents receiving an unacceptable standard of service and results in lower levels of satisfaction being recorded.

### **Empty property repairs**

- 99 In the last inspection, we found that weaknesses outweighed strengths. Consultants had been employed since October 2005 to tackle poor performance on completion times and produce a coherent and comprehensive set of guidance, procedures, proformas and audit processes for the management of voids. These, together with the new technology being used, needed time to become embedded.
- 100 In this inspection, we found that there is a balance of strengths and weaknesses. This judgment has been informed by the fact that the new contract and administrative arrangements have only been in place for one month and although the early performance data on void turn around times shows a considerable improvement on the previous level of service, it is too early to make a reliable judgment on the new service. There is also evidence that full value for money is not being achieved and that the decoration policy is not fully customer focused.
- 101 There is a clear lettable standard that has been determined with the involvement of residents. The lettable standard now includes reference to decoration standards, and the full value of the decoration allowance voucher is paid at the start of the tenancy. The lettable standard enables new tenants to challenge standards and has improved the decoration allowance scheme.

- 102** SEH has put in place a financially stable and market tested voids repairs service. The previous service provided by the direct service organisation had a long history of generating annual deficits that had to be funded from the HRA. In the last year of operation the DSO had a trading deficit on its responsive and voids repair services of 3.5 per cent. With the new externalised works contract based on sound market testing, there has been a reduction in costs of 8.75 per cent. The voids repair service is now constituted on the basis of sound and value for money costs that enables more stable financial planning.
- 103** The administrative processes for voids repairs have been streamlined. The contractor undertakes the pre-inspections with the client side randomly monitoring the process for efficiency and probity. The contractor staff have Xembrace handhelds for inspection of voids for works specification. There is clear and explicit process mapping for the voids repair element of the reletting process. The contract has clear and challenging void repairs target based on volume and complexity of works required.
- 104** Performance on void repairs is mixed. Performance on turn around times has been steadily improving over the last few years reducing from an average of 85 days in 2005/06 to 38 days in 2006/07. While this is a significant improvement, it remains comparatively poor performance. However, it is a substantial achievement considering the run down of the DSO contract and the very difficult set of circumstances for staff and management in 2006/07. In our inspection of a small number of void properties we found that specified repairs had been done satisfactorily. With the new contract in place, there are early signs of significant improvement. The performance data for the first month of the new contract shows an average void turnaround time of 23 days. Given that there are often teething problems with new contract arrangements in the early stages, these figures support a valid, if not conclusive, assessment that the new voids repair contract is contributing to a significant improvement in turn around times for empty property.
- 105** Void repair completion times are not fully challenging. The minimum turnaround time placed on the new contractor is five days, though in practice some void properties with few repair requirements are returned earlier. However without challenging targets being built into the contract, the client is unable to maximise efficiencies in the void repair process.
- 106** The standard of decoration and the operation of the decoration allowance scheme is still not sufficiently customer focused. While SEH has improved the decoration voucher scheme in consultation with tenants, satisfaction survey data shows that one in four new tenants think it is poor. In our inspection of a small number of voids we also considered that the standard of decoration provided difficult challenges for those disabled or long term sick residents for whom a decoration allowance is of limited value. The impact of an ineffective and inequitable decorations policy can lead to refusals and can generate difficulties for those residents that are not sufficiently able bodied to undertake decoration work.

- 107 The void repairs contract does not represent full value for money. Repairs to voids are charged at a discounted rate (for responsive repairs) of 4 per cent. Good practice has established that a minimum of a 10 per cent discount would reflect full value for money.

### **Gas servicing**

- 108 On the last inspection we found that weaknesses outweighed strengths. Only 95 per cent of properties had a valid gas safety certificate, but procedures had been strengthened resulting in improvements from a much lower level earlier in the year.
- 109 In this inspection, we found that strengths outweigh weaknesses. This judgment has been informed by the fact that the new contract and administrative arrangements have only been in place for one month and although the early data on gas servicing shows a good performance against programme, it is too early to make a reliable judgment on the new service. The access arrangements in the initial stages are robust, although there is a lack of challenging timescales for completion of actions taken in response to non-access after the initial stages for which the contractor is responsible.
- 110 SEH has put in place a financially stable and market tested gas servicing and repairs service. The previous service provided by the direct service organisation had a long history of very poor performance and was clearly inadequately funded. In August 2006, external consultants reported that an uplift of 70 per cent was needed in the DSO's rates to compare and effectively compete for staff with other contractors in the market place. With the new externalised contract based on sound market testing, there has been a 26.5 per cent increase in costs which has been kept at this level of increase due to avoiding the overhead costs of a DSO. The gas servicing and repairs service is now constituted on the basis of a best value, market testing exercise that has put in place the level of resources needed to achieve top quartile performance.
- 111 The approach to maximising access at an early stage is robust. SEH has given incentives to tenants to provide access at the first gas servicing appointment. There is a prize draw for those granting access at this first stage. The contractor's procedure for maximising access involves three stages, if necessary. Each of these stages has a target timescale for completion. The process includes appointments with at least one week's notice, cold calling, and the opportunity for evening and weekend appointments. The programme is set in the first six months of the year, between April and October, with ample time then being provided for mop up and timely action on non-access cases. A robust access procedure and good information and incentives for tenants produces a reduction in non access cases.
- 112 Although too early to form a robust view on performance of the new contract, the performance data for April is positive with the contractor exceeding the programmed number of gas appliance services. Services that are in date at the end of April had increased to 98.14 per cent.

- 113 Improved value for money has been achieved in the specification of works to be undertaken by the gas servicing contractor. To maximise value for money, the testing of hard wired smoke alarms also takes place as part of the annual gas service check.
- 114 SEH has involved residents in the development and monitoring of the new gas servicing and repairs contract. Tenants attended tenderer presentations, went on visits to tenderers' premises, were involved in the tender evaluation process, and are involved in contract performance monitoring. The involvement of residents in tender evaluation and performance management improves customer focus and produces better outcomes for residents.
- 115 Performance monitoring is generally adequate. New contract arrangements are now in place with a more challenging set of KPIs. SEH monitors performance through formal monthly contract meetings and the contractor has set up an online database, which provides more up to date reports for the client.
- 116 Customer satisfaction with gas services is surveyed by both the contractor and the client at every point of contact and this feeds into the performance management process. Effective performance management of the works contractor is a key element in the achievement of good performance on gas servicing and repairs.
- 117 The procedure for dealing with cases that the contractor has not been able to gain access to is not fully robust. While the procedure sets out each process stage in detail, it does not include target timescales for completing actions in every instance. The efficient enforcement of action on non access cases is crucial to compliance with health and safety obligations with regard to gas servicing.

### **Aids and adaptations**

- 118 On our previous inspection we found that weaknesses outweighed strengths. In this service we found that weaknesses significantly outweigh strengths for the same reasons. This is a poorly developed service characterised by long delays and poor information for service users. While this service had been retained by the Council the ALMO does not have a service level agreement and could not provide evidence of monitoring of the Council's performance. There are still long delays in the provision of service, no medium or longer term demand assessment has been undertaken, and value for money for works has not been recently tested.
- 119 There are some value for money strengths, however, both in the funding of aids below £1,000 and in the recycling of aids, and there is an effective process in place for the recycling of aids. In addition, all aids and adaptations below £1,000 are funded from a joint council and Primary Care Trust budget, in accordance with best practice guidelines set out by the government. In 2006/07, 88 per cent of aids and adaptations below £1,000 were delivered within seven days and this performance is significantly better than the average wait of 13 months for all aids and adaptations. These value for money measures reduce waste and provide more equitable funding arrangements for council tenants on aids and adaptations below £1,000.

- 120** Joint working between the ALMO and the council is not effective. The adaptations service has been integrated across tenures and the service is retained by the Council. Although this is an acceptable form of provision, the standard of service is poor and this has significant impacts on SEH's customers. We would have expected to find a more active involvement from the ALMO, at least to the level of monitoring the Council's performance and promoting the interests of its tenants, through improved service delivery. We were shown a draft policy and procedure that the council had recently produced but there is no evidence of user and stakeholder involvement in the production of this. The lack of effective joint working impacts adversely on the standard of service SEH residents receive.
- 121** The average waiting time for aids and adaptations demonstrates a poor service for some of the most vulnerable residents in the borough. Although waiting times are decreasing they are still protracted. Waiting times for the service decreased from 30 months in March 2005 to 24 months in March 2006, and to 13 months at March 2007. This falls short of the aspirations for the service which would have seen the waiting time reduced to 12 months by the end of 2005/06 and eight months by the end of 2006/07. These unacceptably long waiting times entail a poor level of customer focus in the design and resourcing of the service.
- 122** The information for tenants about the service has significant gaps. Although there is some evidence that customers are kept informed of the progress of their application, there is no service standard published, and no performance management information distributed on a regular basis to all stakeholders. The lack of information can result in frustration for the service user and makes it difficult to challenge the poor levels of service.
- 123** Customer satisfaction surveying is not robust. Although there is high user satisfaction with the service (a survey of the clients of major works has shown that 97 per cent are satisfied with the aid or adaptation), this outcome is not unusual or surprising as this solely measures satisfaction that the aid or adaptation has been installed or completed. More sophisticated survey work is required to better understand the users' views of the different aspects of the service, and this should include those who have not yet received assessment or works. The lack of robust satisfaction masks the poor level of service that is being provided to vulnerable residents.
- 124** There has been no robust assessment of demand and resources for aids and adaptations over the medium term. While there is acknowledgement of high and growing disability within the local community, especially within the council tenant population, there has been no assessment of the resource requirement in the medium and longer terms for residents. The absence of such an assessment and a strategy for addressing longer term needs entails that the service is not sufficiently resourced and prospects for improvement in the medium term are poor.

- 125 Works, fittings and materials have not been recently market tested to ensure value for money. At the moment the council has its own suppliers and contractors and charges the cost of adaptations to the Housing Revenue Account. No soft market testing has been undertaken to evaluate whether the new housing planned maintenance contractors could provide a better value service. Value for money outcomes have an added impact where demand outstrips supply, as is the case in this service.

### **Housing income management**

- 126 In the last inspection we found that this was an area of weakness. Although there were good processes for dealing with rent debt and arrears had been falling in the long-term, comparative performance on rent collection to 2004/05 had not been good and former tenants' arrears were increasing. There was no proactive approach to money and debt advice and rent could not be paid by direct debit. The processes for dealing with former tenants' arrears were not well connected to housing management.
- 127 In this inspection, we again found that this is an area of weakness. Although direct debit (DD) has been implemented and well promoted improvement in rent collection has stalled and the new specialist approach for arrears recovery has been poorly implemented. Money and debt advices services have deteriorated, and there is a lack of challenging targets set for current and former rent arrears recovery.
- 128 SEH has widened its methods of rent payment and improved value for money. It has effectively promoted this new option and now 550 tenants have signed up for DD payment in the four months that it has been made available. This represents almost 20 per cent of eligible tenants. South Essex Homes has also improved the range of payment options available to residents with the introduction of Payment Cards enabling residents to make payments at over 70 locations in the town. Direct Debit is the most cost effective methods of collecting rent (15 pence per transaction) and payment cards have extended the range of venues throughout the borough where residents can make rent payments. Payment cards have generated a saving of £4,000 on the production of rent cards.
- 129 Comprehensive service standards have been developed on both rent payment and arrears recovery in partnership with residents. These are promoted through a new leaflet, 'Paying Your Rent'. Service standards set out transparent standards which enable residents to challenge service delivery that falls short of these standards.
- 130 Quarterly rent statements are provided and rent statements are also provided on demand. However the quarterly statements do not provide a breakdown of the rent charge components and service charges that make up the rent payment. Detailed and regular information on rent accounts keeps residents informed on what their rent funds and highlights the importance of paying rent.

- 131** There is an effective Service Level Agreement (SLA) in place with the council's Housing Benefit Service. This provides support for SEH staff to verify benefit claim information and provides up to date access for staff on the progress or status of any outstanding claim. The SLA also guarantees a streamlined service in the processing of any claim where court action is imminent. Working protocols with the housing benefit service enables housing staff to undertake more effective and efficient arrears recovery work.
- 132** SEH is still not performing well in rent collection, and improvement has stalled. In 2004/05 the percentage of rent collected was 97.2 per cent. In 2005/06 it had risen to 97.54 per cent, and this has only marginally increased to 97.58 per cent in 2006/07.
- 133** The introduction of specialist teams for rent arrears has not been effectively managed. SEH piloted a specialist approach in autumn 2006 and then proceeded to roll out the pilot approach of allocating case work to staff on the basis of arrears value bands. This has recently been found to be an inefficient approach lacking customer focus as it could mean a household in arrears being dealt with by different staff, depending on a movement in their arrears sum. The specialist approach has now been amended to a patch basis. There have been inefficiencies incurred through a lack of planning and failure to assess the operation of the pilot and then to apply the lessons learned.
- 134** Current arrears policy and procedures need to be revised and a new training plan developed in the light of the new specialist approach and improved performance that is aspired to. Arrears policy and procedures have not been reviewed as part of reconfiguration within specialist teams. There are new working practices and associated training requirements on welfare benefits in particular that require a review and update of policy and procedure if the new specialist team approach is to have a significant impact on performance. The lack of comprehensive procedures customised to operational structure put in place reduces the effectiveness of the new approach.
- 135** There are significant gaps on welfare rights advice and money advice services. The council has withdrawn the money advice service that was in place at the time of the last inspection. There is no working protocol in place with the local Citizens Advice Bureau or other local welfare benefits agencies. This is a significant failing especially in the light of the Inspection report recommendation to develop a more pro active role on money advice and the measurement of outcomes. The lack of accessible and good quality welfare benefits advice reduces the effectiveness of arrears recovery work and can compound the situation that many low income households, in arrears, are in.

- 136 There is little welfare rights training for staff and staff are not well equipped to provide advice to residents in arrears. Although there is an electronic aid on calculating housing benefit entitlement HB calculator available on their desktop computers, which allows staff to make HB assessments when working at their office staff do not have laptops for accessing this aid when visiting residents in their homes. Also, staff are unable to provide information on income thresholds and resultant payments for non-dependents in the household, and there is no clear guidance given to staff on how to do income and expenditure assessments and thereby calculate and negotiate the maximum affordable repayment sum that the resident in arrears should pay.
- 137 The performance management of current arrears recovery is not robust. There are no set of targets in place for rent arrears recovery for 2007/08. A comprehensive set of targets should include targets by patch and arrears bandings. The performance monitoring reports still do not report performance on the percentage of rent collected, although this is due to start in July 2007. It should be noted that effective arrears recovery has also been hampered by the implementation of a new Housing Benefit system which has effectively meant that the Housing Benefit Service was not 'in operation' for six weeks. SEH and stakeholders are not able to assess performance on a reliable basis.
- 138 Performance on the administration of former tenant arrears (FTAs) is mixed. A new debt recovery agency for FTAs was engaged in January 2007, although there is no outcome data as yet. SEH is now complying with the current procedures for write off and there is no backlog of cases for write off. However, there is a lack of challenging targets set on the recovery of former tenant arrears. An overall target to reduce to £498,000 was set and met for 2006/07 and a target of £450,000 has been set for 2007/08. It is not clear what specific target there is for recovery of FTAs. Also, there is no clear guidance in FTA procedures on triggers to the level 2 tracing and recovery process.
- 139 SEH incurs cost inefficiencies as a result of its agreement to collect water rates, as it remains the collection agency for the water authority until April 2008. Although the agreement does require 12 months notice of termination and SEH has taken the view that a mid year change is best avoided, there are cost inefficiencies being incurred as the commission fee for collection does not cover the arrears that are being paid by the council. The council has not provided the figures on this deficit.

### **Resident involvement**

- 140 In the last inspection we found that strengths outweighed weaknesses. There was increasing and improving engagement with residents at a strategic level. Residents had been extensively engaged in the option appraisal process, recruitment of senior officers and board members and were represented on the board of SEH. However, opportunities to feedback into the service on a day-to-day basis were limited and there was an absence of a robust and up-to-date tenant participation strategy.

- 141** In this inspection we again found that strengths outweigh weaknesses. The range of options for involvement have been expanded further and include both formal and informal processes. There is evidence of resident involvement resulting in changes in policies and service delivery processes and there has been an increase in satisfaction with opportunities for participation. However there has been no value for money assessment of the various options and processes to better inform the investment of additional resources that has been agreed.
- 142** SEH offers a wide range of methods by which tenants can become involved in shaping services and influencing improvements. These include both formal and informal processes by means such as, Board membership, tenant and resident associations, focus groups, block or street voices, and members of the tenant's panel. The Approach to resident involvement ranges from the most basic level (such as choosing colour schemes when communal areas are redecorated or window designs) through to strategic development. A range of formal and informal options for involvement enables more residents to get involved at the level that suits them.
- 143** SEH provides a high level of resources for resident involvement. The budget to support resident involvement has increased from £40,000 in 2006/07 to £55,000 in 2007/08 to support the expanded activities. It provides financial support for representatives, voices and groups and annual grants for residents and tenants associations. It provides support to both groups and individuals through its resident support workers.
- 144** SEH has developed resident involvement through its mystery shopping scheme. Mystery Shoppers undertake three 'shopping sessions' per year undertaking a reality check in a range of service areas. Findings are reported to the Senior Management Team, the Improvement Plan Implementation Group and in 'Stars' magazine. An action plan of the findings ensures that there is applied learning.
- 145** There are many examples of residents views influencing both policy and service delivery, and examples include introductory tenancies, one-stop shop/contact centre arrangements, asset management programmes and caretaking.
- 146** SEH involves residents in improving the environment around their homes. It operates a resident led project scheme through which residents can bid for work such as landscaping areas or improved lighting. They are given support, if required, with bidding. There is a relatively small annual budget of £60,000 for projects within this programme, which has funded over 30 projects so far.
- 147** SEH has established 12 focus groups which cover all of the organisation's service areas and feed in to the organisation's committee structure. These groups enable resident's views to inform strategies and service delivery processes and policy in every service area.
- 148** There has been an increase in satisfaction with opportunities for participation. The STATUS survey undertaken in 2006 showed that satisfaction increased from 65 per cent in 2003 to 69 per cent at the time of inspection. Satisfaction with opportunities for participation increased significantly among black and minority ethnic residents, with 70 per cent reporting that they were satisfied with opportunities for participation, compared to 59 per cent in 2003/04.

- 149 There has been no assessment of the relative effectiveness and cost efficiency of the range of resident involvement processes and mechanisms. There has been a significant expansion in the options and mechanisms for resident involvement in the last two years and this has also resulted in a significant increase in the budget of almost 40 per cent. A value for money assessment of the various processes will better inform the investment of resources.

### **Tenancy and estate management**

- 150 In the last inspection we found that there was a balance of strengths and weaknesses in this service area. The arrangements for tenant management were generally good but had been effected by inconsistent delivery and insufficient focus on establishing a tenant profile and using this to inform services. Work around ASB was generally good although this was not helped by poor IT systems. There was recognition that estate management was weak but positive action was being undertaken.
- 151 In this inspection we found that strengths outweigh weaknesses. ASB is generally well managed with a wide range of approaches in place. The caretaking service has been improved and is now working to service standards agreed with residents. Estates are well maintained generally. However, ASB casework files are not always robust, and there is no clear policy or plans for investing in works that contribute to the reduction of crime and disorder on estates.

### **Tenancy management**

- 152 There is a high level of commitment and enthusiasm from staff involved in tenancy management, estate management and the caretaking service. Staff support the reconfiguration of the service into specialist teams and have confidence in the improvements plans for these services. The enthusiasm and commitment of staff are major contributory factors to the improvement of these services.
- 153 The tenancy agreement has been reviewed in line with the Office of Fair Trading (OFT) guidelines and this review has been undertaken with the involvement of residents. The agreement is currently being checked for Crystal Mark compliance. The tenancy agreement clearly sets out the respective responsibilities of the landlord and tenant.
- 154 The ASB service is promoted and is accessible for residents. Incidents can be reported at area offices, or over the phone, or via estate based staff. Reports can also be made to SMAART - the Southend Multi Agency Anti-Social Behaviour Response Team, which is also well promoted. There is a common reporting form for recording incidents across the borough. Well promoted access and an inter agency approach to ASB encourages victims of ASB to feel that there will be a positive response their complaints.

- 155** Staff are well equipped to respond effectively to anti-social behaviour. Relevant staff have received regular training on enforcement and preventative measures including briefings on current initiatives such as restorative justice projects and family intervention. Staff are enabled to provide a good quality service due to the training they have received.
- 156** SEH provides a wide range of support for victims and witnesses of ASB, harassment and domestic violence. Support is outlined in the service standards and the ASB compact, which includes the provision of security measures such as alarms, court familiarisation, and assistance with gathering and recording evidence.
- 157** SEH uses a range of measures to prevent and address ASB, including working with perpetrators. SEH has recently agreed to expand options further and to pilot the use of demoted tenancies. Taking a pro active approach to resolving ASB caused by perpetrators helps to reduce the level of serious ASB.
- 158** SEH offers an independent mediation service to residents to assist with preventing and resolving ASB. The service provides regular feedback to SEH on referrals which demonstrate the effectiveness of the service. This reflects a value for money approach to options used in addressing ASB.
- 159** SEH works effectively with partners to prevent and address ASB. Examples of this include liaising with police and schools regarding relatively minor ASB in flat blocks at Shoebury, working with the Fire and Rescue Service regarding a fire starter, and work with the Youth Offending Service both on diversionary activities and support for young people.
- 160** The support needs of new tenants re-housed from hostels are assessed and addressed through exchange of information with allocations and tenancy staff. This is followed up with visits after four weeks for new tenants, the purpose of which is to check for any vulnerability that was unknown at the start of tenancy. Staff are accessing support services and floating support for vulnerable tenants to help them to sustain their tenancies.
- 161** SEH actively seeks to obtain customer views on the ASB service. It has recently introduced satisfaction surveys which are sent to service users when the case is closed, although to date there is little trend information available.
- 162** Estate management services are working effectively to support effective action on anti-social behaviour. For example, caretakers use simple forms to record and refer reports of ASB to the specialist officers. Caretakers have cameras for recording evidence such as offensive graffiti and vandalism and, where appropriate, are involved in gathering and recording evidence and discussing potential solutions to ASB problems.

- 163 There are adequate day to day performance management arrangements in place regarding vacant properties. There are weekly meetings involving staff involved in key stages of the process where progress with individual properties and overall performance is discussed and any necessary action agreed. There are now also weekly meetings with the contractors. Regular monitoring of vacant properties helps to ensure that problems are identified and addressed promptly and that the time properties remain vacant is minimised. Performance on turn around times has been steadily improving over the last few years reducing from an average of 85 days in 2005/06 to 38 days in 2006/07.
- 164 ASB policies and procedures are not fully up to date and do not fully reflect current legislation. All ASB policies and procedures are to be reviewed by December 2007. Currently harassment is integrated into wider policy, but the Equalities and Diversity action plan includes a review of Domestic Violence and Racial Harassment and an intention to separate them out into discrete policies.
- 165 There are gaps in tenancy management administration. Legal advice from the service provider is not always sufficiently prompt and affects SEH's ability to provide a responsive and effective service. There is no ASB Database to provide a case management system with a clear escalation policy, and staff do not have clear guidance and referral information for agencies which can offer support to vulnerable residents.
- 166 Case work documentation is not always robust. ASB case file notes are not consistently clear, which could hamper effective enforcement action. Until very recently there have been no quality assurance arrangements in place to ensure consistent and appropriate ASB case handling. Consequently, some ASB cases have not been managed well with some showing limited and inadequate action following the initial response.
- 167 Residents are not always kept informed of progress on an ASB complaint they have made. SEH acknowledges that this is a weakness and that this has been mentioned in feedback from customers.

### **Estate management**

- 168 SEH has revised its caretaking service to address residents concerns and to provide a more consistent service across the borough. In 2006 it replaced the residential caretaking service with a mobile service. A caretaking standards manual has been developed. Caretakers are now provided with effective guidance on their role and the standards to which communal areas are to be maintained. The mobile Caretaking team now operate to a schedule that is displayed on each floor of each block that they service.
- 169 There are effective arrangements in place for the removal of bulky items and graffiti. There are clear targets for graffiti removal and removal of bulky items is prioritised according to its location and an assessment of the risks. A two person team carries out this work on a responsive basis, acting on reports from caretakers and other housing staff.

- 170** Common areas on estates are well maintained. Reality checks by the Inspection team found external common areas to be well maintained and internal communal areas to be very clean.
- 171** There is clear information given to residents about caretaking services. Service standards for estate management set out frequency of services and targets. In addition there is a specific Caretaking Compact. Schedules are displayed in blocks and on the website.
- 172** Resident involvement has informed the improvement of the caretaking service. SEH has carried out consultation with residents on environmental quality issues, and used feedback to inform the caretaking review and also in the grounds maintenance review.
- 173** There are high levels of satisfaction with grounds maintenance services. SEH has sought customer views on its estate services by commissioning an independent survey. The ENCAMS survey showed no significant dissatisfaction with grounds maintenance services.
- 174** The SLA with the council for grounds maintenance is not sufficiently robust in terms of the client monitoring role, sharing of information on complaints and service improvement. The SLA was due for review in early 2007 but this has slipped. There are liaison meetings between SEH and the council at which the monitoring and standards of work are discussed but there is a lack of clarity on respective roles in relation to complaints and management of the service.
- 175** There are currently no published service standards for the grounds maintenance service. Standards are being developed in consultation with customers who are part of the grounds maintenance focus group. The group is also in the process of agreeing how residents can become involved in monitoring the service. The lack of clear standards means that residents are not aware of the standard of service they should receive and so cannot effectively complain when the service fails to meet their expectations.
- 176** SEH is not yet using estate walkabouts and inspections effectively. While walkabouts are taking place, these have not been carried out effectively and consistently across the borough. Walkabouts involving residents, staff and other agencies used to be carried out quarterly but this was cut to six monthly because the ALMO was unable to respond effectively to the number of issues raised in the walkabouts. Not all staff are clear about arrangements or what outcomes of walkabouts and inspections have been. SEH has also not established clear and effective arrangements for feeding back the outcome of inspections or walkabouts to local residents and residents generally. Although a new inspection framework has very recently been agreed it is too soon to judge how effective these new arrangements will be.
- 177** Service standards on noise nuisance are unclear. Noise nuisance cases are referred to the council where noise monitoring equipment is required but there are no clear response targets in place and ongoing liaison arrangements are unclear. This means that customers may not receive clear information about how their complaint report is being handled and cases are not progressed promptly.

- 178 Crime and disorder reduction measures and programmes are underdeveloped. SEH is not able to address issues in some blocks, for example poor quality door entrances easily subject to repeat vandalism. The Asset Management Strategy does not effectively address environmental improvement and specifically there are no plans or investment for crime and disorder reduction works in the medium term.

## Is the service delivering value for money?

- 179 In our last inspection we found that this was an area of weakness. There were few aspects of the landlord service where SEH could evidence an awareness of its costs. Limited benchmarking had been undertaken but this was not sufficiently developed to ensure that SEH had a robust awareness of how its costs compared with other organisations. The approach towards the management of value for money was underdeveloped and SEH had still to adopt modern procurement methods to deliver the repairs and maintenance service.
- 180 In this inspection we found that there is a balance of strengths and weaknesses. Significant progress has been made on the procurement of asset management services, where planned maintenance, responsive and void repairs, gas servicing and repairs, and other cyclical maintenance works have all now been market tested and are procured through a modern procurement framework. SEH has also made almost £400,000 of value for money savings on revenue budgets in 2006/07, mainly through reconfiguration of service delivery. However, benchmarking has not been robustly undertaken and there is a lack of SMART action plans to comprehensively address value for money across the organisation. Value for money of SLAs has not been demonstrated.

## How do costs compare?

- 181 The new responsive and void repairs contract has generated a reduction in costs of 8.75 per cent and this figure has been externally validated. The gas servicing and repairs contract has also now been let on a value for money (VfM) basis and although it entails an increase in cost, it has now been procured through market testing and is on the basis of being properly resourced to deliver the required service quality at the minimum cost. In addition, all planned maintenance contracts have been let within a modern procurement framework and are programmed to commence in July 2007. Improved planning and systems in repairs and maintenance services have produced savings.
- 182 The ratio of planned to responsive works funded by revenue has substantially improved with planned works now accounting for 58 per cent of annual revenue expenditure.
- 183 Improvements in void repair processes have contributed to a significant reduction in rent loss from void properties, which were relet within an average of 38 days in 2006/07, compared to 85 days in 2005/06.

- 184** SEH has introduced changes to service delivery processes that are generating substantial VfM savings. SEH has radically changed its service delivery structures and processes by introducing a single Customer Services Team supported by specialist teams. The savings are largely in management and premises costs and these savings amount to £72,000 in 2006/07 and total £257,000 over the first five years of operation.
- 185** SEH has made cashable savings on revenue amounting to almost £400,000 in 2006/07. The VfM Register sets out the range of initiatives which have generated these savings, the principal actions being the restructuring of property and finance services, and a reduction in the use of agency and consultancy services.

### **How is value for money managed?**

- 186** A modern procurement approach is being rolled out across all asset management services. Significant progress has been made on the procurement of asset management services, where planned maintenance, responsive and void repairs, gas servicing and repairs, and other cyclical maintenance works have all been market tested and are procured through a modern procurement framework.
- 187** The Value for Money strategy is not fully robust as it has not been informed by comprehensive benchmarking from which priorities and SMART action plans have been developed. While some benchmarking has been done and some priorities have been set, SEH is still not aware of where the weak areas are in comparison with other like organisations. Given that there is a requirement to reduce HRA costs from current budgeted levels by about one million pounds per annum until March 2009 at the same time that South Essex Homes will be required to improve services to a two star level, robust benchmarking and setting priorities accordingly are crucially important.
- 188** SEH has not undertaken benchmarking of SLA services and not set targets for VfM savings. The negotiations with the council are programmed to be largely completed by October 2007 yet there is no clear basis for ensuring that value for money is maximised, based on benchmarking outcomes elsewhere.
- 189** The costs benefit analysis of access arrangements has not yet been actioned. SEH is undertaking a value for money assessment of their area offices as agreed with residents and will be presenting the results and options appraisal to residents in July 2007. This was a recommendation from the last inspection report.
- 190** There is no clear process for involving residents in the VfM strategy and the use of cashable savings. Decisions on the redeployment of savings are taken by management with outcomes being at best reported to residents.
- 191** SEH cannot demonstrate that it is achieving value for money in some aspects of its estate management services. The grounds maintenance services were last tendered over five years ago. SEH does not know how costs compare with other providers nor whether residents view the service as value for money.

- 192 Void repair prices do not demonstrate VfM. The schedule of rates prices are only 4 per cent less than that charged for the same repairs to tenanted properties. Good practice shows that at least a 10 per cent reduction would represent value for money.
- 193 SEH has a limited understanding of the costs of the ASB service and how these compare. For example, it pays for legal services under an SLA with the council which is set at a fixed annual fee, but is not currently aware of how much ASB work is carried out under this agreement or whether it could get a more cost effective service from another provider.
- 194 SEH has only a limited understanding of value for money in resident involvement and is in the early stages of work in this area. It is involved in the London and Counties benchmarking group, but this has been of limited use to date in getting a better understanding of its costs.

## What are the prospects for improvement to the service?

### What is the service track record in delivering improvement?

- 195** We consider that strengths outweigh weaknesses in SEH's track record in delivering improvement. SEH has implemented major changes in its operating policies, operations structure, and delivery systems, all in a relatively short period of time since the inspection in 2006. While it is inevitable that in such a short space of time there will be limited evidence of improved service outcomes, there is some evidence to show improvement is being achieved in a number of key services. Specifically, there has been improvement in the range of asset management services, both in terms of service delivery and value for money, as a result of market testing and new, modern procurement contracts. Also, the recent reconfiguration of service delivery in access arrangements and in tenancy and estate management also shows positive outcomes. However, the track record in delivering improvement in housing income management services remains a weakness.
- 196** SEH has taken major decisions to radically improve value for money in asset management services. It has market tested its DSO for repairs and maintenance services and then outsourced this service, despite the difficulties involved for the organisation and for DSO staff in particular. The new procurement contracts for responsive and voids repairs, and for gas servicing show significant improvement in performance for the short period of time since their commencement. SEH has recently approved new contracts for planned works that are based on a modern procurement approach.
- 197** SEH has transformed its service delivery structures and systems for access arrangements in response to its poor track record in these areas. It has abandoned its traditional generic approach to the delivery of these services and established and invested in the creation of a one stop shop service for initial service enquiries with specialist service teams in each service area. Although these have only been established recently there is evidence in improved levels of resident satisfaction and in service improvements in access arrangements and tenancy and estate management services.
- 198** There has been a sustained and substantial improvement on turn around times for the reletting of empty property. Turn around times since 2005/05 have declined from 85 days to 38 days at the end of March 2007. With the new contract arrangements in place this has now declined further to an average of 23 day, although it is too early to judge whether this will be sustained for the whole year.

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- 199** There has been an improvement in routine repairs completion times in 2006/07. These rose from 57 per cent in 2005/06 to 68 per cent, despite the DSO knowing in the latter part of the year that it had lost the tender for repairs. The performance data for the first month of the new contract shows that 100 per cent of routine repairs were carried out within target times.
- 200** In addition, there has been progressive improvement in appointments made and kept. The percentage of repairs where an appointment was made and kept has increased from 79 per cent in 2004/05 to 87 per cent for 2006/07. In the first month of the new contract in 2007/08 97 per cent of repairs had an appointment that was made and kept.
- 201** SEH has introduced new methods of rent payment and improved value for money. It has effectively promoted Direct Debit (DD) and now has 550 tenants signed up for DD in the four months that it has been made available. This represents almost 20 per cent of eligible tenants. South Essex Homes has also improved the range of payment options available to residents with the introduction of Payment Cards enabling residents to make payments at over 70 locations in the town.
- 202** There has been no substantial improvement in track record on rent collection and arrears recovery. There has been an increase in the percentage of rent collected in the last two years although this is not substantial. In 2004/05 the percentage of rent collected was 97.2 per cent. In 2005/06 it had risen to 97.54 per cent, and this marginally increased to 97.58 per cent in 2006/07.
- 203** Satisfaction levels with opportunities for participation increased to 69 per cent in 2006/07. There has also been an increase of 81 per cent in compliments from residents and a decrease in complaints in 2006/07.
- 204** Satisfaction levels with the overall service declined from 73 per cent in 2003/04 to 71 per cent in 2006/07.
- 205** There was a decline in the percentage of emergency and urgent repairs completed on time in 2006/07. The decline from 96 to 94 per cent and 85 to 84 per cent respectively can in some part be explained by the fact that the DSO staff knew that the DSO had lost the tender for repairs from 2007. There was also an increase in the number of days to complete right to repair orders, from 14 days to 16 days in 2006/07. However the performance data for the first month of the new contract shows 98 per cent of emergency repairs and 95 per cent of urgent repairs were carried out within target times.

## How well does the service manage performance?

**206** Overall, SEH has made satisfactory progress in addressing the recommendations for improvement of the 2006 Inspection report. Not only has it had a limited period of time to implement the improvements, it has simultaneously embarked on a major reconfiguration of both its asset management and housing management services, which it decided was essential to delivering and sustaining these improvements. The progress on specific recommendations is as follows.

- Full or substantial progress on four of the recommendations in the June 2006 Inspection report:
  - providing clear and comprehensive information about services on the website and information leaflets;
  - provide awareness training on diversity and equality to all staff and Board members;
  - develop a zero based budget approach and ensure that all managers are provided with monthly reports on their budgets; and
  - maximise the rent payment methods for tenants, having consulted them.
- Partial progress on the following eight recommendations.
  - Review service standards to ensure that they can be effectively measured and ensure that performance is reported on all areas including reporting to tenants.
  - Ensure the robust application of the complaints procedure and ensure that all complaints, compliments and comments are captured and analysed.
  - Establish systems to gather regular feedback from customers and using this information to inform service development.
  - Build up information on the customer profile to increase the understanding of the diverse needs of the community.
  - Evaluate the provision of training to ensure that it is achieving desired outcomes.
  - Include strap lines on all leaflets to indicate their availability in other formats.
  - Undertake a cost benefit analysis of area offices.
  - Implement more robust procedures for the collection of former tenant arrears and rechargeable repairs.
- Little or no progress on the following four recommendations.
  - Undertake diversity and equality impact assessments in the establishment of all plans and strategies.
  - Ensure that value for money assessments are undertaken with all established service level agreements.

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- Include the percentage of rent collected in performance management information.
- Take a more proactive approach towards money and debt advice and measuring the outcomes.

- 207** SEH has improved its strategic planning with a range of new strategies in place. There are improved opportunities for resident involvement in service planning and monitoring of performance through new Focus groups. SEH has a process in place for the review of progress against service plans, with managers required to report regularly to the Senior Management Team on progress against deadlines, and on any issues which may prevent completion of tasks by the due date.
- 208** SEH has improved the way it presents performance management information. The format for reporting performance is presented in an accessible way, within a traffic light format. It also reports to residents through its quarterly 'Insight' magazine on how it is progressing. SEH is now undertaking a review of its performance management system and has a plan to strengthen and streamline the system with the inclusion of customer satisfaction survey data, trends, performance against key service standards and targets with reports being customised to the various target audiences be they residents, staff, managers or the Board.
- 209** SEH is putting in place major organisational systems changes to improve performance including specialist teams, new procedures and IT systems. It is implementing changes to service delivery processes that will generate VfM savings. SEH is radically changing its service delivery by introducing a single Customer Services Team and specialist teams. The savings are largely in management and premises costs and these savings will amount to £72,000 in 2006/07 and total £257,000 over the first five years of operation. It has also invested in an integrated IT system of asset management that will be in place by December 2007.
- 210** The new repairs contractor has agreed and is implementing a continuous improvement plan for the repairs service. This involves re engineering processes and refining performance management and improving customer focus.
- 211** It has carried out a thorough assessment of its current position with respect to the Code of Practice for Rented Housing and has identified action necessary to comply with it and is implementing those actions.
- 212** There are substantial examples of applied learning from good practice elsewhere. There are two major examples of applied learning in particular. Firstly, the roll out of modern procurement across all asset management services and secondly in the reconfiguration of the housing management service from a traditional generic delivery model into a 'One Stop Shop' reception service backed up with specialist teams focusing on distinct service areas.

- 213** SEH can demonstrate other applied learning as a result of encouraging the involvement of residents. For example, as a result of analysis of complaints and discussions with residents, SEH concluded that there were systematic problems with the then caretaking service. Consequently, it reconfigured the service with the introduction of mobile caretakers and procedures for improving and standardising services across the borough. There is also a clear mechanism in place by which findings of mystery shopping exercises are translated into action.
- 214** SEH has improved performance management of the gas servicing and repairs contract. There are 14 KPIs on which progress is not only reported at monthly meetings but which can be regularly accessed for up to date performance by the client through the contractor's website.
- 215** SEH does not yet have clear plans in place as to how it will use the resident profile which it is in the process of compiling. While it has plans for the collection of the information it has not clarified how it will use the data. A focus group involving staff and residents has been set up to discuss this.
- 216** SEH does not effectively monitor and report its performance against service standards. While performance against a number of standards is checked through a variety of methods, including mystery shopping, and a review of possible methods of monitoring and reporting has been carried out, no overall reporting framework has been agreed and implemented. This was recommended to SEH in the voluntary improvement support provided by the Audit Commission. This means that neither the ALMO nor tenants know how well it is performing or whether the service is improving in respect of all the issues covered in the service standards.
- 217** SMART action and improvement planning is not robust. Specifically, plans do not show how actions and component tasks are to be achieved and resourced. SEH does not have robust methods of measuring progress on each recommended action and their component tasks within a SMART framework and does not have robust processes for evidencing outcomes. For example, a set of local indicators has not yet been agreed for all services now provided by specialist teams; a set is currently being developed against which performance improvements will be measured. Also, while changes were made to the caretaking service in 2006 following customer consultation, SEH has not carried out any follow-up survey of those customers who the changes were intended to benefit to check that the changes have achieved the original objective.
- 218** Several strategies do not have a SMART action plan. The performance monitoring format for the June 2006 inspection recommendations is also not fully SMART and does not clearly show progress on component tasks nor evidences outcomes.

- 219** The performance management system is not yet fully effective. Performance on key service standards is not recorded and reported and the reporting format is not customised for the different target audiences. For example, there are limited PIs for resident involvement nor on equalities and diversity. Also, monitoring arrangements for the contact centre are not fully established and there is a lack of clear, quantifiable targets regarding equality and diversity issues and inadequate performance reporting on this. The reporting format lacks information on trends over the medium term and comparative data with other similar organisations and does not show running averages for the year. Targets are not consistently or realistically set over the medium term to achieve top quartile performance.
- 220** SEH has inadequate performance management arrangements in place for its ASB service. Current recording and reporting systems do not prompt action at key stages and there is no formal reporting of performance against response targets. The ASB log is used by managers to identify hotspots and trends but its use is limited.
- 221** The performance management of rents arrears recovery is not robust. Although planned for the performance management report in the first quarter of 2007/08, SEH has yet to report performance on the basis of percentage of rent collected. It has not benchmarked its performance against up to date performance of other like organisations, and has not set targets for reduction in arrears for 2007/08.
- 222** Some strategy documents require streamlining and merging to improve focus on outcomes and to reduce inefficiencies. For example, the Human Resources strategy in effect replicates the Organisational Development Strategy and there is no SMART action plan in response to the staff survey in 2006. Strategies and plans also do not make a clear differentiation of inputs, outputs and outcomes. Consequently some managers are not clearly focused on the achievement of improved service outcomes and sometimes equate an organisational input with an outcome.
- 223** The lack of benchmarking is restricting SEH's plans for improvement in value for money. It has not benchmarked its services to assess relative VfM and identify priorities for action. It has identified some areas for focus in 2007/08 but the basis for these areas being adopted as priorities is unclear. SEH has yet to benchmark its SLA costs and undertake appropriate soft market testing and consequently has not developed target improvements for its SLA negotiations with the council.
- 224** The draft Income Management Strategy is not fully robust. Some recommendations from the 2006 inspection report are not adequately addressed such as timely equality impact assessments and in relation to a more robust approach towards money and debt advice.

## **Does the service have the capacity to improve?**

- 225** The Board has a good range of skills, and relationships between members are good. The Board has a unity of purpose on improvement. It has played a positive role in the improving relationship with the council and the council now has growing confidence in SEH, as evidenced by agreeing that SEH has the client role on revenue repairs contracts and increasing the threshold from £25,000 to £50,000 for the client role on capital contracts.
- 226** The Board understands its role and effectively exercises its strategic and monitoring roles. It has made major decisions to reconfigure, and in some cases, outsource service delivery. It has engaged an external consultant to review all its Governance arrangements and to produce an improvement plan for implementation by 2008.
- 227** There has been an increase in management capacity within SEH. The council states that the performance of both management and the organisation has considerably improved in the last 12 months, evidenced by managers reconfiguring service delivery across the board.
- 228** SEH has invested in the engagement of external expertise to assist it with the major reorganisation and reconfiguration of services. SEH has used external consultants where there is insufficient in-house expertise and experience to roll out modern procurement across its asset management services. The use of consultants has increased its management expertise which was necessary to achieve its ambitious goals on service improvement and organisational development.
- 229** SEH has made significant improvements in its human resources management. There is some evidence that staff morale has improved from the low base following the inspection in 2006. SEH has introduced a more robust and focused staff appraisal and development scheme. The scheme was introduced in October 2006, key competencies have been identified, and it includes quarterly reviews against the staff member's targets and development plans. SEH has invested in improved internal communication. There is a Staff Suggestions scheme, a Staff Forum, a regular newsletter (STARS), an Intranet, and new procedures to underpin two way communication between management and staff. SEH has substantially reduced the use of temporary or agency staff in the last 12 months from 60 to 26 and is working towards no longer using temporary staff.
- 230** SEH has demonstrated its commitment to achieving value for money in the procurement of asset management works by subjecting the vast majority of its asset management works to external competition and establishing new procurement arrangements within a modern procurement framework. Annualised savings of the reduction in consultancy and agency staff costs is almost £200,000. SEH has successfully attracted external funding to help in its work to address anti-social behaviour and is tapping into other external funding which is supporting other relevant projects on the topic, such as the Family Intervention Project and extended parenting scheme. SEH obtained £5,000 to support a mini-moto campaign to address youth nuisance on its estates.

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- 231** Sickness management is not yet fully robust. The average number of days lost through sickness is 12, although there are some early signs that this is improving following the repairs service TUPE and the early retirement of five long term sick staff.
- 232** While training has been provided for board members, take up is patchy in some areas with some Board members failing to attend Equalities and Diversity, VfM, and Housing Finance training. Given the importance of these areas to SEH achieving its core objectives, and the Board's role in driving improvement then all Board members need to be trained in these key areas for improvement.
- 233** Leadership development and change management training has not been undertaken for middle managers despite major changes to systems structures and processes being rolled out.

## Appendix 1 – Performance indicators

Indicator	2004/05		2005/06		2006/07	
	Result	Quartile	Result	Quartile	Result	Quartile
BVPI 184a The percentage of homes that were non-decent			31		64	
BVPI 63 Average SAP rating of dwellings	68	Best	75	Best	76	Best
BVPI 74 Satisfaction with Service provided by landlord	73		73		71	
BVPI 75 Satisfaction with opportunities for participation	65		65		69	
BVPI 66a Percentage of rent collected	97.2		97.54		97.58	
BVPI 185 Percentage of responsive repair appointments made and kept	80		84		87	

## Appendix 2 – Reality checks undertaken

- 1 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:
  - a tour of estates;
  - visits to high-rise blocks;
  - visits to offices;
  - visits to empty properties awaiting letting;
  - attendance at tenants' meeting;
  - discussions with groups of residents;
  - file and IT systems checks; and
  - accompanying a works operative.