

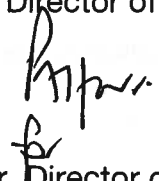
Haringey Council

Cabinet

On 25 January 2011

Report Title: Homes for Haringey Re-inspection – Final Report

Report of: Director of Urban Environment

Signed:  4/1/2011
Niall Bolger, Director of Urban Environment

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Wards(s) affected: All

Report for: Key Decision

1. Purpose of the report

- 1.1 To inform Members of the outcome of the re-inspection of Homes for Haringey by the Audit Commission in June 2010.
- 1.2 To inform Members of Homes for Haringey's plans to address the formal recommendations made by the Audit Commission.

2. Introduction by Cabinet Member (if necessary)

Housing Management Services provided by Homes for Haringey (the Council's Arms Length Management Organisation – ALMO) have been assessed as being 'good' with promising prospects for improvement. Whilst this is the same outcome as achieved in 2007, it is important to remember that the bar is constantly being

raised and the organisation has had to improve measurably to retain this judgement. At least 3 London ALMO's have reverted to one star upon re-inspection.

I am particularly pleased that some of HfH's activities have been rated best in class specifically: resident involvement, health and safety arrangements around gas, tenancy management and organisational capacity. The inspectors were also complimentary about the Repairs service and services provided to Leaseholders, with the report highlighting a range of positive outcomes for residents.

I am also pleased that Homes for Haringey are actively addressing those areas requiring improvement, for example:

- Grounds maintenance, "communal grounds are not always maintained."
- Introductory Tenancies will be introduced on 1st April 2011.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. Homes for Haringey's actions in response to the Audit Commission recommendations support the following Council priorities:

- Priority 4- A Thriving Haringey:

By improving housing services through reducing re-let times for empty homes; by improving the approach to income management and arrears; and by improving the approach to diversity through increasing capture and use of profile information.

- Priority 5 – Delivering high quality, efficient services

By further developing our performance management framework and developing and embedding our approach to Value for Money.

4. Recommendations

4.1. It is recommended that the Committee:

- Notes Homes for Haringey's approach for responding to the Audit Commission's recommendations and findings
- Recognises that Homes for Haringey and the Council will need to jointly review the approach to, and the authority of the ALMO in, the delivery of re-letting empty properties and pursuing debt.

5 Reason for recommendation(s)

- 5.1 Homes for Haringey has significantly improved the management of Haringey Council's housing stock since 2006 as demonstrated in the 2007 Inspection Report, and again in the 2010 re-inspection report. They have demonstrated a track record of continuous improvement and of learning from feedback.
- 5.2 Two of the Audit Commission's formal recommendations are outside of the ALMOs authority to deliver without the support of the Council.

6. Other options considered

- 6.1 Not applicable.

7 Summary

- 7.1 Homes for Haringey (HfH) has been assessed as delivering a "Good" (two star) service with "Promising Prospects for Improvement" by the Audit Commission. Informal feedback from the Audit Commission indicates that they recognise that Homes for Haringey has consolidated and strengthened its position.
- 7.2 The on site inspection took place from 21st June to 2nd July. The report was published on 4th November (there were delays in arranging a meeting to discuss the draft version of the report due to significant changes proposed for the future of the Audit Commission announced immediately after the inspection).
- 7.3 Seventeen key lines of enquiry areas (KLOEs) were examined. HfH was judged to be performing well in all areas but one. Void management was judged as a weakness despite the significant time and effort that has gone into achieving improved end to end performance through the Void Improvement Project. This remains an area of focus and performance has improved since the inspection. A summary of the performance against each KLOE area is contained within the appendix to this report.
- 7.4 The Audit Commission identified a number of areas of strength, along with areas requiring further improvement. These are set out within **Appendix A** of this report.
- 7.5 In its report the Audit Commission makes 5 specific recommendations covering the following areas:
- Reduce time taken to relet empty property
 - Improve the approach to income collection and arrears management
 - Improve the approach to diversity
 - Further develop and embed the approach to value for money
 - Undertake further improvements to performance reporting
- 7.6 The Homes for Haringey Board is responsible for ensuring that the recommendations are addressed and that progress against this is regularly reported to it and to the Council, through existing mechanisms.

7.7 Homes for Haringey has submitted a formal response to the report, which is attached at Appendix B for information.

8 Chief Financial Comments

8.1 The actions within this report can be contained within existing resources.

8.2 The process around write-off of debts will be reviewed along with all other key financial processes as part of the Support Services Review.

9 Head of Legal Services Comments

9.1 The Head of Legal Service has been consulted in the preparation of this report.

9.2 This re-inspection was carried out by the Housing inspectorate pursuant to its powers under the Local Government Act 1999 section 10. Homes for Haringey's retention of its two star rating, the improvement plan it has adopted and monitoring by the Council, will continue to ensure the Council's compliance with the best value legal framework.

9.3 The Delegation Agreement between the Council and Homes for Haringey contains a degree of Delegated Authority to write off debts. This will need to be reviewed and possibly amended, if Homes for Haringey is to be given the power to write off certain types and levels of debt.

10 Equalities & Community Cohesion Comments

10.1 The inspection report includes comments relevant to the equalities and diversity elements of the service and these will be reviewed to ensure that the recommendations raised by the Audit Commission in this area are addressed. The key task is to increase the level of profile data held and to ensure that it is accessible and used effectively.

11. Consultation

11.1 Consultation took place with the Audit Commission on their findings and the draft report. The final report has been published on both the Audit Commission and Homes for Haringey websites. The HfH Board has received a closure report and a copy of the final report. The Council has been advised of the outcome and this will be formally reported to the Council Cabinet in January 2011. Tenants and leaseholders have been informed of the outcome via the regular newsletter and through the existing resident involvement mechanisms. Separate notification was also sent to all residents who participated in the inspection process via focus groups etc.

12. Service Financial Comments

12.1 The total fees charged by the Audit Commission in respect of the inspection are estimated to be £70,000. These costs have been met from the Homes for Haringey budget along with other associated incidental expenses.

13 Use of appendices /Tables and photographs

13.1 Appendix A – Summary and scoring

13.2 Appendix B - Homes for Haringey's formal response to the report

14 Local Government (Access to Information) Act 1985

- Re-inspection report: Homes for Haringey 04 November 2010
<http://www.audit-commission.gov.uk/SiteCollectionDocuments/InspectionOutput/InspectionReports/2010/homesforharingey4nov2010REP.pdf>

Appendix A – Audit Commission Summary and Scoring

Summary

1. Homes for Haringey has been assessed by the Audit Commission as currently providing a “Good” (2 star) service which has “Promising Prospects for Improvement”.
2. The Audit Commission found the service to be good because it has a range of strengths including:
 - There are easy to access services, with good quality information for customers
 - Appropriate support arrangements for vulnerable residents
 - A successful decent homes programme is currently being delivered, and health and safety risks such as fire and asbestos are managed well
 - Environmental sustainability and energy efficiency issues are being addressed
 - Repairs are easy to report and the quality of work is generally good, and all homes have a valid annual gas safety check. Tenant satisfaction with repairs and gas services is high
 - Aids and adaptations are completed quickly
 - A wide range of rent payment options and good quality debt advice are available
 - Residents are actively involved in shaping services through a wide range of opportunities
 - Strong multi agency partnerships are effectively tackling anti social behaviour
 - Estates are clean with only a small amount of litter and graffiti
 - Leaseholders receive a good service
 - Supported housing schemes are well managed
 - There are many examples of efficiencies being achieved
3. Areas requiring improvement were identified as:
 - The quality of customer services is not consistently high and customer satisfaction is low across several service areas
 - Some buildings are not compliant with disability discrimination requirements
 - Understanding of customer needs is limited and services are not systematically tailored to meet diverse needs
 - Non-urgent repairs are not completed in a timely way and there is a backlog of communal repairs

- Empty homes are not being repaired and re-let quickly
- Income collection and arrears management performance is not consistently strong and a high number of evictions take place
- Communal grounds are not always well maintained

The service has promising prospects for improvement because:

- There is a good track record of service improvements in many areas recognised through a range of awards and external accreditation
- The percentage of homes that meet the decent homes standards has increased from 57 to 72.5 per cent
- The range of opportunities to participate and the number of residents involved in improving services have increased over the past two years
- The organisation has strong leadership and an experienced Board
- There is a clear and effective planning framework with strong delivery against improvement plans and clear plans for further improvements
- Capacity is strong through skilled staff, effective IT systems and strong partnerships.

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

- Understanding of tenants' needs is still limited
- Budgets are often overspent, indicating weaknesses in financial management
- There is no clear strategy for meeting longer term investment requirements.

The Audit Commission have additionally made 5 formal recommendations. These recommendations have been assigned to senior managers and added to Homes for Haringey's improvement plans:

- I. To improve the time it takes to re-let empty homes by:**
 - reviewing the impact of the new Tenancy Liaison Officers;
 - consulting with new tenants to learn from their experience of the process;
 - working with the Council to improve viewing and letting arrangements;
 - considering the benefits of different improvement tools and approaches;
 - learning from other landlords who have made significant improvements in re-let times.
- II. Improving the approach to income collection and arrears management by:**
 - reintroducing the use of SMS text messaging by income collection officers;
 - consulting tenants and routinely measuring the satisfaction of those tenants using the rent and arrears management service;
 - reviewing the management arrangements for monitoring procedures; and
 - continuing to negotiate with the Council for some degree of delegated authority to write off certain levels and types of debt.
- III. Improving the approach to diversity by:**
 - ensuring full compliance with the Disability Discrimination Act 2005;
 - developing a co-ordinated approach to collecting and maintaining resident profile data;
 - reviewing what information is collected to ensure all communication and other needs and preferences are understood;
 - ensuring staff and residents understand how services can be delivered flexibly; and
 - fully integrating the use of diversity data into service planning and reviews.
- IV. Further develop and embed the approach to managing value for money by:**
 - reviewing the programme and pace of VFM service reviews;
 - reviewing the employee to property ratio to identify areas for greater productivity or efficiency;
 - establishing clear and specific efficiency targets for all service areas;
 - agree clear annual priorities with tenants for any reinvestments; and
 - systematically analysing costs against comparative performance and customer satisfaction levels.
- V. Improve performance reporting by:**
 - ensuring regular independent audits of performance data;
 - including cost, performance and satisfaction analysis in reports to the Performance Committee, Board and residents; and
 - exploring ways to make better use of benchmarking information to make it explicit to residents and the Board how HfH's performance compares.

4. Next steps

4.1 The final report has been sent to all managers and they are tasked with addressing the formal recommendations as well as other improvement areas contained in the report, through the business planning process. The Executive Management Team are scrutinising the draft business plan at the end of November and will ensure that our future plans address weaknesses raised.

Action: Ensure all formal Audit Commission recommendations are addressed and other criticisms are responded to.

Owner: Sue Hunter

4.2 The learning from this inspection, as well as the on-going updating of a self assessment, is covered in the scope of our new Service Excellence Programme – 'Fit for the Future'.

Action: This is covered in Strand 3 of the Service Excellence Programme – To maintain regulator compliance

Owner: Joy Walton

4.3 The Local Government Ombudsman is emerging as the most likely trigger for a future inspection, and we have identified this as an area we can do more prevention and learning through our existing Complaints Board – which has been successful to date in driving up performance in this area.

Action: Future Complaints Board meetings to have Local Government Ombudsman cases – performance and learning - as a standard agenda item

Owner: Sue Hunter

Scoring the service

		Prospects for improvement?				
Excellent						
Promising			☀			A good service?
Uncertain						
Poor						
	Poor	Fair	Good	Excellent		
		★	★★	★★★		

1 The report is now a public document and is published on the [Audit Commission website](#). Homes for Haringey have issued a response to the inspection (Appendix B). This will be published alongside the report in the new year.

1.1 Overall we have moved one indicator from red to green. Judgement 2 "Prospects for Improvement" is the area of greatest improvement with 2 out of 3 indicators improving. (Appendix 2)

Voids is judged as our one poor area, despite the significant time and investment into the end to end service through the Voids Improvement Project.

1.2 A communication strategy was developed as part of the overall project plan and results have now been communicated to all internal and external stakeholders.

2. **Strengths:** the following areas were highlighted as having "strengths that significantly outweigh weaknesses" which basically means providing an excellent service:

- **Gas:** improved from Fair to Excellent with inspectors noting a pro-active and quality assured service, strong performance on gas servicing, and contractors working in a customer focused way
- **Resident Involvement:** retained the Excellent judgement from 2007, with inspectors stating that they tried and failed to find weaknesses in the service
- **Tenancy Management:** improved from Fair to Excellent with inspectors noting a strong approach to dealing with new tenants and vulnerable tenants, effective tackling of Anti-social Behaviour, and good partnership working
- **Does the organisation have the capacity to improve (Judgement 2):** improved from Promising to Excellent with inspectors noting a Board with a good range of expertise, effective IT and Human Resources provision and improving management capacity

Direction of travel – Inspections 2007 to 2010

KLOE/Service	2007	2010	D.O.T.	Comments
Access & Customer Care	Strong	Strengths outweigh Weaknesses	↓	Weaknesses: phones/complaints performance and a change to opening hours (Control Centre) which was not consulted with residents
Diversity	Strengths outweigh Weaknesses	Strengths outweigh Weaknesses	→	We need to further improve collection and use of profile and tenants needs information
Capital, Planned and Major Works	Strengths balanced Weaknesses	Strengths outweigh Weaknesses	↑	The following areas were highlighted for improvement: communications to residents, resident choice in Decent Homes Programme, SAP rating
Responsive Repairs	Strengths outweigh Weaknesses	Strengths outweigh Weaknesses	→	The main improvement areas highlighted were non-urgent and communal repairs performance
Voids	Strengths outweigh Weaknesses	Weaknesses outweigh Strengths	↓	Timeliness, quality and issues with the viewings and lettings process were highlighted
Gas	Strengths balanced Weaknesses	Strengths Significantly outweigh Weaknesses	↑	Our considerable progress in this area was recognised
A&A	Weaknesses outweigh Strengths	Strengths balanced Weaknesses	↑	Recommendations include better promotion of the service, more consultation with users (by HfH), and satisfaction needs to improve
Income Management	Weaknesses outweigh Strengths	Strengths balanced Weaknesses	↑	Some strengths noted. There are some indicators we need to improve and Homes for Haringey's inability to write-off debt that it is not cost effective to pursue was a weakness
Resident Involvement	Strong	Strengths Significantly outweigh Weaknesses	→	The inspectors stated that it was difficult to find any improvement areas
Tenancy Management	Strengths balanced Weaknesses	Strengths Significantly outweigh Weaknesses	↑	Strong progress noted. Resident satisfaction with Anti Social Behaviour cases was the one improvement area – as with many of our peers
Estate Management	Strong	Strengths outweigh Weaknesses	↓	The reduced judgement is solely based on inspectors' views of grounds maintenance – despite HfH demonstrating an awareness of the issues and remedial action
Leasehold and Right to Buy	Strong	Strengths outweigh Weaknesses	↓	Low leaseholder satisfaction and low collection of leaseholder profile data appear to be the reason for this result
Supported Housing	Strengths outweigh Weaknesses	Strengths balanced Weaknesses	↓	The following were highlighted again in this judgement: poor grounds maintenance, high relet times, low levels of resident profile data
VFM	Strengths outweigh Weaknesses	Strengths balanced Weaknesses	↓	Feedback included: some services not VFM, overheads are high, VFM reviews too slow. The inspectors also had different views to HfH about how VFM targets should be set across the organisation.

Prospects	2007	2010		Comments
Track Record	Strengths balanced Weaknesses	Strengths outweigh Weaknesses	↑	Progress noted. Reasons for not getting "significantly outweigh" were: voids and lettings performance, insufficient collection and use of resident needs information, some performance indicators have not improved sufficiently
Manage Performance	Strengths outweigh Weaknesses	Strengths outweigh Weaknesses	→	Reasons for not getting "significantly outweigh" were: budget overspends, and insufficient delegated authority, there were also some recommendations around improving performance reporting
Capacity to Improve	Strengths outweigh Weaknesses	Strengths Significantly outweigh Weaknesses	↑	HfH performed strongly in this category. The only concern the inspectors raised was "no clear strategy for long term investment requirements"

Appendix B Homes for Haringey's response to the inspection

Homes for Haringey agrees that the Audit Commission report represents a fair assessment of the services provided at the time of the inspection.

We are pleased that our excellent progress in Gas Servicing and Tenancy Management since the last inspection was recognised and that our award winning work in Resident Involvement was highlighted. We are also proud that our efforts to change the culture of the organisation have been noted.

We recognise that we are not yet consistently strong and have more work to do in some areas, primarily Voids, Income Collection and Value for Money, as detailed in the inspection report. We thank the Audit Commission for their recommendations which we have incorporated into our improvement plans. We will work with our residents to monitor progress and outcomes through our developing approach to co-regulation.

The inspectors identified a number of areas where Homes for Haringey and Haringey Council may need to reconsider the approach and the authority of the ALMO, for example in order to improve the end to end management of empty properties and in ceasing to pursue debt where it is not cost effective to do so. Homes for Haringey has already submitted proposals to the Council with regard to the future management arrangements in these areas.

Homes for Haringey would like to thank our staff, residents, partners and Board Members for their hard work and support in continuing to improve services and achieving a two star inspection outcome. We will continue to strive for excellence and feel this is well within our grasp.

Homes for Haringey would also like to thank the Audit Commission for their assistance and for the support received from their representatives throughout the process.

