

Aire Valley Homes

Leeds City Council
September 2008



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Arm's Length Management Organisation (ALMO) Inspections

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

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

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

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

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

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

The Housing Inspectorate has published additional guidance for ALMO inspections:

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

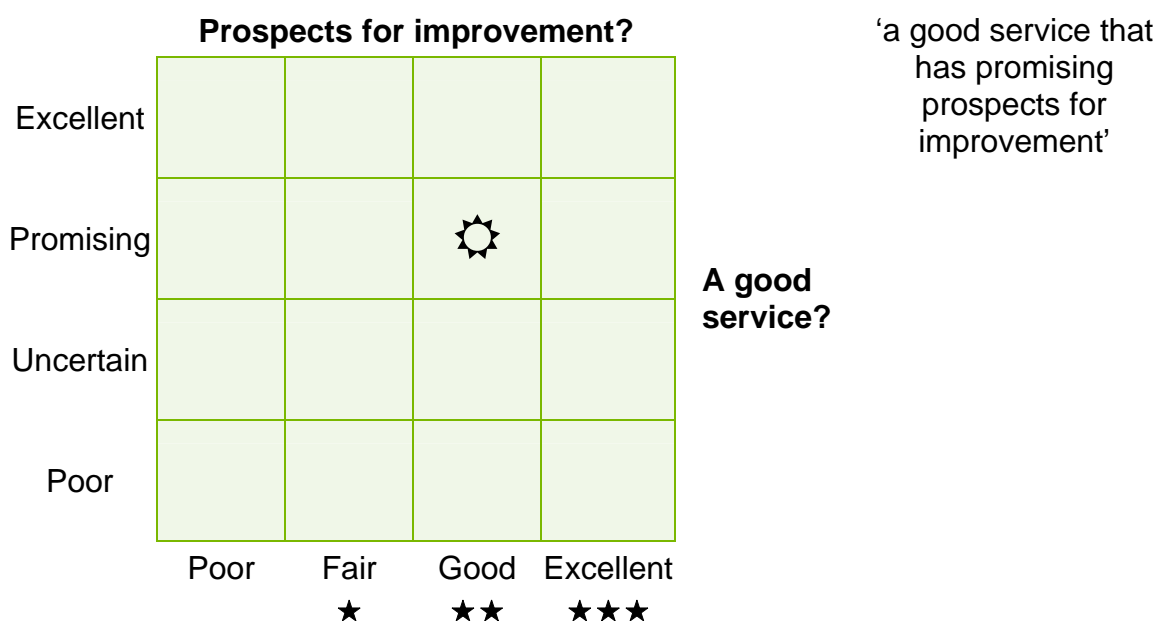
Summary

- 1 Aire Valley Homes (AVH) is a two-star organisation because it is generally customer focused, has a robust approach to managing equality and diversity (E&D) issues, is developing a value for money (VFM) culture and has made some significant efficiencies. The ALMO has strong and effective partnerships in place around key issues such as financial inclusion and managing anti-social behaviour (ASB). It is on schedule to meet the government's decent homes standard by 2010, it has efficient processes for managing empty properties and gas servicing, and the adaptations and lettings services are accessible. Arrears recovery work is preventative and supportive, there is a range of opportunities for customer involvement, estates are well maintained and environmental improvements are underway.
- 2 There are still, however, some weaknesses in the service. There are some barriers to access and the lack of robust data on the accessibility of sheltered schemes means the size of the problem is not yet clear. There are inefficiencies in dealing with complaints and collecting satisfaction data, an underdeveloped customer profile, limited impact from work to manage contractor performance on E&D issues, below average performance in doing repairs and larger scale adaptations and in recovering debt, underdeveloped leaseholder services, limited success in involving harder to reach customers and only limited action taken to ensure VFM from contracts and agreements with the Council.
- 3 AVH has promising prospects for improvement. It has established itself successfully as a company under difficult circumstances and has a track record of making efficiencies. Its short-term plans are robust and it is beginning to explore the longer-term future. The ALMO has an appropriately arm's length relationship with the Council, strong leadership and an open culture of self awareness and learning. Its corporate performance management system and its approach to human resources (HR) and information technology (ICT) issues are robust. Financial management systems are sound and partnerships are in place to boost capacity in a range of areas.
- 4 There are still, however, some areas of weakness. Performance has not improved in all areas since the last inspection and AVH and its predecessors have been slow to tackle some significant problems. Performance management in some frontline areas is patchy, and lean systems thinking has also impacted more in some areas than others. There is no procurement strategy in place and the board and staff are not representative of the local community's profile.

Scoring the service

5 We have assessed Aire Valley Homes Leeds as providing a 'good', two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 6 We found the service to be good because it has a range of strengths including:
- most services are accessible to most customers;
 - there is a robust strategic approach to equality and diversity (E&D) issues, with good use of equality impact assessments (EIAs);
 - there are strong and effective partnerships around financial inclusion;
 - the decent homes standard will be achieved by 2010;
 - performance in keeping repairs appointments is good;
 - a clear lettable standard is in place and performance in re-letting empty properties is above average;
 - almost all properties have a valid gas safety certificate;
 - the adaptations service is accessible;
 - arrears recovery work is based on prevention, early intervention and support;

¹ 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.

- there is a range of opportunities for customer involvement and this has impacted on service delivery;
- partnership working on anti-social behaviour (ASB) is strong and there is a robust approach to managing domestic violence and hate crime;
- estates are well maintained and environmental improvements are underway;
- Aire Valley Homes (AVH) lets properties in line with the Council's policy and the system is accessible;
- most sheltered schemes meet the needs of existing customers;
- there is some understanding of costs and a value for money (VFM) culture is beginning to develop; and
- significant efficiencies have been made through partnering arrangements with building contractors and by driving down AVH's own overheads.

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

- AVH is slow to deal with customer complaints and satisfaction data is not captured or used effectively in all areas;
- telephone services, both during and outside office hours, lack customer focus;
- the ALMO's customer profile is underdeveloped, which has restricted its ability to tailor services to meet need;
- work to manage contractors' compliance with AVH's E&D policies has had limited impact;
- Disability Discrimination Act (DDA) compliance on sheltered schemes has not been rigorously audited;
- performance in doing repairs and larger adaptations within target timescales is disappointing;
- performance in debt recovery is not yet strong;
- customer satisfaction with opportunities for involvement remains low and limited success has been achieved in engaging younger people;
- AVH's services to leaseholders are underdeveloped; and
- the ALMO has not taken a rigorous approach to reviewing all of the service level agreements it currently has with the Council.

8 The service has promising prospects for improvement because:

- AVH has established itself successfully as a company under difficult circumstances;
- it has a track record of making efficiencies;
- its short-term plans are robust and AVH is beginning to explore its longer-term future;
- the ALMO has strong leadership and an open culture of self awareness and learning;

Scoring the service

- the corporate performance management system is robust;
- AVH has an appropriately arm's length relationship with the Council;
- skills gaps are being met at board level;
- a robust strategic approach is in place on human resources (HR) and information technology (ICT) issues;
- financial management systems are sound; and
- partnerships are in place to boost capacity in a range of areas.

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

- performance has not improved in some areas since the last inspection and AVH and its predecessors have been slow to tackle some significant problems;
- performance management in some frontline areas is patchy and lean systems thinking has also impacted more in some areas than others;
- there is no procurement strategy in place; and
- the board and staff are not representative of the local community's profile.

Recommendations

10 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 costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with the ALMO board, the local authority and customers; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Review with customers the weaknesses in accessibility identified in this report and address them. Particularly:

- the policy relating to access outside office hours. This process should include robust research into customer requirements, consider good practice from elsewhere and involve impact and value for money assessments;
- the handling of customer complaints to ensure realistic targets are routinely met;
- system weaknesses which prevent customer profile information being used effectively, at an operational level, to tailor services to meet individual communication and other needs or, at a strategic level, to plan service developments;
- development of a strategy to target take-up of sheltered, floating support and adaptation services by BME customers, which may involve tailoring services to meet their requirements better;
- development of a recruitment strategy to bring under-represented groups on to the board and into staff and management groups to ensure they are as broadly representative of the communities they serve as is practicable; and
- the introduction of sanctions, rewards and appropriate performance reporting by contractors on equality and diversity issues.

The expected benefit of this recommendation is:

- demonstrable and affordable improvements in access to services.

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

² Low cost is defined as less than one per cent of the annual service cost, medium cost is between one and five per cent and high cost is over five per cent.

Recommendations

Recommendation	
R2	Review, with the Council, customers and the other Leeds ALMOs, the weaknesses in city wide policies identified in this report. Particularly: <ul style="list-style-type: none">• its reliance on leasing schemes for central heating replacement;• pooling of service charges;• management of leaseholds;• board nomination arrangements which are insensitive to the need to better reflect the community in terms of gender, age, disability and ethnicity; and• the operation of the lettings policy.
R3	These processes should include robust research into customer requirements, consider good practice from elsewhere and involve impact and value for money assessments.

The expected benefit of these recommendations is:

- demonstrable delivery of a service which represents VFM and meets customer needs.

The implementation of these recommendations will have high impact with medium costs. This should be implemented within six months.

Recommendation	
R4	Instigate a robust review programme for all service level agreements and contracts in place with the Council and other bodies.
R5	Develop a procurement strategy which clearly outlines AVH's ethos in relation to modern procurement methods, its stance on customer involvement and contains a timetable for future procurement.

The expected benefit of these recommendations is:

- demonstrable delivery of a service which represents VFM and meets customer needs.

The implementation of these recommendations will have high impact with medium costs. This should be implemented within six months.

Recommendation

- R6** Review the weaknesses in systems, operational management and front line performance management identified in this report and via on site feedback. Put in place:
- systems which address each of these and which create opportunities for meaningful customer involvement in performance management and procurement in every area of service; and
 - a programme of management development and support to assist middle managers in their performance management, service development and staff management roles.

The expected benefit of this recommendation is:

- demonstrable delivery of a VFM service which meets customer needs.

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

Recommendation

- R7** Review, with customers, these recommendations and all the other weaknesses identified in this report:
- consider them in the light of good practice from elsewhere;
 - carry out impact and value for money assessments on potential solutions; and
 - develop an action plan to address them.

The expected benefit of this recommendation is:

- demonstrable delivery of a service which represents VFM and meets customer needs.

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

Recommendations

- 11 We would like to thank the staff of Aire Valley Homes and Leeds City Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 16 to 27 June 2008

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Report

Context

The locality

- 12** Leeds is a metropolitan area in the north of England. Its 55 hectare area covers the city and a number of nearby towns and villages. Although it is a successful economic centre, it has pockets of deprivation and is the 114th³ most deprived of England's 354 council areas, which is an improvement on its 2004 position of 91st. At 3 per cent, unemployment remains above the national average⁴, almost one in ten households is headed by a lone parent and over 68,000 people have a limiting long-term illness.
- 13** Of the city's 322,500 homes, 77 per cent are owner-occupied or privately rented, 18.5 per cent are rented from the Council and 4.5 per cent from housing associations. The housing market is polarised, with house price to average earning ratios ranging from 3:1 to 11:1. Demand for social renting is strong⁵, reflecting house price inflation and reduced supply as a result of demolition and the right to buy.
- 14** Aire Valley Homes (AVH) manages the council's housing stock in the south and east areas of the city, which represents 27 per cent of the Council's housing stock. The population is 94.5 per cent white; this figure is higher than for Leeds as a whole⁶ and is above the national average.⁷ The largest black and minority ethnic (BME) groups⁸ describe themselves as either Asian Pakistani or British Asian⁹. There are also emerging communities of asylum seekers, refugees and migrant workers from a range of cultural and ethnic backgrounds who are excluded from these figures.
- 15** AVH's tenant customer profile is 60 per cent female and 40 per cent male. Although it knows less about their other characteristics, estimates indicate that over a third are over 65, very few are under 25, over half have some form of disability or long-term health problem and they only partly reflect the local area in terms of ethnicity, with 94.6 per cent being white but the other significant grouping being black Africans, who make up 1.9 per cent of tenants. Although 96.7 per cent of customers surveyed speak English, a broad range of other community languages is spoken¹⁰ and almost 4 per cent have particular communication requirements, such as documents in large print or other formats¹¹.

³ Indices of Multiple Deprivation 2007, measured by 'rank of average rank'

⁴ 2.4 per cent

⁵ with average bids made for AVH properties ranging from 34 in the lowest demand area to 134 in the highest

⁶ 89.1 per cent

⁷ 87.4 per cent for the United Kingdom

⁸ 1.83 per cent

⁹ All figures per 2001 census

¹⁰ Including 57 Kurdish speakers, 33 French, 22 Urdu, 21 Portuguese, 21 Punjabi, 19 Arabic, 13 Bengali, Tigrinya and 109 speakers of less common languages. This data is based on a 48 per cent sample, which is likely to be distorted by the fact that non-English speakers are less likely to have responded to the survey

¹¹ Based on a 25 per cent sample

Report

16 This part of the city is environmentally diverse. Forty per cent of the Council's 15,000 properties are in dense, inner city neighbourhoods adjacent to light industrial estates, the motorway network and city centre commuter routes. However, 13 per cent are in the few housing market areas defined as semi-rural¹² and 42 per cent are in 'market town' areas¹³. Over half of these homes are houses, over a quarter are flats, bedsits or maisonettes and only 4 per cent are bungalows. Sheltered housing makes up 12 per cent of the stock.

The Council

17 A Liberal Democrat and Conservative alliance governs the Council. Of the 99 councillors, Labour has 43 seats, the Liberal Democrats 25, the Conservatives 21, Independents have six, the Green Party three and the British National Party one. The Council has a leader and executive board of eight portfolio holders. Its tenth executive member is the Leader of the Labour Group and a further member of the Labour Group attends in a non-voting capacity.

18 The city has a well-established local strategic partnership called Leeds Initiative. It has developed a community strategy, the Vision for Leeds 2004/20, which has three main aims. Two are particularly relevant:

- going up a league as a city - making Leeds an internationally competitive city - the best place in the country to live, work and learn, with a high quality of life for everyone; and
- narrowing the gap between the most disadvantaged people and communities and the rest of the city.

19 Its strategic plan for 2008-2011 also highlights housing as a key priority under its 'thriving places' theme.

20 Under the Comprehensive Performance Assessment framework, the Audit Commission judged the Council's performance to be four-star and improving well in 2007.

The service

21 In 2003, the Council established six Arm's Length Management Organisations (ALMOs) to manage its stock of 70,000 properties. In April 2007, following a review and customer ballot which saw these numbers reduced to three, AVH was created by the merger of Leeds South Homes (LS)¹⁴ and part of Leeds South East Homes (LSE)¹⁵.

22 AVH has delegated responsibility for providing housing management and maintenance services under a five year management agreement¹⁶. It receives a management fee of £20.2 million, supported by performance incentives and penalties relating to void rent loss and other key indicators which impact on the Council's performance. It also manages £30.6 million of the capital programme.

¹² Mainly around Kippax

¹³ Morley, Rothwell and Garforth

¹⁴ Previously managing 12,000 properties

¹⁵ 3,500 properties

¹⁶ Until 2011/12

23 The functions originally delegated to the ALMO can be summarised as:

- stock investment decisions and repairs ordering;
- rent collection, dealing with arrears and debt counselling;
- consulting and informing tenants and leaseholders on matters which are the ALMO's responsibility, and promoting tenant participation;
- enforcement of tenancy conditions;
- repairs functions for leaseholders;
- managing lettings, voids and under-occupation; and
- estate management, caretaking and housing related support services under the Supporting People programme.

24 In 2006, AVH also took over responsibility for managing aids and adaptations and sheltered housing on the Council's behalf.

25 AVH also carries out elements of work on estates managed by other agencies. It is responsible for arrears recovery, tenancy management, adaptations and lettings on approximately 1,800 properties within the Swarcliffe Housing private finance initiative (PFI) area¹⁷. It also delivers the decent homes programme on behalf of the Belle Isle Tenant Management Organisation (BITMO), which manages a further approximately 2,000 properties under a separate agreement with LCC.

26 The functions retained by the Council include:

- overall housing strategy and enabling;
- determining policies on lettings and anti-social behaviour¹⁸ and rents;
- managing the Supporting People programme;
- homelessness, general housing advice; and
- administration of the Housing Register.

27 The ALMO is managed by a board of four customers, four council nominees and four independents. The board has two subcommittees¹⁹. There are also three area panels, made up of six customers, two officers and two councillors²⁰. The day-to-day running of the company is delegated to a senior management team, headed by a chief executive. It employs 230 staff and jointly funds a specialist team providing information technology (IT) support to all three ALMOs.

28 In 2004, the Audit Commission inspected Leeds South and Leeds South East Homes and judged both to be providing good, two star services, with promising prospects for improvement. Those assessments allowed the Council to receive additional supported borrowing to bring its homes up to the decent homes standard in the two areas. Both of the former organisations have drawn down their full allocations of government funding in the intervening period.

¹⁷ repairs, environmental management functions and decency are being delivered by the Yorkshire Transformations consortium through a direct 30 year contract with LCC

¹⁸ in consultation with the ALMO

¹⁹ Resources, Performance and Risk (covering audit and standards), and Customer Services

²⁰ Non board members

How good is the service?

What has the service aimed to achieve?

29 Leeds City Council's mission is:

'to bring the benefits of a prosperous, vibrant and attractive city to all the people of Leeds²¹.'

30 The Council has seven strategic objectives. It wants to make sure that:

- all neighbourhoods are safe, clean, green and well maintained;
- all communities are thriving and harmonious places where people are happy to live;
- children and young people are healthy, safe and successful;
- at each stage of life, people are able to live healthy, fulfilling lives;
- Leeds is a highly competitive, international city;
- staff perform well and are constantly learning and there is effective leadership at all levels; and
- customers receive excellent services which are efficient and effective and meet their needs.

31 AVHL's mission is to:

'provide desirable and affordable homes in good neighbourhoods, constantly improving life for individuals and communities.'

32 AVHL has six strategic objectives:

- to deliver excellent, customer driven services;
- to provide quality, well-maintained homes and environments;
- to support social inclusion, community and neighbourhood regeneration;
- to empower colleagues and customers to achieve our mission;
- to be a well-managed, high-performing and efficient business; and
- to seek new business opportunities that accord with our values and mission.

33 It also has a series of core values:

- community focus;
- innovation and initiative;
- integrity and professionalism; and
- service excellence.

²¹ Corporate Plan 2005-2008

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

Access and customer care

- 34** This is an area where there is a balance of strengths and weaknesses. There is a strong corporate customer focus, services are accessible for most customers at offices and via the website, and written information is of a good quality. AVH is less responsive, however, in dealing with customer complaints, telephone access is not good, customer communication requirements and good practice initiatives in terms of access have not been fully considered and satisfaction data is not captured or used effectively.
- 35** AVH has a strong corporate emphasis on customer access issues. Board meetings indicate that outcomes for customers are its highest priority and its customer services subcommittee receives a quarterly 'scorecard', covering 13 service areas²². This is not a reliable indicator of satisfaction because of the small sample sizes it uses and because it is not based on the new service standards in many areas, but it acts as 'can opener' for performance discussions. AVH's strategy for access to services is an effective framework for action planning. For example, it recently profiled which customers never or rarely access services, with the outcome that these customers are being visited first under the new annual tenancy visit programme. This approach means access issues are central to decision making.
- 36** Services are accessible for most customers who approach the ALMO in person. AVH's two offices, the one it shares with a local private finance initiative (PFI) scheme and the five LCC one stop shops it uses²³ are all welcoming and compliant with the Disability Discrimination Act (DDA). They have a comprehensive range of good quality information on display; ample seating; adequate private interviewing facilities; and, where practicable, play facilities for children. Staff are polite and helpful and a directory of support services and diversity advice is available to assist them in signposting to other agencies. Systems for accessing LCC's interpretation service are well understood by staff. A member of the adaptations team has also been trained in British Sign Language and this skill has been well used. These approaches mean that customers generally have a positive experience when making face-to-face contact with AVH and there has been an average 98 per cent customer satisfaction with frontline offices over the past 12 months.
- 37** The website works well for most customers. It is easy to navigate, uses plain language, gives access to a range of key information²⁴, allows online complaint and repair reporting, rent payment and benefits calculation. It has a good search facility, easily accessible font size changer and read-speak software. There is also a link to the ALMO's blog and a photo stream about issues and events. Twenty-four per cent of customers have visited the website²⁵, using 7,000 pages per month. This means that, for customers with access to the internet, this method of making contact provides an accessible and well used service.

²² Based on sample customer surveys and providing scores of 1-10 in each area

²³ Representing the bulk of callers, at 5,000 face to face enquiries per month

²⁴ Including the customer handbook, newsletters and service standards

²⁵ STATUS survey, February 2008

How good is the service?

- 38** Good quality information is provided in written format. A comprehensive range of 21 service standards has been agreed with customers and is presented in accessible guides, with targets and reminders about customer responsibilities. The best of these include a nine step guide to letting homes and high quality guides on anti-social behaviour (ASB) and environmental management. Important risk information is also available, such as a customer guide to asbestos. Quarterly customer newsletters are well presented and easy to read, include interesting local and corporate information, performance information and a section for younger people. These are supplemented by a bi-annual newsletter for customers living in sheltered housing, which includes contributions written by residents. This range of approaches has contributed to the fact that 71 per cent²⁶ of customers think AVH is good at keeping them informed.
- 39** There is some innovation in the contact methods in use. For example, a tenancy sign up DVD was recently introduced to make this process more accessible for customers who have reading difficulties or are uncomfortable with the formality of the process. Another example is the widespread use of text messaging. Repairs appointments include a system generated text reminder and most rent arrears activities where a response is not received, prompt an automatic text to encourage the customer to make contact. This approach is generally well received by younger customers and tends to be cheaper than visits, letters or phone calls.
- 40** AVH's approach to customer complaints is mixed. Its procedure is accessible, with adequate escalation to senior staff and detailed responses being made, including routine use of apologies and compensation. Performance in managing complaints, however, is poor. Only 65 per cent of the 480 stage one and 47 per cent of the 20 stage two complaints were managed within target timescales in 2007/08. Scorecard satisfaction figures also fluctuated throughout the year, but reached 3.5 out of 10 at its lowest point and only 7.5 at its highest. This level of performance is even starker considering the unchallenging target to respond within 15 working days. Recent senior management intervention has raised the profile of this issue and more responsive targets²⁷ have been agreed from July 2008, but our inspection came too soon to detect an improving trend in performance.

²⁶ STATUS

²⁷ Ten days

- 41** There is also a mixed picture on access via the LCC telephone contact centre. This is crucial because 71 per cent of customers²⁸ prefer to make contact by telephone and it deals with 7,000 daytime and 1,500 out of hours enquiries per month for AVH. Its staff are helpful and clear protocols are in place to trigger the referral of sensitive calls to specialists within the ALMO. In the past year, however, only half of calls were answered within 20 seconds and average waiting times in each month were between 45 and 70 seconds, with maximums of over ten minutes. Almost 7 per cent of calls are abandoned before they are answered. The level of repeat calls from customers is also double that of the one stop shops²⁹. These issues contribute to the fact that, although 84 per cent of customers find staff helpful, only 67 per cent find it easy to get hold of the right person³⁰. In addition to working with the call centre to try and resolve these problems, AVH now advertises direct dial telephone numbers for its specialist teams, but it is too early for outcomes to be evaluated. A large number of customers still form a poor first impression of AVH, because of the accessibility of the LCC call centre, even if they do eventually speak to a helpful operator.
- 42** There are still communication barriers for some customers. AVH's corporate policy of offering interpretation rather than translation services is not unreasonable in its context, where requests for translation have historically been low. It has not, however, fully considered the customer perspective in implementing it. For example, the blanket use of small print English strap lines on documents means those customers who do not read English or require large print will only know how to access the information they require if they also pick up the separate leaflet about translations, which contains strap lines in other formats and community languages. Its website is also hard for customers with poor English to read, because it cannot be read in community languages. This means that, coupled with the limited knowledge of its customer and potential customer profile outlined later in this report, there are significant risks that AVH's approach to language issues may be excluding some groups.
- 43** The ALMO has also been slow to consider other barriers to access. For example, although it reviews footfall at its reception desks to inform its access strategy, it has not considered demand for evening or Saturday morning access for routine enquiries or 24-hour access to support on emergency issues such as ASB. It has also done nothing to provide or help residents to access funding to provide internet access in sheltered schemes. These approaches are now common among progressive housing providers and failure to explore demand for them means its customers have not had the opportunity to express a view about whether they should be provided.

²⁸ STATUS

²⁹ At a predicted 26 per cent by the end of 2008/09, based on extrapolated performance for the year to date

³⁰ STATUS

How good is the service?

44 Satisfaction data is not captured or used in a consistent and systematic way. Void and repair satisfaction surveys are robust. In other areas, however, AVH relies on smaller sample surveys. Some contractor surveys also duplicate those of the ALMO, such as on improvement works and gas servicing, which is confusing for customers and contributes to low return rates. The picture is further complicated by a range of cross-cutting generic surveys covering customer involvement, community safety and estate management issues, the annual STATUS survey, face to face exit surveys, a quarterly sheltered housing survey and the same for leaseholders. This complex approach means some customers who have used a service are not asked their views on it, and others are at risk of being surveyed repeatedly, and the data collected is not as useful as it might be in driving service improvement.

Diversity

45 This is an area where strengths outweigh weaknesses. AVH has a robust strategic approach, has made good use of equality impact assessments (EIAs) and uses diversity indicators in service management. Its approach to managing contractor compliance, however, is not strong and customer profiling is underdeveloped.

46 There is a robust strategic approach to managing diversity. An equality and cohesion strategy, action plan and equality and diversity (E&D) service standard are in place. E&D awareness training is delivered as part of the induction of staff and area panel members, and an E&D etiquette guide is used by staff and contractors. The ALMO is also a partner in research on the needs of migrant workers in its area. It operates under LCC's robust E&D performance management framework, which includes: bi-annual monitoring meetings dedicated to E&D issues, incorporating reports on progress against its strategy and on hate crime; annual presentations of a self-assessment against the Audit Commission's diversity KLOE; achievement of targets around collecting customer profile information³¹; and provision of performance data on a range of service specific and organisational health indicators. This approach provides a sound basis for taking forward the ALMO's work on E&D.

47 AVH has an effective approach to the use of EIAs. Ten have been carried out in the past year, a further 15 were done by AVH's predecessor ALMOs and a programme is in place to cover all remaining services during 2008/09. These have not necessarily been prioritised on the basis of risk, tend to focus on process rather than outcome and their quality is mixed, with improvement plans in some areas being of limited value. All have been useful exercises in exploring the issues, however, some have included significant customer involvement and some of the resultant action plans contain SMART³² objectives. This approach is beginning to result in changes in procedure to take account of customer vulnerabilities and reduce the likelihood of differential services being delivered.

³¹ 60 per cent in 2008/09 and 100 per cent in 2009/10

³² Specific, Measurable, Achievable, Realistic and Time-bound

- 48** AVH is analysing and beginning to manage service delivery on the basis of diversity indicators. This approach is still not used in every service area, but a number of key examples exist and form the basis for target setting and process review, including: void satisfaction patterns monitored by ethnic group³³; profiles of customers at each stage of the arrears recovery procedure³⁴; and monitoring of lettings by ethnicity³⁵. Targets are set to help ensure services are delivered in a sensitive manner, and do not exclude any groups. Further work is underway to explore the profile of customers terminating tenancies during their first year. This approach has not yet had significant impacts in terms of service outcomes, but it is reinforcing messages about the risks of differential service delivery and making staff and managers consider the outcomes of their policies for excluded groups in areas where there has previously been some degree of complacency.
- 49** AVH's management of E&D issues among its contractors is mixed. An equality standards framework was developed across all the city's ALMOs in 2006/07. This requires contractors to work with ALMO E&D officers to produce portfolios of evidence about their training and action plans. 'Precious metals awards' are then given for achievement at 'starter', 'bronze', 'silver' or 'gold' levels and the three contractors working most closely with AVH have each reached the bronze standard. Despite this positive encouragement, however, the ALMO does not have any performance related targets, rewards or sanctions built into its contracts, so it cannot ensure contractor compliance with its policies. This means it may still inadvertently be reinforcing barriers within the local labour market for excluded groups and, at a more practical level, it still has access to only one female operative should, for example, a same gender visit be required.
- 50** Customer profiling is underdeveloped. Tenancy records provide data on the gender of all customers and age and ethnicity information on 70 per cent of them. AVH only has 23 per cent data, however, on their disability, faith, sexuality and communication requirements and is building this profile by using a 'getting to know you' survey at sign ups and annual visits. Little information is held about its 314 leaseholders, with age data on 34 per cent and ethnicity data on 21 per cent. As a result of these gaps in knowledge, AVH is not well equipped to strategically develop or tailor services to meet need.

³³ For example, only 69 per cent for Black African and only 71 per cent for Pakistani but 95 per cent for Bangladeshi and 94 per cent for mixed race against an overall level of 83 per cent but anomalies may be due to small sample sizes, so larger samples must be collected before action is considered

³⁴ Early indications are that action is taken against fewer BME customers than white British ones because they respond to earlier offers of assistance

³⁵ Seven per cent of the 644 homes let in the last twelve months which indicates that BME groups are better represented among new tenants than in the wider population

How good is the service?

- 51** Access to profile information is cumbersome. This is held on two databases which do not have an electronic interface³⁶ so data is entered manually onto each system. This is labour intensive and leaves significant opportunity for human error. Also, although each system allows communication and risk issues to be flagged up, including on operative job tickets, housing staff have to follow additional steps in the housing management system to access the data, which makes it less likely to be used. These storage methods are awkward to use on a case by case basis and are not set up to be used on a larger scale to automatically send out targeted versions of key correspondence. This means that, although the last newsletter run included the mail out of a large print version, this was done manually and customer communication requirements are not routinely addressed in daily delivery systems for key services, such as arrears or gas servicing letters, rent statements or repairs confirmation letters.
- 52** Although the ALMO has worked closely with the Council towards achieving level four of the equality standard in local government by December 2008, insufficient priority is given to ensuring housing specific good practice standards are achieved. It has particularly done no formal work to self-assess against or plan towards meeting the code of practice for housing³⁷, despite compliance failure on the contractor monitoring issue outlined above.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 53** This is an area where there is a balance of strengths and weaknesses. AVH should achieve the decent homes standard by 2010, improvements have been well managed and there is an emphasis on innovation and energy efficiency in the work done. A full range of maintenance programmes is in place and the ALMO has a robust approach to asbestos management. It has some gaps in knowledge however, most notably with regard to DDA compliance in sheltered housing, and customer satisfaction has not been rigorously monitored on improvement schemes. Council policy and financial uncertainty have also impacted on AVH in terms of its reliance on leasing schemes to fund central heating and the short-term nature of its asset management strategy.

³⁶ Although staff at the call centre could choose to rely on the less functional housing management system

³⁷ Revised by the Commission for Racial Equality in 2006 but now managed by the Equality and Human Rights Commission

- 54** The ALMO is on target to achieve the decent homes standard across its housing stock by 2010. Decency stood at 76 per cent by the end of 2007/08 and three simultaneous 'mop up' contracts will complete the work over the next 18 months. AVH has agreed a 'homes for living' standard, with customers, which brings together the most positive aspects of the approaches undertaken by both of its predecessor ALMOs. For example, although both had similar 'decent homes plus' elements in their programmes, LS fitted lever taps as standard and was using a kitchen supplier which offered better quality and price than that used by LSE, so both have been taken on board across the stock. In addition to kitchen and bathroom upgrades, AVH carries out roofing, rewiring, insulation and heating improvements and offers works to owner occupiers, along with signposting to loan facilities. This approach means that over three quarters of the ALMO's customers now live in homes which meet modern standards and the remainder will do so within the next 18 months.
- 55** The improvement programme has been well managed. Customers receive adequate advance notice of works due and project liaison officers support them through the process. Good use is made of respite, daycare and decanting techniques to help customers who cannot stay in their homes while extensive work goes on around them. A reasonable choice of units, worktops, floor and wall coverings and colour schemes is offered and customers have input into kitchen design. Customers report that operatives are polite and tidy and the quality of workmanship is acceptable, with complaints addressed effectively. Financial assistance of up to £400 is also given to customers who need to decorate after improvement works, except on replacement kitchens and bathrooms where decorating is done by AVH. Strategic and operational meetings take place between AVH, its managing agents³⁸ and contractors to address problems, such as the recent poor performance of a long standing contractor which resulted in contract termination. This approach has resulted in work being delivered on schedule, to budget and with minimum disruption for customers.
- 56** Although insulation solutions have yet to be found for the 2,000 properties which are 'hard to treat'³⁹ other work is being done on the programme to improve energy efficiency. All heating upgrades use the most energy efficient grade of boiler available. Window replacements use double glazed units and doors are draught proofed. There is a large programme to install loft insulation to a higher specification than stipulated in current building regulations⁴⁰ and to insulate wall cavities. AVH has also negotiated the installation of a gas supply to two outlying estates which were previously reliant on solid fuel or electric heating systems, facilitating the installation of gas central heating. There are still 91 properties without a gas supply and the ALMO has a £100,000 budget this year to trial alternative energy solutions. It has begun to pilot air source heat pumps on six bungalows, allowing customers to move to a cheaper tariff and reducing fuel costs in the first six months by 20 per cent. It has recently begun trialling solar powered hot water systems in two properties, using different contractors and different products, and will soon begin trialling a new form of extra-thin internal insulation in a 'difficult to treat' back to back house. This approach means that some customers who have struggled to cover heating costs in the past should find it more affordable in future.

³⁸ Property Management Services (PMS)

³⁹ Various non-traditional designs and 387 'back to back' properties with solid walls, 234 of which have SAP ratings of less than 45

⁴⁰ 300mm

How good is the service?

- 57** AVH carries out a full range of routine maintenance and testing. This includes ten-yearly electrical tests, annual lift servicing and a programme of legionella checks. It has also completed the works required to prepare for the switchover to digital television. This means customers can be satisfied that risks to their health and safety are generally being assessed and managed effectively and that significant changes in the supply of services by other agencies have been anticipated.
- 58** AVH has begun to develop a robust approach to the management of asbestos. Its asbestos database is resource intensive, but meets its requirements and is accessible to its contractors. Job tickets include alerts about the presence of any known asbestos. AVH has surveyed all of its office and depot workplaces and a programme of full asbestos surveys⁴¹ on the communal areas of its general stock and sheltered schemes, which are also workplaces⁴², will be complete by April 2009. Over the past 18 months, 2,270 domestic properties have been surveyed during improvement programme works and information is held on a further 131 properties, following alerts by operatives or maintenance surveyors. An asbestos management plan is in place and an advisory booklet for operatives provides accessible information on asbestos by property archetype. Over 200 of AVH's customer-facing staff and all operatives working for its contractors have been through good quality asbestos awareness training, which is refreshed annually. AVH has effective processes to manage asbestos removal⁴³, with work done by specialist contractors and a detailed plan in place for each piece of work, including details of disposal. Copies of the certificate of reoccupation are given to customers. This approach means that, although AVH's data on the presence of asbestos is patchy, it is making the best use of it and is doing everything reasonable to safeguard customers and staff from potential danger.
- 59** AVH's new stock condition database is robust. This is based on stock condition surveys of 60 per cent of properties carried out prior to recent improvement works⁴⁴. It is electronically updated on an ongoing basis with data about completed improvements, voids and adaptations works. The ALMO is trialling the use of hand held technology on ongoing surveys, which improves efficiency and allows data to be 'sense-checked' in a holding area of the system before going live. The database has sophisticated planning tools which allow forecasting and modelling on the basis of recent construction industry prices. It also provides fortnightly updates about decency and snapshots of what decency levels will be at any future point in time. This allows AVH to understand easily what work is required to its stock and to plan how and when it will be done.

⁴¹ Type 2

⁴² For wardens and caretakers

⁴³ Commonly textured coatings and floor tiles

⁴⁴ With the remaining 40 per cent of the data extrapolated, using ratios

- 60** There are, however, weaknesses in the quality of data held. This database has only been in use since October 2007 and migration of information from the previous system has thrown up some missing or conflicting data. The most significant of these are 357 errors in SAP⁴⁵ ratings which mean the 77.9 average SAP rating which it currently reports may be inaccurate⁴⁶. Another gap in AVH's knowledge is whether vulnerable customers are living in homes which have hazards. The government introduced a housing health and safety rating system (HHSRS) in 2005 to replace its previous fitness standards. This necessitates a visit to each property because assessments are linked to the vulnerability of the customer and cannot be cloned by stock type. Although AVH surveys now include this assessment, most were carried out prior to it being introduced, so only 96 of the 9,225 carried out have done so. This means the ALMO can only be sure that it is addressing fitness issues in less than 1 per cent of its properties.
- 61** AVH's asset management strategy is short-term. Although it can forecast needs and programme work over a 30-year period, it can only rely on major repairs allowance (MRA) resources for future investment and will have to bid alongside other Council departments for capital funding once decent homes works are complete. It has a funding gap of £58 million after 2010/11, of which £40 million is required for the modernisation of sheltered housing⁴⁷. It is likely only to be able to fund improvements on sheltered properties at £500,000 to £800,000 per year and is reliant on a potential city-wide bid for PFI status for sufficient investment to secure their long-term viability. 'Wish list' surveys asking customers to prioritise the work which will make the most significant difference to the quality of their lives will inform programmes in future, but a commitment has been made to first demolish three bedsit schemes and knock a number of bedsits together to make larger flats in two others over the next two years. This necessity for short-term and relatively small scale improvement planning means AVH has been unable to guarantee that properties will be maintained at the decent homes standard for any length of time beyond its current contract.

⁴⁵ Standard Assessment Procedure - U.K. measurement of thermal comfort in domestic premises

⁴⁶ It would still be a reasonable 74.9 if these were all zero

⁴⁷ Including addressing the 219 properties which its sustainability model currently judges to be on the fringes of sustainability (including 131 bedsits)

How good is the service?

- 62** AVH has been slow to respond to disability legislation in sheltered accommodation. Although it took on management of this stock over eighteen months ago, it has only carried out a basic assessment of schemes to support investment planning⁴⁸ and address the most significant access problems. This approach identified six schemes in significant breach of legislative requirements, two of which are unsustainable and in the process of being demolished⁴⁹. A programme of works has been put in place to address the needs of the two most sustainable of the six⁵⁰ but the remaining two⁵¹ are awaiting solutions and a further 20 are estimated to require some level of modification for which funds have not yet been identified. A programme of full accessibility audits on the 43 schemes with communal facilities and on the communal areas of general stock is underway but this will only be completed in April 2009, so a detailed picture of the extent of DDA compliance will only become apparent then. This legislation has been in place since 1995, so failure to comprehensively assess the extent to which disabled people and their visitors are excluded from these schemes is a significant weakness.
- 63** Differential services are being delivered in installing new central heating. AVH and its two predecessor ALMOs have had a policy of not installing free central heating since they were set up. This is because historical under investment in the stock meant LCC could not achieve the decent homes standard within the funding limits set by the government⁵² without continuing its 'Heatlease'⁵³ scheme. This has been in place since 2002 and the quarter of AVH's customers who have had central heating installed during that time pay a service charge⁵⁴ for ten years from the date of installation. This charge is eligible for benefit but almost 40 per cent of AVH's customers do not claim housing benefit so, while the scheme may allow some to heat their homes more cheaply than before, this is not necessarily the case for all. Despite intensive publicity, 825 customers have chosen not to sign up for the scheme and have no central heating. This means that around 5,000 customers receive a significantly different level of service than the 11,000 who had free central heating installed prior to 2002 and whose systems have been upgraded, as necessary, in the intervening period. It also means these properties are in potentially poorer condition and the lack of a policy to address ownership of boilers and radiators when the lease period ends is a problem for the future.

⁴⁸ £8 million of the £40 million mentioned above is required to bring them into line with the DDA

⁴⁹ Eastleigh and Holmsley House

⁵⁰ Arthington Court will have £1.2 million expenditure over 2008/09 and 2009/10 and Churchville House will have £500,000 this year

⁵¹ Primrose House and Royds Court

⁵² £5,000 per property, plus a subsequent 20 per cent

⁵³ Now 'Total Heat'

⁵⁴ Between £3.75 and £4.75 per week, depending on property size

64 Customer satisfaction in this area has not been rigorously monitored. There are no surveys carried out on any of AVH's cyclical works programmes and none were done on the first half of its improvement schemes⁵⁵. Of those which have been carried out, many have had low return rates which were not significantly improved by offering a prize draw incentive. Significant differences in customer satisfaction exist, with one scheme being as low as 83 per cent and others as high as 99 per cent. AVH has done some follow-up work in the form of public meetings on the most recent schemes with low satisfaction. Failure to rigorously pursue satisfaction issues sooner, however, linked to failure to strategically monitor refusals, means AVH may have missed opportunities to identify and meet customer requirements and to explore options for making subsequent programmes more customer focused.

Responsive repairs

- 65** This is an area where weaknesses outweigh strengths. Although AVH's performance in keeping appointments is good, its performance in completing repairs within timescales set out in service standards is not. Satisfaction and some other monitoring are unreliable and there are some underlying process weaknesses in this service area.
- 66** Elements of the repairs service are customer focused. AVH does not yet offer specific appointments, instead booking a four hour slot, but these are available on Saturday mornings and on weekday evenings until seven o'clock. Performance in keeping them is good, at 96.69 per cent in 2007/08. Many of the customers interviewed during this inspection were also positive about the operatives who deliver the service. They report that most are polite and courteous, cover or remove their shoes indoors and clean up afterwards. Both contractors operate elements of multi-skilling and some flexibility is also built in to the system to allow operatives to do more extensive work than has been ordered⁵⁶ if they find this is required. These approaches mean that AVH is delivering against some customer priorities on repairs.
- 67** There is a mixed picture, however, in the speed of carrying out repairs. Although the average time taken to complete non urgent responsive repairs last year was 9.53 days, the 15 day target for these jobs was only met in 92.1 per cent of cases, which means a number took significantly longer. AVH reports conflicting performance on how many urgent repairs were done within government timescales of three days. These either stood at 98.6 per cent or 95.4 per cent last year. This indicates potentially weaker performance in doing urgent work and unresolved anomalies in recording and reporting systems.

⁵⁵ Data is held on schemes covering 3,610 properties, excluding schemes containing the remaining 3,106

⁵⁶ Up to a value of approximately £300 and as long as the work will not take longer than the time allocated

How good is the service?

- 68** These performance issues are exacerbated by the fact that, if a job requires an inspection before it is ordered, measurement of the customer's waiting time does not begin until the surveyor orders the work. This means that a low priority job, where performance is already poor, may take an average of 10.75 days longer to complete than service standards indicate if it is pre-inspected. Although the use of repairs diagnostic software at the contact centre is beginning to bring down the number of pre-inspections, these remain high in some areas⁵⁷ and contribute to the high level of repeat calls to the call centre outlined earlier in this report. This is illustrated by the results of the call centre's monitoring of 760 cases during two weeks in May 2008. This found that only 67 per cent of customers dealt with during that period were satisfied by what they defined as the AVH repairs service.
- 69** Routine repairs satisfaction monitoring does not provide reliable data to track performance. During 2007/08 satisfaction fluctuated between 92.9 per cent in February and 100 per cent in October, based on survey returns which also varied from 107 in one month to 778 in another. A quarterly prize draw has been introduced to incentivise survey returns but more reliable methods have not been explored, despite the fact that the STATUS survey indicates only 75 per cent of the wider customer base is satisfied with how AVH manages repairs.
- 70** AVH also does not track the key measure to indicate overall efficiency and quality within the service. Despite reporting 'right first time' performance, which gives the false impression that 86 per cent of repairs were done on that basis in 2007/08, the ALMO is actually defining this as repairs done during the first visit. This definition ignores crucial factors such as whether the appointment was kept, whether the customer was satisfied with the work and whether it was properly specified at the point of ordering. In addition, AVH has also set itself a target of 85 per cent on this indicator in 2008/09, which assumes that it will deliver a service which is not only poorer than it provided last year, but does not even meet its own standards in 15 per cent of cases. This approach means that AVH is monitoring and reporting performance against a largely meaningless indicator in a way which will not drive service improvement.
- 71** There are a number of further examples of underlying process weaknesses in this service area. For example:
- no warranty information is held at the call centre so, for example, contractors are sent to repair boilers with valid warranties, making them invalid;
 - although higher priority repairs are close to good practice levels⁵⁸, almost all⁵⁹ of these were done on an emergency basis last year, rather than the one-third emergency and two-thirds urgent basis which is good practice. This is more expensive to administer because jobs are scheduled within 24 hours rather than three days. Because emergency and urgent works are not being monitored independently, managers are not identifying the causes of this problem or developing solutions;

⁵⁷ 18 per cent in the area where one partner operates and 9 per cent in the other during the last quarter of 2007/08, reflecting the fact that one operates a bonus system for operatives and more control is required at the beginning of the process to ensure the correct job is ordered

⁵⁸ 32.9 per cent in 2007/08

⁵⁹ 27.23 per cent

- AVH is doing very few 'batched' works. For example, it replaced 46 bathrooms and 44 kitchens as responsive repairs in the last half of 2007/08 because their age meant they were not due to be replaced as part of the decent homes programme, but surveyors found them to be in such poor condition that replacement was required. This approach contributes to the fact that only 29 per cent of AVH's expenditure on revenue repairs last year was planned and 71 per cent was responsive⁶⁰. This makes budgets harder to control and means efficiency is not necessarily being maximised;
- even relatively new policies have not been checked to ensure they deliver an equitable service. For example, perimeter fencing is now done on all voids, despite the fact that longstanding customers living nearby may be equally in need of fencing which is only ordered for them in certain circumstances;
- post-inspection levels are high in some areas⁶¹ which is untypical of effective, mature partnerships where clear operating protocols, open book approaches and systems of rewards and sanctions generally reduce the need for the client to invest heavily in quality assurance; and
- variations are being checked by surveyors at an operational level to highlight, for example, overcharging by contractors, but patterns are not being strategically monitored or managed to drive efficiency in the service or to inform dialogue with customers and call centre staff about reporting or with operatives about how they exercise discretion.

Many of these issues are the result of historical management weaknesses within this service, but the recent appointment of two new managers has not yet had the opportunity to impact in terms of significant changes in output or outcomes.

Empty (void) property repairs

- 72** This is an area where strengths outweigh weaknesses. Performance is now above average. The clear lettable standard is higher than before, void security is effectively managed and robust systems are used to manage performance in this area. Customer satisfaction, however, remains disappointing.

⁶⁰ Against good practice guidelines of 60:40

⁶¹ Only three per cent in one area, but 17 per cent in another, in addition to contractor supervisors also carrying out 10 per cent checks

How good is the service?

- 73** AVH's performance in managing void properties has improved. Its void level at the end of 2007/08 stood at 1.22 per cent, tenancy turnover was 8.12 per cent and void rent loss was 1.28 per cent, which are all slightly above average, despite the fact that these figures include performance on almost 50 long-term voids let during the year after having been 'mothballed' by AVH's LS predecessor. The ALMO has significantly reduced the time it takes to re-let empty homes. This averaged 43 calendar days last year which, although only 15th out of 27 in its benchmarking group, was a significant improvement on the 75 and 53 days achieved by its predecessor ALMOs in 2006/07. This improvement has continued into 2008/09, with average turnaround time in the first two months of the year standing at 36.8 days. This means that, although the ALMO is not yet performing in the top 25 per cent of comparable organisations⁶², its direction of travel indicates it may achieve this by the end of the year. The impact of this improvement is that income from rent has increased and customers no longer have to live alongside properties which are empty for extended periods.
- 74** A clear lettable standard is in place. This was recently revised, in response to customer feedback, to include 50 measurable indicators of quality which are checked before properties can be let. It has a particular emphasis on cleanliness and all void properties are now let with low energy light bulbs installed and with stripped walls if decoration has been damaged. We found that those ready for letting during this inspection met the standard. Good quality handover protocols are in place, which include AVH presenting customers with a quality assurance certificate, operating instructions for all appliances and a 28-day guarantee that any outstanding work, such as damaged plaster which only becomes apparent when walls are stripped, will be carried out by the void team. It also recently introduced a courtesy call system a week after the tenancy begins, in order to pick up on problems and carry out a satisfaction survey. This approach helps ensure that both staff and customers understand how properties should be presented and that the stress of moving house is minimised for customers.
- 75** There are effective systems for managing voids. These have been subject to an end to end process review and an integrated team now manages the repair and re-letting of the void from the outgoing customer giving notice to the incoming customer signing up for the property. 'Lean systems thinking' is an ongoing approach within this service area, with the contractors' in-house surveyors currently being transferred to AVH to help ensure the revised lettings standard is rigorously enforced. The tighter approach which this transfer of staff illustrates is already beginning to impact on quality, with only 87.8 per cent of properties being passed as ready to let at their first inspection in the first two months of this year, against a 96.3 per cent average last year.

⁶² Below 30 days

- 76** Asset management considerations are built into decision making about voids. Properties are generally brought up to a high standard during the void period because the decent homes programme is now largely complete and most voids are not due for large scale works. This means voids may receive loft insulation to 300mm if they are among the few properties which do not already have it. Where necessary, rewires are also done during the void period to minimise disruption for customers. Other elements of the decent homes standard however, such as new kitchens or bathrooms are ordered as part of the decent homes 'mop up' programme unless they are unusable, because AVH does not want to deprive customers of the choice options which programmed work gives them and because it wants to minimise void turnaround times. Sustainability triggers are also in place with option appraisals carried out to prevent excessive spending on properties which are unlikely to be retained in the medium or longer-term.
- 77** Void security is effectively managed. Risk assessments are carried out on all voids and security screening is only used in exceptional cases, with alternatives including alarms and curtains. This approach has led to a reduction in void security costs, with average figures of £607 per property in 2006/07 dropping to £327 in 2007/08. It has also significantly reduced the blight which excessive use of security screening can have in neighbourhoods with higher void levels.
- 78** Performance management in this area is strong. LCC gives AVH a bonus for reducing its void levels⁶³, there are clear targets for the team on turnaround time, quality and customer satisfaction and elemental targets for key processes⁶⁴. There are also void repair targets for contractors, based on the scale of works required. Weekly operational meetings with each contractor address problems with individual voids and weekly team meetings have standard agenda items covering performance and customer satisfaction. This robust approach has contributed significantly to improvements in performance over the past year.
- 79** Customer satisfaction with the standard of voids, however, remains disappointing. The survey introduced with the new lettings standard, which is more rigorous than the scorecard survey, indicates an average level of only 83 per cent. This is despite the fact that carrying out more work has increased average void costs⁶⁵. Although the transfer of surveyors may impact further on this figure, it means AVH is still not producing a product which fully meets customer expectations.

Gas servicing

- 80** This is an area where strengths outweigh weaknesses. Record keeping by the contractor is robust, an effective 'no access' procedure is in place, resulting in high levels of valid gas safety certificates and quality assurance arrangements meet the needs of the service. There remains, however, a small backlog of cases where servicing is overdue and there are some procedural weaknesses reducing customer focus and leading to unnecessary duplication.

⁶³ Based on the percentage of voids below 2.5 per cent of the stock

⁶⁴ Such as the number of accompanied viewings or surveys which should be scheduled per day and the maximum number of voids which should be under management on each patch at any time

⁶⁵ From £1,959 in 2007/08 to a projected £2,071 in 2008/09

How good is the service?

- 81** Effective record keeping ensures that annual servicing is carried out on gas and solid fuel⁶⁶ appliances. Gas safety certificates are issued to customers and copies are stored accessibly. Its own servicing database will be in development until March 2009 but AVH has easy access to its contractor's database. This is basic but adequate, with traffic lighting of cases in the month prior to the anniversary of servicing and when the service becomes overdue. Cases are updated when servicing has been carried out, including manually after other contractors have serviced appliances during void works. The database also allows automatic generation of appropriate weekly reports on progress for AVH's managing agents (PMS). This approach helps ensure that AVH is aware of performance issues as soon as they arise and can monitor risks which might result in breaches of its legal responsibilities to service all gas appliances annually.
- 82** The 'no access' escalation procedure is robust. Three attempts are made to gain access during the month prior to expiry of gas safety certificates on each property. Appointments are available in the evenings and at weekends and the contractor uses text messaging reminders. As soon as the gas safety certificate expires, AVH's housing staff take responsibility for attempting to gain access for a period of two weeks, during which they explore any support systems which vulnerable customers might have in place in order to help them make contact. The contractor attends within half an hour if a housing officer gains access and the customer is willing to have servicing done at this stage. If access is not gained, the case is passed to AVH's legal advisors for injunctive action. This process helps ensure that access is gained quickly in the majority of cases, with 0.4 per cent of customers currently without a valid gas safety certificate. It also helps ensure that a sensitive approach is adopted with vulnerable customers before legal action is considered.
- 83** AVH has appropriate arrangements to help manage situations where customers are forced to sleep temporarily in rooms with fixed, open flued appliances. All boilers have conventional flues and none are situated in rooms designed for sleeping. Where customers are found to be sleeping in living rooms⁶⁷ fires are upgraded to ensure they are not placed at risk and referrals are made to the occupational therapy service to consider the installation of aids and adaptations.
- 84** Quality assurance and performance management arrangements are strong. An external agency carries out a 10 per cent audit check on engineering work and record keeping and provides a detailed monthly feedback report, the most recent of which indicates no significant weaknesses in practice. Monthly meetings are held between the client, managing agent, call centre and contractor to look at performance issues. This approach has helped ensure that all parties now take responsibility for helping ensure appliances are serviced annually.
- 85** Because this emphasis on addressing longer standing cases is relatively new, there is still a small backlog of high risk cases. At the time of this inspection, AVH had five gas safety certificates which were more than 12 months out of date, 30 where servicing was overdue by between six and 12 months and 66 by between three and six months⁶⁸. Although legal action has now begun on all of these, they will continue to represent a significant risk until this backlog is cleared.

⁶⁶ Only 69 units

⁶⁷ For example, following hospital discharge

⁶⁸ dropped from figures of 129 at 3-6 months, 20 at 6-12 months and 9 at over 12 months in the end of 2007/08

- 86** Weaknesses in current information technology (ICT) systems mean AVH is not maximising all its opportunities to gain access during the month prior to expiry of gas safety certificates. For example, flags can only be put on to the LCC customer relationship management system (CRM) and the AVH housing management system after the gas servicing anniversary date has passed. This means that if customers make contact about other issues during that month they are not reminded to make an appointment. Also, although the contractor has access to the housing management system, there are no automatic links from the gas servicing database to it, so it must follow a cumbersome process to access customer profile information. This means any specific communication requirements are, therefore, not recorded on job tickets and letters are all sent out in small print and in English.
- 87** There is some duplication in customer satisfaction surveying in this area and it is unclear how the various surveys are used to drive service improvement. For example, the contractor carried out a survey which indicated 98 per cent satisfaction last year, one done by PMS indicated 96 per cent and AVH did a further one which indicated 93.7 per cent. This excessive level of surveying has contributed to the low return rate of 8 per cent on the AVH survey and gives customers the impression of duplication and inefficiency in systems.

Aids and adaptations

- 88** This is an area where there is a balance of strengths and weaknesses. The service is well promoted and procedures for managing adaptations are robust. Performance is not strong on larger scale works and BME customers are under-represented among service users.
- 89** The adaptations service is effectively promoted. A guide provides accessible information for potential customers about the process and is available in local offices and on the website. Good links exist with a range of referral agencies, including social care colleagues, local spinal and independent living units and other health agencies. AVH has advertised the service in its sheltered schemes and at road shows and is midway through a programme of converting guest rooms in five of its sheltered schemes into showrooms to allow customers to see examples of the adaptations and equipment available. This means customers considering adaptations have access to the information they require.

How good is the service?

- 90** Procedures for ordering adaptations are robust and effective partnership working is moving the service towards a more joined-up approach. Rehousing is an option, but only where adaptations are not practicable. All adaptations costing less than £1,000 are ordered directly through the repairs service and those identified during improvements are carried out as part of those programmes. Both approaches minimise delays and the latter also helps ensure money is not spent on standard fittings which will need replacing. To supplement AVH's own occupational therapist (OT) resources, an independent service provider carries out occupational therapy assessments on request and provides a facility where customers can try out stairlifts before a final decision is taken on the type required. Also, although published materials do not contain service standard timescales for either the assessment or building work stages of the process, customers do sign off their individual work plans, in conjunction with the occupational therapist, so they know how long they should have to wait for the building work element of the process. This means the elements of the process over which AVH has control are generally customer focused.
- 91** There is, however, a mixed picture in terms of performance on this element of the process. Satisfaction rates are high, with consistent scorecard satisfaction of close to 10, but there are delays in carrying out work. For minor works, the ALMO sets itself a challenging target of completion within seven working days but it only achieved 12.7 days in 2007/08. For major works, average waiting times from the point of the occupational therapist referral are long, at 71 days for high priority works⁶⁹, 89 days for medium priority works⁷⁰ and 107 days for low priority works⁷¹ in 2007/08. At the time of this inspection, there were also 27 cases awaiting assessment, the oldest of which had been waiting four months. This means that some customers could be waiting up to eight months from first asking for a visit to having work done if it is large scale and low priority.
- 92** A significant weakness is the fact that disabled customers from BME communities are not accessing the service to the same extent as other customers. Only 0.6 per cent of applications are from these groups, despite the fact that publicity materials have been sent to BME community centres. AVH has not explored why this is the case, particularly as this figure is significantly less representative even than the 1.23 per cent figure of sheltered occupants. This means it is unable to demonstrate that an equitable service is delivered in this area.

Housing income management

- 93** This is an area where there is a balance of strengths and weaknesses. Strong links are in place with the Council around rent accounting and benefit calculation issues. Arrears recovery processes are based on prevention, early intervention and support and there has been a tightening of processes for recovering former tenant arrears. Financial inclusion is also strong. Performance in debt recovery, however, is not yet good.

⁶⁹ Only 61.9 per cent were done within target time

⁷⁰ Only 78.9 per cent were done within target time

⁷¹ Although 98.9 per cent were done within target time, this is unchallenging, at 212 days

- 94** A good relationship exists with the Council on income management issues. This is essential, because LCC has retained responsibility for key elements of the service and AVH relies on LCC rent accounting systems to carry out its own role, which is principally about recovering arrears. This relationship helps ensure that payment cards are issued and rent accounts set up before the tenancy begins and that they differentiate between current rent arrears and other debts, such as court costs and insurance. Rent statements are issued quarterly and there is a wide range of ways to make payments. These various aspects of the service help ensure customers know what they should pay and allow them to manage their own accounts effectively. Although there was some fluctuation in the last quarter, satisfaction data supports this, with rates of between 80 and 90 per cent.
- 95** The ALMO also has strong links with the Council's housing benefit service. These are governed by a protocol and regular liaison meetings and supported by integrated ICT systems and weekly case updates. This means that AVH knows whether information is required to process a claim, which claims have been cancelled and where debt is likely to result from changes in circumstances. The housing benefit service has also provided training for AVH staff on entitlement issues to supplement its subscription to a specialist website for information updates. This relationship helps AVH staff to give customers immediate assistance and make appropriate arrangements to either prevent arrears accruing or help reduce them.
- 96** AVH's strategic approach to managing rent income is holistic. Its income management strategy is based on understanding that many of its customers are poor and are likely to be in multiple debt. It aims to maximise incomes and to raise awareness of debt issues. For example, the ALMO widely promotes the local credit union, which has resulted in 2,600 of AVH's customers taking up membership, many of whom would otherwise have struggled to access low cost financial services. A local celebrity has been used on publicity materials and vulnerable customers are referred either to specialist money advice centres or to a voluntary sector floating support service with a good record of helping sustain tenancies where money management is a problem. These various techniques and initiatives help ensure that customers with large or multiple debts have access to the support required to bring them under control.

How good is the service?

- 97** AVH has a strong commitment to financial inclusion. It is an active partner with LCC⁷² in a citywide multi-agency partnership which has been successful in reducing average waiting times for money advice from 12 to three weeks. The ALMO has developed an in-house financial inclusion training package which has been used by front line staff, key partners and some active customers. All visiting officers have been equipped to give basic energy efficiency advice and the 'warmer living' project has held nine workshops to raise awareness of energy efficiency issues and advised over 70 households, almost 60 of which have benefited from the installation of draught proofing or radiator panels, as a result. Although they are not yet delivering outcomes, the ALMO is the host organisation⁷³ for a new partnership development worker who provides business advice to customers interested in self employment and social enterprise and has partly funded the secondment of a Job Centre Plus worker to signpost jobless customers into employment. These initiatives illustrate the fact that AVH has a role in combating poverty and disadvantage in its neighbourhoods, rather than simply providing a housing management service.
- 98** Tenancy management procedures emphasise arrears prevention. At the sign up stage, AVH provides indicative assessments of housing benefit entitlement so customers know how much rent to pay from the first week of their tenancies. Two specialist in-house benefits advisors run local surgeries and follow up on changes in housing benefit entitlement to ensure customers act immediately to address problems. Direct debit is promoted as the preferred rent payment method, with almost 18 per cent of customers now using it. Incentives also encourage customers to maintain clear rent accounts. These various approaches reduce the likelihood that arrears will accrue as a result of error or misunderstandings and help prevent small debts from escalating.
- 99** Arrears recovery procedures are based on good practice. A specialist team was set up in August 2007 in response to poor performance and a backlog of cases awaiting legal action. A new automated process is based on a series of easy to read escalation letters outlining the help available, alongside parallel attempts to make personal contact. Legal action is only taken once the service manager is satisfied that all alternatives have been explored. Appropriate referrals are made to social care and housing advice colleagues prior to evictions. Although tighter procedures have initially resulted in an increase in evictions, the backlog is now cleared⁷⁴ and there are indications of more effective case management and earlier action with, for example, the number of notices seeking possession (NSPs) issued falling from 27.25 per cent in 2006/07 to 21.87 per cent in 2007/08.

⁷² LCC was awarded Beacon status in 2007 for financial inclusion, with access to additional government funding of £1 million for debt advice and £2.7 million for credit union work

⁷³ Providing no direct revenue support

⁷⁴ 57 evictions took place in 2007/08, which represented 0.38 per cent, compared with 0.25 per cent in Leeds South East during 2006/07 and 0.17 per cent in Leeds South

- 100** A similar tightening of procedures has taken place around the recovery of former tenant arrears (FTAs). This approach now includes more emphasis on tracing debtors, the use of signed agreements to pay once they have been traced and the use of a 'dummy' in-house collection agency prior to debts being referred to external agents. In the last year, the use of the internal agency has resulted in £2,500 being recovered without commission being paid and the use of external agents resulted in the recovery of £20,722⁷⁵. AVH has, more significantly, dealt with the backlog of FTAs which had accumulated as a result of the Leeds South ALMO not having written off any irrecoverable debt during its lifetime. There is now a clear write off policy in place, with irrecoverable debts written off quarterly. In 2007/08 this totalled over £1 million of a £2.3 million debt, which has made the remainder much easier to manage.
- 101** Performance in recovering both current and former arrears, however, has not yet improved significantly. FTAs remained high at 2.75 per cent of the rent roll by the end of 2007/08⁷⁶. Although current arrears did begin to drop in the second half of the year, they were still higher than those of the two predecessor companies, at 3.86 per cent of the rent roll⁷⁷. Below average rent collection levels of 96.29 per cent were also recorded in 2007/08, despite the fact that a third of AVH's customers live in sheltered accommodation, where 99.73 per cent was collected. This means that, although recovery procedures have been improved, this has yet to impact significantly in reducing overall debt levels and particularly on debt levels among younger customers.
- 102** The rent service relies almost exclusively on its rigid case management procedure to recover arrears. For example, AVH has not profiled its debtors to facilitate targeted arrears recovery work or benefit take-up action with particular groups and its evening and weekend work is based solely on telephone contact, rather than being focused on specific types of action in specific cases. Also, where geographical 'blitz' initiatives have taken place, they have not been evaluated to either establish whether they have represented VFM or to learn from them in developing future initiatives. While it is crucial that solid case management remains the foundation of the service, this lack of flexibility and innovation means the ALMO has missed opportunities to successfully tackle debt in a more targeted way. This approach has contributed to an increase in the number of customers with higher level debts, with the percentage of customers owing more than seven weeks rent increasing from 6.99 per cent in June 2007/08 to 7.28 per cent at the same point in 2008/09.

⁷⁵ 4.8 per cent of the £430,020 of debt referred to them

⁷⁶ A net improvement over the previous year end when, although Leeds South East Homes had FTAs of 0.84 per cent, the much larger Leeds South had a figure of 5.64 per cent

⁷⁷ Compared to 3.41 per cent at Leeds South and 3.81 per cent at Leeds South East in 2006/07

How good is the service?

- 103** AVH is missing opportunities to manage the service in a more effective way. Although the recovery of current arrears is target driven, there remain some weaknesses in wider performance management in this area. For example, FTA performance is not routinely benchmarked so AVH is not exploring how other landlords are able to achieve better results and is not applying these lessons to its own processes. There are no measurable targets in place to assess the success of the work of the benefits advisors, so AVH is not able to determine how well they perform or whether they represent VFM. Measures have also only recently been put in place to capture the outcomes and effectiveness of referrals to other agencies. Without this evaluation, AVH does not know whether it is referring customers to agencies who provide the most effective assistance.
- 104** Although the Council is moving towards rent restructuring, it has not taken on board good practice in unpooling service charges. Heating and security charges are ringfenced to those blocks to which they apply and are raised as a separate service charge, so the only customers charged are those who use the service. Cleaning and communal lighting costs⁷⁸, however, are absorbed into the rent figures for the whole of the housing stock, which means those customers living in houses and bungalows subsidise those living in flats with communal corridors.

Resident involvement

- 105** This is an area where there is a balance of strengths and weaknesses. A range of options for involvement is offered and staff provide support. There are a number of examples of positive customer impact on how services are delivered and AVH can also evidence work with relevant community groups if an appropriate customer group is not available. The customer involvement strategy is not comprehensive, however, with particular weaknesses in the provision of training. Customer satisfaction with opportunities for involvement remains low and there are a number of areas where involvement is still underdeveloped.
- 106** There is a clear framework for customer involvement. This allows participation at a range of levels, including: board and area panels; registered resident groups⁷⁹; four standing focus groups on asset management, operational repairs, access to services and sheltered housing; and nine ad hoc groups convened to discuss policy and procedural issues in other key service areas. The ALMO is making significant efforts to involve previously inactive customers via newsletter advertising of key roles, like those of mystery shoppers and for the forthcoming grounds maintenance focus group. It also runs a series of consultation events to talk to customers who do not want to make this level of commitment. This approach allows customers to participate at the level which best suits them.

⁷⁸ £155,000 per year

⁷⁹ Which cover 71 per cent of the stock

- 107** Sufficient resources are in place to support this approach. Not only does AVH contribute £10,000 per year to LCC's wider participation budget, but a team of four staff supports a range of in-house participation opportunities and provides assistance with transport and childcare costs. Area panels also each have £2,000 budgets to support registered residents' group activity. This means new and emerging groups have access to sufficient funds to establish themselves and maintain their activity.
- 108** There are a number of instances where customer involvement has helped shape service delivery at AVH. For example:
- in the area of repairs, the customer charter for working in occupied homes and the new fencing policy were consulted on and refined with the focus group. It also initiated the payment of decoration grants by cheque rather than vouchers and made suggestions for changes to some of the more intrusive questions on the 'getting to know you' customer profiling survey. The group has recently begun to receive performance information, although this has yet to impact significantly on outcomes;
 - in the area of improvements, a cross-ALMO customer group helped review the framework arrangement in 2006 and particularly had an input on relations between customers and contractors;
 - in the area of estate management, a range of local groups has been involved in environmental master planning and problem-solving and customers participate in estate walkabouts and inspections;
 - in the area of sheltered housing, customers have helped design posters and other literature about adult abuse and have instigated better publicity around the low cost handyperson service provided by a partner organisation;
 - in the area of value for money, customers were involved in developing service specifications and selecting repairs and improvement contractors. Their involvement in the forthcoming reprocurement exercise has already begun, with an externally facilitated workshop to scope procurement options and clear plans in place to involve them at every stage; and
 - in the area of access to services, various groups have commented on the content of leaflets. Approximately 340 members of the customer panel have been surveyed⁸⁰ on proposed service standards, which resulted in more emphasis on customer responsibilities around anti-social behaviour (ASB) and lettings. Members also commented on the content of the website, with the result that opening hours and the 'contact us' section were made more prominent.

These examples demonstrate a culture of consultation and movement towards a more participative approach on the part of managers across a range of services.

⁸⁰ 80 responded

How good is the service?

- 109** AVH also works with some advocacy groups in areas where it does not have established customer involvement structures. On disabled adaptations, for example, customers from existing advocacy groups helped shape procedures when the ALMOs took over the service. As many were parents of disabled children, this particularly made staff consider how a holistic approach should be taken to the family's lifestyle when planning changes to the home. Involvement has also resulted in an improved appeals process.
- 110** The strategic approach to customer involvement, however, is still not comprehensive. AVH reviewed its inherited arrangements and produced an updated involvement strategy for 2008/09. This includes a number of positive objectives, including extending the range of training opportunities. It is a short-term plan, however, and does not address gaps in current arrangements, such as the involvement of carers and advocates in supported housing schemes, or clearly outline how particularly hard to reach groups, including young people, are to be engaged. There are also no measurable targets linked to outcomes. This means it will be difficult to monitor progress.
- 111** Training opportunities for customers are underdeveloped. There is no assessment of individual training needs, so these do not inform planning. A range of training is currently provided but there is no menu of courses allowing people to make choices and training tends to be targeted at board and area panel members. This means that limited support is provided to prospective or new activists, which may be a further barrier to access for excluded groups.
- 112** Customer satisfaction in this area is not strong. The February 2008 STATUS survey indicates that only 55 per cent of customers are satisfied with opportunities for participation and an even lower 22 per cent consider that they can influence decisions in their local area. AVH is still exploring these figures by looking at geographical and other patterns of dissatisfaction but this reflects either high expectations or low levels of confidence in AVH's willingness to listen and act, despite higher levels of satisfaction from customers involved in existing arrangements⁸¹. This means the ALMO is not yet giving most of its customers the level of participation and influence which they would like.
- 113** AVH is not yet successfully involving all harder to reach groups. BME customers are reasonably well represented, at between 6 and 11 per cent across the various formal structures. Younger people, however, are under-represented⁸², with only 4 per cent aged under 34, compared with the average across all customers of 21 per cent. This means that, where customers are involved, their input may not be a full reflection of the views of most of their peers.

⁸¹ As considered during the review of involvement arrangements

⁸² Including the customer panel, focus groups, resident groups and among area panel/board representatives

- 114** Customer involvement is still underdeveloped in some areas. For example, there is limited evidence of involvement in performance management. Even in areas like voids, where performance management is particularly strong, where the repairs group has looked in some detail at the lettable standard and where plans are in place for three customers to accompany surveyors on inspections in future, there is no reporting to customer groups about performance. There is a similar picture on environmental issues, where customers are involved in carrying out inspections but do not review performance information about, for example, the grounds maintenance or cleaning services. This means opportunities are being missed to explore value for money issues from the customer perspective and to tailor services to better meet their needs in future.

Tenancy and estate management

Tenancy Management

- 115** This is an area where strengths outweigh weaknesses. AVH's strategic approach and tenancy management processes help prevent and tackle ASB, partnership working is strong and there is investment in diversionary activities. The ALMO has a robust approach to managing domestic violence and hate crime. There is, however, a mixed picture in terms of performance management and performance is not yet strong.
- 116** The ALMO has responded to customer feedback suggesting that ASB is a high priority by putting in place a strategic framework to address it. It has signed up to the government's 'Respect' standard and is working through an action plan for compliance which includes revising its service standards in this area, improving its publicity about successful legal action for breaches of tenancy conditions and working with voluntary sector partners to manage the behaviour of vulnerable perpetrators of ASB. Staff training has also helped ensure all staff have an up-to-date understanding of legislation, case law and good practice.
- 117** AVH's approach to managing tenancies minimises the likelihood of ASB and helps deal effectively with it if it arises. The LCC tenancy agreement complies with Office of Fair Trading and statutory guidelines, has clauses specifically outlining what behaviour is not acceptable and this is also clearly explained to new customers at the sign up stage. This means there is clarity for customers about what the contract means and there is also clarity for the courts if action is taken against a customer for breaching it.
- 118** There is early and regular contact with customers, and incentives to ensure they abide by tenancy conditions. This begins with a visit during the first month of the tenancy⁸³ and is followed up by recently instigated annual visits. Incentives are offered to those customers who abide by their tenancy conditions in the form of 10 per cent discounts using the 'Aire Card'. This approach means those customers who are in breach of tenancy conditions are identified early and either action taken or support provided to improve their behaviour, while those who abide by their tenancy conditions are rewarded.

⁸³ 96 per cent of these were successfully carried out between January and May 2008, although access problems meant only 76 per cent were achieved within 28 days

How good is the service?

- 119** Robust procedures are in place for taking ASB action. Serious cases are escalated immediately to the Council's anti-social behaviour unit (ASBU), each case is assigned to a lead agency and enforcement action agreements are made with complainants. AVH uses a range of evidence collection methods to reduce pressure on complainants and was recently the first landlord in Leeds to obtain a court order using video evidence. A range of legal and other remedies is used, including eviction⁸⁴, suspended possession orders⁸⁵, anti-social behaviour orders⁸⁶, injunctions⁸⁷, tenancy demotions⁸⁸, mediation⁸⁹, anti-social behaviour contracts⁹⁰ and less formal warnings⁹¹. Where perpetrators of ASB are vulnerable, they are referred to support agencies early in the process. Victims are supported by installing additional security, personal support is given in court and, if appropriate, rehousing and Police Witness Protection are offered. Although reducing levels of reporting do not necessarily relate to reducing levels of ASB, cases have fallen over recent years. The Police's public confidence survey also indicates that perception of worsening levels of ASB is reducing from 53.2 per cent in June 2007 to 42.6 per cent in March 2008.
- 120** Partnership working in this area is strong. Partners confirm that AVH plays a full role in joint working, shares information appropriately via partnership protocols and is responsive when its specialist input is required, for example with target hardening or rehousing. The ALMO participates actively in monthly 'tasking' meetings where multi-agency responses are developed and its area panels have part-funded additional police community support office patrols in problem areas. It is also a key partner in monitoring community tensions as part of the 'Safer Leeds' crime and disorder reduction partnership, with staff completing weekly returns identifying incidents of ASB, offensive graffiti and rumours which might indicate increasing tensions. This means AVH's customers can be satisfied that it is exploiting partnerships to boost its own capacity in this area.

⁸⁴ Two in 2007/08

⁸⁵ Two in 2007/08

⁸⁶ 16 in 2007/08

⁸⁷ 10 in 2007/08

⁸⁸ two in 2007/08

⁸⁹ five in 2007/08

⁹⁰ 18 in 2007/08

⁹¹ 48 were issued in 2007/08

- 121** There is some investment in prevention through diversionary activities. For example, it has sponsored martial arts and community talent contests. It has referred 18 young people at risk of offending to the national 'positive activities for young people' project, of which eight cases have been closed with positive action to date and only two with negative action. All three area panels⁹² have funded the 'alive and kicking' theatre project which involved local schools in producing a DVD about the impact of ASB and a junior wardens project with Groundworks has involved 84 young people to help improve their social skills and active citizenship. It is also a member of the 'Signpost' partnership, providing intensive support to families with young people who have complex problems and live in hotspot areas. This has been externally validated as successful in reducing ASB activity among those supported. The ALMO is also currently working with the Council on a pilot scheme in Drighlington which allows the community to vote on whether projects should be funded. Although outcomes cannot yet be assessed, it has contributed £10,000⁹³ and a number of activities have been approved with the aim of reducing juvenile nuisance on estates in the forthcoming school holidays.
- 122** The ALMO has an effective approach to managing domestic violence and hate crime. A separate policy deals with domestic violence and a range of protocols address hate crime. Staff have had targeted training in both areas. Both responses involve signposting to support agencies and rehousing of victims who require it, despite rent arrears. Partnership working is particularly strong, with sharing of intelligence about hate crime to identify emerging trends, offices acting as hate crime reporting centres and promotion of the 'Stop Hate Crime' initiative and a 24-hour hotline. AVH also participates in both multi-agency risk assessment conferencing (MARAC) and hate crime scrutiny panels and subgroups which focus separately on perpetrators and victims. These various approaches should ensure that customers who approach the ALMO about violence and threats of violence on the grounds of gender, race or relationships are fully supported and action is taken to address the problem.
- 123** There is a mixed picture in this service area in terms of performance management. There are robust quality assurance arrangements with local managers checking 10 per cent of cases each month to see whether they are being actioned in accordance with procedures and service standards. Monthly meetings are also held with the ASBU to monitor its action on AVH cases. There has been recent investment in new software⁹⁴ to improve case management and better analyse incidents, although its impact cannot yet be assessed. There are weaknesses, however, with no feedback to customers on performance against service standards, no capturing of the outcomes of new tenancy visits and only limited evaluation of the outcomes of diversionary work.

⁹² Which each has £10,000 for customer led projects and £100,000 for other environmental projects

⁹³ With a Council contribution of £20,000

⁹⁴ May 2008

How good is the service?

124 AVH cannot yet demonstrate effective performance in dealing with ASB. Its 10 per cent quality assurance audit of cases managed in the first quarter of 2008/09 indicated that it is not yet reaching the standards set⁹⁵. Customer satisfaction levels are also variable, with scorecard sample surveys on newly closed cases throughout 2007/08 indicating fluctuations of between 5.4 and 7 out of a possible 10. Dissatisfaction focused on the extent of contact and quality of case updates provided. AVH has responded by tightening procedures, with updates now provided at no more than 20 working day intervals⁹⁶ but it is too soon to assess the impact of this change. The February 2008 STATUS survey is AVH's last reliable indicator of general customer satisfaction in this area, and this indicates that only 39 per cent feel staff were able to deal with their problem and only 31 per cent were satisfied with the outcome.

Estate Management

- 125** This is an area where strengths outweigh weaknesses. Estates are well maintained and managed, support is available to vulnerable customers to keep their gardens in order and environmental improvements are being carried out. AVH has not, however, ensured that all customers have recycling opportunities.
- 126** AVH's estates are well maintained. They are generally tidy, with well kept grassed areas and no significant graffiti or fly tipping. Service standards are clear, with a checklist and visual photographic guide used by staff, customer representatives and other agencies during regular estate walkabouts. Feedback on performance is posted on the ALMO's website and in local offices and positive feedback is provided to customers with well-maintained gardens. AVH has robust arrangements to supervise the delivery of its building cleaning contract⁹⁷, involving wardens and caretakers in monitoring quality, further inspections by its environmental manager and regular monthly meetings with the contractor. This approach has contributed to estates being pleasant places to live.
- 127** More intensive estate maintenance activity is carried out in 'hotspot' areas. For example, AVH's caretakers target fly tipping by providing jointly funded⁹⁸ skips for customer use and by removing items which the Council refuses to take, like furniture left on the landings of multi-storey blocks. Monthly 'operation champions' activity takes the form of multi-agency events which involve larger scale clean up work by AVH's four teams of mobile caretakers alongside interventions from other agencies. This typically includes the police executing warrants, fire service issuing smoke alarms, truancy officers carrying out 'swoops' and dog wardens targeting dog fouling. These are visible examples of local agencies working together to respond to issues identified by local people and they have improved the appearance of a number of AVH's more difficult to maintain estates.

⁹⁵ Only 87 per cent of complainants were contacted and only 81 per cent had an enforcement action agreement issued within five days and only 85 per cent had a complainant update issued within 30 days

⁹⁶ Previously 30

⁹⁷ The work is done, under a service level agreement, by LCC

⁹⁸ With LCC's neighbourhood management teams

- 128** Support is available to customers who are unable to maintain their own gardens. Caretakers carry out occasional ad hoc work for older or disabled residents to help bring overgrown gardens under control. A voluntary sector scheme, subsidised by AVH's area panels, also provides a regular, free service for 55 older customers who have no access to gardening help from friends and family. This helps them maintain their independence and reduces the neglected appearance of neighbourhoods, which can contribute to fear of crime.
- 129** AVH is actively working with residents' groups on a range of environmental improvement projects. These are approved locally and funded by area panels, each of which has a delegated budget of £100,000. Examples include assistance for a group in Whinmoor which has planted shrubs in a seating area at Brayton Green sheltered scheme and funded tools for a local primary school to support children growing vegetables and learning about healthy eating. Another example is support to the John O'Gaunt residents' group with a grant for fencing around a sheltered scheme which has helped it subsequently set up a group to work with young people on the estate to improve planting and run an allotment. These are relatively small scale schemes, but have helped improve the appearance of smaller unattractive areas and helped cement community cohesion.
- 130** Larger scale environmental improvements are effectively delivered through a partnership with a voluntary sector agency, using AVH's £12.6 million supplementary credit approval (SCA) funding. This work has provided some low cost solutions because it benefits from low labour costs and often attracts match funding⁹⁹, with projects linked to others delivering vocational training for local young people. In total this has provided 3,000 hours of clearing up in problem areas and the creation of five community gardens during 2007 as part of an access to employment scheme for 20 trainees. Further community clean up and graffiti removal work was done via this agency as part of a reparation project for young people convicted of criminal damage, in partnership with the local youth offending service. SCA funding has also supported the £400,000 commitment made at the time of the merger to improve garages which were still in demand but in poor repair. About 430 have been improved over the past year, including asbestos removal, with a further 785 still to be improved and 212 to be demolished. Larger scale work is also planned for later this year and next year, with master planning under way in several areas. These various initiatives are beginning to significantly improve the appearance of previously unattractive larger areas.
- 131** The ALMO has been successful in making many of its neighbourhoods better places to live. Performance against reported environmental indicators was reasonable last year, with mobile caretakers responding to all 480 requests for assistance within five days, 83 per cent of customers being satisfied with this speed of response and 82 per cent being satisfied with the quality of the work. More significantly, however, its last STATUS survey indicated that 77 per cent of customers were happy with their neighbourhoods, which was a 9 per cent improvement on the position two years earlier. This is supported by a positive trend in customer satisfaction sampled for the scorecard, which rose steadily from 7.6 out of 10 in the first quarter of 2007/08 to 8.7 in the last quarter.

⁹⁹ £300,000 to date

How good is the service?

- 132** Support for customers with recycling initiatives is mixed. Positively, working with the Council, AVH has introduced tailor made local recycling receptacles for areas of back to back housing where normal recycling arrangements cannot work. It has also arranged provision of recycling bins at eight of its sheltered schemes where access is possible for collection. Arrangements have not been put in place, however, for customers living in multi-storey blocks or less accessible sheltered housing. This means some customers do not have easy access to recycling facilities and opportunities are being lost to reduce the environmental impact of people living in some forms of housing.

Leasehold management and Right to Buy

- 133** This is an area where weaknesses outweigh strengths. The relationship with the Council works well and communication systems are in place with leaseholders. AVH does not, however, facilitate gas servicing, most leaseholders are not involved in service development and a number of procedural weaknesses have yet to be addressed.
- 134** AVH has an effective operational relationship with the Council in this area. This is essential because it is only responsible for a narrow range of leasehold management services, with most outside the scope of this inspection because they have been retained by LCC. The relationship is governed by a clear service delivery agreement, which outlines that AVH will only carry out communal repairs and building cleaning, provide information to the Council about planned and actual capital expenditure on the blocks where leaseholders live, provide information to leaseholders about the services it manages, facilitate a leaseholder forum and offer gas servicing. The two organisations hold joint leaseholder consultation events and staff training. This approach means that AVH is generally aware of and involved in addressing problems.
- 135** AVH is effective in providing details to LCC of major planned and actual repairs and improvements to properties occupied by leaseholders. This enables the Council to accurately determine the leaseholder's share of the costs, issue notices and collect charges.
- 136** Communication systems between AVH and leaseholders are robust. A clear leaflet detailing what leaseholders can expect from AVH and LCC clarifies who can help in which circumstances. There is a dedicated and well-advertised email address and telephone number for leaseholder enquiries at AVH, which ensures they are dealt with by a specialist officer. A specific leaseholder page on the website and column in the newsletter allow AVH to highlight the information most relevant to them. These various approaches helped increase leaseholder satisfaction from a low base of 4 out of 10 in the first quarter of 2007/08 to 6.2 out of 10 in the final quarter of the year¹⁰⁰.

¹⁰⁰ Per customer satisfaction scorecard

- 137** Despite a requirement to do so, AVH does not effectively promote the importance of gas servicing to leaseholders. Its contractor has been reluctant to take on this work and does no gas servicing for leaseholders in AVH's area. The ALMO has not addressed the issue by working with this contractor to change its position, finding reasonably priced alternatives or advertising the potential risks. This means some leaseholders may not understand the importance of regular maintenance and may place themselves and their neighbours at risk.
- 138** Most leaseholders are not yet effectively engaged in the design or delivery of the service. Leaseholders are encouraged to join local tenant and resident groups, to attend newly initiated drop in sessions and a leaseholder happens to sit as a customer representative on the board. There is no monitoring, however, of how many leaseholders choose to get involved in local groups and the attendance at the first drop in session was poor. This is despite the fact that these have been promoted as a more accessible alternative to a forum, which AVH has still not set up, despite a requirement to do so in its agreement with the Council. This means AVH cannot demonstrate outcomes resulting from customer involvement in this area of its services.
- 139** There are a number of procedural weaknesses which mean operational efficiency is not maximised. For example, leaseholder complaints are not analysed separately, so AVH is unable to identify common issues or trends in order to drive service improvement. Also, the costs of providing administration and management services to leaseholders are not identified separately. This means, AVH is not in a position to assess whether it is recovering its costs and customers cannot make informed judgements about whether they receive value for money.

Allocations and lettings

- 140** This is an area where strengths outweigh weaknesses. AVH operates the Council's lettings system effectively, uses local lettings policies responsibly, ensures the system is accessible and offers choice and matches disabled customers well with adapted properties. There remain some procedural weaknesses in its systems, however, and it has not been proactive in using back to back lettings to minimise re-let times.
- 141** Robust arrangements ensure the Council's lettings policy is appropriately applied within the ALMO. AVH operates under a city-wide choice-based lettings (CBL) scheme, whereby properties are offered to registered bidders with an appropriate level of priority and who satisfy the bedroom requirements for properties being let. Only 7 per cent of lettings are made outside of this policy¹⁰¹. These 'direct lettings' are approved by AVH middle managers within strict guidelines and their decisions audited both internally by other managers and externally by LCC. This helps ensure that, while flexibility exists to meet local requirements, different decisions are not made on an unjustifiable basis in different areas.

¹⁰¹ Typically where existing customers are under occupying a large home, or where hospital discharge or an adapted property is required urgently

How good is the service?

- 142** Local lettings policies are used responsibly. There are four in AVH's area which cover: extra care accommodation; an 'over 25' age restriction on a high rise block and a 'local connection' restriction for a percentage of larger properties becoming vacant in a high demand area. These are reviewed annually in consultation with LCC. These policies help maintain sustainable communities in these areas.
- 143** The lettings system is accessible. The bidding process is clearly explained in a well-presented leaflet. Available properties are widely advertised on the internet, in the local newspaper and through weekly flyers in offices. Vulnerable customers can request special arrangements, such as receiving flyers through the post. AVH offers support to make bids, helps people fill in forms and will make home visits if requested. Bidding is easy, being available by telephone, in person, via the internet and by text. This approach means that customers generally find it easy to understand and use the system.
- 144** Customers are offered significant choice. Bidders can choose from any area and property type, although they must satisfy the occupancy level required for the properties they request. AVH has produced area profiles and specific information about each sheltered scheme to help customers to bid for its properties. Twelve local housing associations and a number of private landlords advertise via the scheme, which extends customer choice. The policy also allows lettings to be made to customers with rent arrears if they are in particular need, such as fleeing domestic violence. This helps ensure that meeting needs is balanced with offering choice in the way properties are let.
- 145** Systems for managing lettings are efficient. In 2007/08, AVH registered 94 per cent of the 4,723 applications received from its area within its ten-day target time. This process involves responsibility for giving priority to applicants within LCC's guidelines and quality assurance framework and an appeals process is in place¹⁰². Properties are advertised during notice periods and before the property is empty. On the day after bidding closes for each property AVH receives a shortlist from LCC of those bidders who have the highest priority and, within priorities, those who have been registered for longest. All offers were made within AVH's seven-day target timescale last year. Marketing initiatives, such as warden-led open days on less popular sheltered schemes and the use of the 'first come first served' advertising options when there are peaks in void levels in lower demand areas, help reduce re-let times. Accompanied viewings are done on all lettings, with viewing packs provided, which include the lettable standard and 'welcome' information. These various approaches help to minimise delays in the lettings process and maximise the likelihood of applicants accepting offers.
- 146** Action is taken to try to match disabled customers to suitable properties. These properties are flagged up when the vacating customer gives notice and AVH uses a separate list, which operates outside the CBL system, to find an applicant with a need for these particular attributes. Support is also provided to disabled existing tenants of AVH who are short listed for a property in another area, with the in-house occupational therapist carrying out an assessment of the prospective property to ensure its suitability, at the offer stage. This means customers with disabilities are not disadvantaged by the process.

¹⁰² of the 46 made last year, only 16 were upheld

- 147** There remains a lack of customer focus, however, in elements of the process. For example, unsuccessful bidders only know the outcome of their bids if they check the weekly bulletin some time later and note that the property has been let to someone else. Although AVH does make contact with people who bid for properties that they subsequently refuse, to ensure they understand how to get the most out of the CBL system, refusal rates remain high at 42 per cent¹⁰³. AVH is also not yet actively promoting the relatively new incentives to address under occupation of larger homes. These various weaknesses mean AVH may be missing opportunities to ensure customers are housed as quickly as possible into the properties which best meet their needs and is not minimising void rent loss caused by refusals.
- 148** There has been only limited use of back to back lettings¹⁰⁴, despite the fact that direct lettings are done in 7 per cent of cases, so advertising delays should not be a factor. Many landlords use this technique where notice is given on a property requiring little repair work. The speed of the lettings process is increased to allow the new customer to move in on the day the previous customer leaves and effective coordination is required of repair services to ensure gas and electricity checks and lock changes are scheduled for that day. This means AVH has not maximised opportunities to reduce rent loss and security costs on the property and security problems for neighbours.

Supported Housing

- 149** In this service area AVH provides only sheltered housing and a small¹⁰⁵ floating support service for older people. This is an area where there is a balance of strengths and weaknesses. Most sheltered schemes meet the needs of existing customers, a reasonable support service is offered and the floating support service is also managed effectively. BME communities, however, are under-represented in both services.
- 150** Most sheltered properties meet the requirements of current customers. Despite the medium and longer-term asset management problems outlined earlier in this report, most schemes remain popular and 90 per cent of sheltered properties already meet the decent homes standard. Several are 'institutional' in appearance but they are clean, tidy and secure, with well-maintained grounds and adequate parking. Customer satisfaction is relatively high, with 88 per cent satisfaction in sheltered housing, compared to 75 per cent overall¹⁰⁶.

¹⁰³ Although below the city average of 68 per cent

¹⁰⁴ Only 19 cases last year

¹⁰⁵ 36 unit

¹⁰⁶ STATUS

How good is the service?

- 151** A reasonable support service is offered. When AVH's predecessor ALMOs took on management of the service in 2006, this was poor but it reached minimum acceptable standards¹⁰⁷ by the time AVH was set up. Its approach to adult protection issues was also recently reassessed as above minimum standards and all customers have a support plan in place. Only limited flexibility of support level is offered, with no option to formally scale the standard service or its charges up or down. Customers can, however, choose to have their daily contact made by telephone or text rather than a warden visit. More intensive short-term support can also be offered, for example after hospital discharge. Although it has not yet been used, an appeal to an independent agency is now available for customers dissatisfied with the level of support outlined in their individual support plans. This means that, while the lack of choice available may deter prospective customers from applying for sheltered accommodation, the support service provided does meet the requirements of most of its existing customers.
- 152** The floating support service is managed effectively. All of its customers have had risk assessments carried out and support plans are in place. Staff have particularly supported customers in claiming benefits and accessing other services, such as adaptations, transport services for the disabled and meals on wheels. This means a group of customers who have chosen not to live in traditional sheltered accommodation are being supported to live independently in their own homes for longer.
- 153** The major weakness in this area is the fact that BME communities are under-represented in both the sheltered and floating support services. Analysis indicates that this is principally because none of the sheltered schemes are in areas with large BME communities and floating support currently also operates in outlying areas where fewer older people from BME backgrounds have settled. AVH is aware of this weakness but the issue is unlikely to be resolved until new sheltered housing schemes can be built in areas which are more appealing to BME communities or until the floating support scheme is expanded.

Is the service delivering value for money?

- 154** This is an area where there is a balance of strengths and weaknesses. There is some use of benchmarking to help understand and drive down costs and a VFM culture is beginning to develop. Significant efficiencies have been made through partnering arrangements with building contractors and by driving down AVH's own overheads. The ALMO has not, however, taken a rigorous approach to reviewing its range of service level agreements with the Council and it provides only limited information to customers about VFM issues.

¹⁰⁷ Under the quality assessment framework used by the Supporting People programme, which funds most of the support provided

How do costs compare?

- 155** AVH uses benchmarking to understand its costs. These exercises indicate that it is often competitive and higher costs identified have generally been challenged and reduced. For example, benchmarking carried out by consultants in 2005/06 to inform LCC's ALMO review, indicated that the Leeds ALMOs were already competitive, except for the costs of senior management¹⁰⁸ so this differential was eliminated when setting up the AVH structure¹⁰⁹. Benchmarking within service areas is problematic because AVH has been operating on the basis of its current structure and processes for less than a year. Of the 18 cost measures tracked by its benchmarking club, however, it has improved on all compared with its predecessor ALMOs¹¹⁰. Although benchmarking data for the last 12 months will not be available until after this report is published, these figures indicate that AVH is successfully reducing its higher costs.
- 156** There is, however, a mixed picture in terms of understanding comparative costs at service level. Some of AVH's middle managers, for example, can talk confidently about key indicators of the health of a housing business, such as its rent payment transaction costs and the numbers paying by each method, its void management, lettings¹¹¹ and average void repair costs and the average costs of carrying out key adaptations. Some work has also been done to benchmark sheltered housing service specifications and staffing costs. In other areas, however, this understanding is less well developed. For example, the costs of resident involvement, leaseholder services and typical repairs are known but these have not yet been subject to robust VFM assessments which take account of quality and performance as well as cost.

How is value for money managed?

- 157** AVH is beginning to develop a VFM culture. Its emphasis has historically been on cost cutting and it has met efficiency targets since being set up, but an awareness of the balance of cost and quality which makes up VFM has begun to emerge over the past 12 months. Although VFM reviews have not been carried out and detailed plans to achieve VFM are not in place in all areas, any significant unplanned expenditure is now signed off by members of the senior management team (SMT), forcing staff to consider the links between decision making and spending in their daily work. Staff also have the opportunity to justify new expenditure, in line with service objectives during zero-based budget setting. VFM decision making is not always about reducing costs or increasing income. Examples of a more sophisticated approach include long deliberation over whether a repairs recharge policy would enhance VFM before it was introduced, balancing the costs of administration and the value added tax (VAT) implications against the power of its deterrent value and projections of income generation. These approaches mean that, although VFM approaches are not yet embedded across the company, they are on the agenda in most areas.

¹⁰⁸ Which was £8 per property higher than comparators

¹⁰⁹ Costs were reduced by £2.74 on LS and £16.28 on LSE figures

¹¹⁰ Nine would be top quartile in its peer group using 2006/07 rankings and eight would be second quartile

¹¹¹ £16 and £22 per property, which is less than half of those of its predecessors

How good is the service?

- 158** AVH's most significant efficiencies have been gained through partnering with building contractors. Its improvement programme contracts were let on a framework basis¹¹² which gives sufficient continuity to contractors to encourage collaboration and allows AVH to call down work as required. Framework tenders were submitted at the outset of the five year partnership¹¹³ and it now works on the basis of target costs for each phase of work, depending on their content. AVH efficiency savings via the partnership are £150,197 to date, with a further £82,000 saved via negotiation and £30,000 through efficient use of materials.
- 159** The ALMO's two repairs contracts provide larger savings. They were procured on the basis of elements of best practice at the time¹¹⁴, although they include no profit share arrangements or performance sanctions and rewards. The arrangement is based on open book accounting which allows AVH to see how prices are built up. AVH funds contractor overheads, pays cost price for materials and pays a simple percentage price to cover labour costs. Specialists work as subcontractors, rather than being contracted directly by the client because this also keeps costs down. AVH does some supply chain management¹¹⁵ but both partners' collective buying power makes this uneconomic on most items. This approach resulted in year-on-year savings of approximately £400,000 for AVH's predecessor ALMOs. Bringing the two contractors into partnership and closer competition when AVH was set up, however, led to improved efficiency in 2007/08. One made £100,000 efficiencies by increasing productivity¹¹⁶ and £66,000 savings in overheads, while the other was able to save £433,467¹¹⁷ from increased productivity and savings on materials. Joint procurement of waste disposal between the companies has also saved £58,000.
- 160** AVH has worked on improving its own efficiency since it was set up. In 2006/07, both of its predecessor ALMOs achieved efficiencies in overheads of 2.5 per cent through a range of measures. Since the merger, however, reduction in duplicate posts and further reductions in overheads have resulted in an estimated £317,000 year on year cashable efficiency saving. Modernisation of the sheltered housing service has also released an additional 200 hours of staff time for the same cost. A contract with an external supplier of strategic human relations (HR) and health and safety (H&S) support to the in-house team has not been market tested during its four year life, but the increase in support required during the merger and integration of sheltered housing staff was provided without additional cost, so AVH can demonstrate that this relationship has provided VFM. Although savings via consortium procurement of small scale items have been limited, joint working with the other Leeds ALMOs has resulted in a number of efficiencies, such as the £32,500 saved in support services across the city by procuring repairs diagnostic software using a standard specification. Some significant efficiencies have already been achieved for the 2008/09 year, including a five month rent-free period negotiated on the head office building, saving £53,000, and a £70,000 net gain through renegotiating bank interest on SCA funds which are being held there for the medium-term.

¹¹² Through a city wide partnership which includes all three ALMOs, six main contractors and a number of specialists

¹¹³ 2005

¹¹⁴ 2004

¹¹⁵ On kitchens and bathrooms

¹¹⁶ 5,635 additional hours as a result of tighter management and increased use of mobile working

¹¹⁷ With projections of £645,764 this year

- 161** There is a mixed picture in terms of the information provided to customers about VFM issues. The customer ballot on the merger stated that a city-wide ALMO had the most potential to reduce costs, so customers did consider cost issues when voting. All of AVH's newsletters and the website also carry articles advising customers on how to reduce fuel usage. Only 21 per cent of AVH's customers¹¹⁸, however, selected VFM as one of their three most important items from a list of seven. Seventy one per cent of customers¹¹⁹ are satisfied that they receive VFM for the rent they pay but the ALMO acknowledges that it has made only limited attempts to disseminate VFM information to them, so they have had little basis for making this judgement and the annual report will be the first document they have received which clearly tells them how their rent money is being spent and/or where resources have been redirected. This means customers do not always have the information required to determine whether services provide VFM.
- 162** AVH has not market tested its various contracts with LCC in the four years since they were set up. Neither has it reviewed central services costs, such as procurement, for which it is recharged, irrespective of usage, as if it were a Council department. In some cases, however, it has done significant work to improve performance or reduce costs. For example, the service level agreement (SLA) for legal services¹²⁰ has been reviewed annually and limited benchmarking indicates that hourly costs are competitive. Additional VFM was also obtained in 2006 by negotiating the inclusion of a specialist ASB lawyer in the arrangement. The cost of using LCC's property management service¹²¹ has been compared with that of bringing it in-house but this will only become a viable option when the decent homes improvement programme ends. This is because fees are based on turnover and any surplus made is redistributed to the ALMOs in proportion to their use of the service. AVH has set up an ICT team jointly with the other Leeds ALMOs¹²² and a review of this arrangement in December 2007 demonstrated that it provides VFM. While it has not reduced the price of ICT services provided by the Council¹²³, the team has imposed clear targets on LCC and improved its customer focus. The team has also begun to cost ALMO independence from the Council's systems in future. This means some VFM benefits have been gained, even without market testing.

¹¹⁸ STATUS

¹¹⁹ STATUS

¹²⁰ £96,000

¹²¹ £247,000

¹²² £418,000

¹²³ £430,000

How good is the service?

- 163** There are other examples, however, where positive outcomes are unclear, despite intervention from AVH. One instance is the relationship with the Council to provide frontline services¹²⁴ which has been subject to a series of reviews by external consultants because of the poor performance of the telephone call centre. These have consistently led to decisions by the board to retain the LCC service, however, on the basis that the risks and costs associated with outsourcing are considerable and the one stop centre element of the contract is 'pay per use', so costs will reduce as customers increasingly make contact by other means without AVH having to manage the service's decline. It has seconded a member of staff to help the Council improve performance and put in place tighter client side management processes which include monthly meetings, a new charging mechanism based on cost per call and a reduced price for face to face contacts¹²⁵. A £20,000 penalty clause has also recently been included. Ongoing performance problems appear to indicate that AVH has sacrificed quality, and it has not fully tested the service price by market testing the contract.
- 164** In some cases, AVH has not been proactive at all. For example, it recently reviewed its arrangements for payment of creditors¹²⁶, payroll services¹²⁷ and other financial services which indicates that £100,000 savings can be made and that speed and performance can be improved by outsourcing some of this work. This review was only carried out in the fifth year of these arrangements, however, because the ALMO was reluctant to risk disruption in service delivery and has still to make a decision to market test these services. This means AVH has missed opportunities to improve VFM sooner.
- 165** AVH cannot demonstrate that its one year contracts with the Council to deliver building cleaning represent VFM. There has been no market testing or review of the contracts¹²⁸ and AVH has not considered whether LCC has been able to offer an optimum price in view of such a short-term arrangement which does not give it scope for longer-term investment and planning. Some quality enhancements have been made, such as the inclusion of fire checks and bin management in blocks where AVH has chosen to carry caretaker vacancies. The Council has absorbed the £8,000 cost of this, but this does not demonstrate the significant VFM saving to the ALMO which a full review at an earlier stage might have done.

¹²⁴ £949,000

¹²⁵ Estimated £28,000 pa saving

¹²⁶ £70,000

¹²⁷ £37,000

¹²⁸ £552,000

- 166** AVH also cannot demonstrate that complex arrangements to deliver grounds maintenance represent VFM. The Council delegates responsibility to the ALMO to deliver this service and AVH then contracts this back to LCC under an SLA. LCC has let the contract on a city-wide basis for three years, with optional one year extensions¹²⁹. It manages the contract on behalf of all three ALMOs and also for its own highways service, but only monitors standards on highways land, with the ALMOs employing its own staff to do this in its area. Some highways land is adjacent to land monitored by AVH, which presents missed opportunities for improved efficiency in monitoring. The complex administration arrangements necessary to delegate and contract responsibilities backwards and forwards between the parties and to hold regular monitoring meetings have also not been reviewed for VFM during the period the contract has been running.

¹²⁹ AVH's element of which costs £692,000

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 167** This is an area where there is a balance of strengths and weaknesses. Under difficult circumstances, AVH has established itself successfully as a new and distinct company. It and its predecessor ALMOs have had some success in improving VFM and some of the services which matter most to customers. Performance has not improved, however, in a number of key areas and AVH and its predecessors have been slow to tackle some significant problems. Full details of progress against previous inspection recommendations are outlined in Appendix 2.
- 168** AVH has forged a positive identity for the new company within its first year of operation. This process has involved restructuring the staff team and establishing a new vision, while also dealing with external factors such as the Council-wide job evaluation process and internal service pressures like the modernisation of sheltered housing. Effective communication of the company's positive values and ambitions, the openness of its culture and the choice of a new name, which signals a departure from the 'municipal' flavour of its predecessors, have been crucial in this process. Staff are positive about the merger after two years of uncertainty about the future, particularly among ex-LS staff who experienced the reputational damage and job losses resulting from its financial crisis. The ALMO has also employed a specialist marketing company to help promote itself externally, with an estimated £88,000 worth of positive coverage provided for a £16,000 outlay. This has been successful because 83 per cent of customers¹³⁰ were aware within ten months of it being set up that AVH was the company managing their homes.
- 169** AVH has some track record in improving VFM. It and its predecessor ALMOs achieved their 2.5 per cent efficiency targets in each of the last two years. It has reduced the size of its SMT and restructured the remainder of the company to invest in additional staff. This has allowed it to address the customer priority of improving responses to ASB and to be more proactive in customer involvement. Significant savings through improved client control over voids, improvement works and repairs have been outlined earlier in this report and have allowed it to introduce new initiatives which have the potential to impact significantly on the well-being of many of its customers, such as those around financial inclusion.

¹³⁰ STATUS

What are the prospects for improvement to the service?

- 170** The ALMO has improved some of the services which matter most to customers over the past three years. Performance improvements are sometimes difficult to track because the merger brought together two companies with very different strengths and weaknesses, but a positive track record is clear in some areas. In the past year, for example, AVH has succeeded in bringing 50 voids which had been ‘moth balled’ by LS back into use. Not only has this increased its income and reduced security costs, but the blight which they brought to their neighbourhoods has been lifted. The new company has also addressed the backlog of irrecoverable FTAs which LS had built up, allowing staff to concentrate on supporting customers with financial problems rather than spending time in unproductive work. Over a longer period, both LS and LSE contributed to improving the sheltered housing support service, which was rated by its funders¹³¹ as below acceptable standards when it was inherited from the Council in 2006 but now meets them. AVH’s contribution to achieving Council objectives during 2007/08 also led to it receiving significant reward bonuses for the first time since the Council set the ALMOs up, with a £98,000 bonus across all performance indicators and a £499,286 bonus related specifically to voids¹³².
- 171** There has been a slight improvement in overall customer satisfaction¹³³, with AVH achieving a score of 73 per cent¹³⁴ in 2007/08 against 2006/07 figures of 66 per cent for LS and 72 per cent for LSE. The same is true in key service areas with, for example, satisfaction with repairs and maintenance up to 73 per cent from 59 per cent for LS and 70 per cent for LSE. In terms of its impact on neighbourhoods, figures indicate that these are now better places to live, with 77 per cent satisfaction in February 2008, which was a 9 per cent improvement on the position across most of the area two years earlier.
- 172** Performance has not yet improved, however, in some areas. For example, rent arrears increased during the period immediately after the merger, when different collection processes were being consolidated, and it has not yet recovered. A similar pattern can be seen in repairs, where the number completed on time in 2007/08 was lower than that of the predecessor ALMOs. Long-term performance has been particularly poor in responding to customer complaints, with only 65 per cent actioned within unchallenging time scales in both of the past two years. Customer satisfaction in some areas has also been slow to improve in response to consolidated procedures. For example, satisfaction with the handling of ASB cases fluctuated at a relatively low level of between 5.4 and 7 during 2007/08 which suggests that new service standards have not yet impacted significantly.

¹³¹ The Supporting People service

¹³² Compared with a collective £193,119 for LS and LSE in 2006/07

¹³³ Although this is still likely to be below average when Housemark benchmarking figures are analysed

¹³⁴ STATUS

What are the prospects for improvement to the service?

173 AVH and its predecessor ALMOs have been slow to address some business imperatives over the past three years. As outlined earlier, they have not been sufficiently proactive in securing VFM from some service level agreements and have been particularly unsuccessful in bringing the quality of the call centre's performance up to an acceptable standard. They have also been slow to identify DDA compliance issues in sheltered housing schemes. These weaknesses indicate that AVH and its predecessors have not always given sufficient priority to addressing the issues which matter most to customers and failure to act sooner or more decisively has been a barrier to improvement in key areas.

How well does the service manage performance?

174 This is an area where strengths outweigh weaknesses. AVH's short-term plans are robust and it is beginning to explore its longer-term future, including taking on non-traditional responsibilities and considering social enterprise funding opportunities. Plans are in place for more efficient approaches to delivering maintenance programmes and a range of other frontline services. The ALMO has strong leadership and an open culture of self awareness and learning. Its corporate performance management system is robust and it is beginning to make better use of data to drive service improvement. AVH has an appropriately arm's length relationship with the Council, although it has not been successful in influencing it in some key areas. Performance management in some frontline areas is patchy, lean systems thinking has also impacted more in some areas than others and detailed plans are not yet in place to achieve efficiency targets within service areas this year.

175 AVH has a long-term vision which recognises its broader role in communities. The business plan¹³⁵ is supported by a range of key strategies¹³⁶ which have links to its six main strategic objectives. An outcome-focused and resourced annual organisational development plan sits between the business plan and divisional and team plans, drawing action points from both. This comprehensive and joined up approach means there is clarity about how the organisation intends to operate over the medium-term.

176 Although there remains a lack of clarity about its longer-term future, some consideration of LCC's options for the housing stock has begun. AVH only has financial stability until 2011/12. The council has a £43 million subsidy deficit on its housing revenue account (HRA), which is increasing at £6 million per year and will begin to have a significant impact on the ALMO's management fees after the end of the current contract. Even if the government's current HRA review leads to an option to buy out of the system, LCC may find this unaffordable. It cannot afford to do the major repairs required to keep the housing stock decent after 2010/11 or to modernise properties which become less popular. The Council receives £37 million per year in major repairs allowance (MRA), but this is insufficient to fund either decency or the modernisation required to improve its sheltered schemes. It has begun working up a bid for a city-wide PFI scheme for its sheltered housing but this is likely to have at least a three year lead in period, even if successful. LCC has, however, begun modelling potential future ownership options, with a view to resolving uncertainties within the next two years.

¹³⁵ 2007/8 to 2011/12

¹³⁶ Including customer involvement, access to services, asset management and HR

What are the prospects for improvement to the service?

- 177** The ALMO is exploiting opportunities to take a less traditional role in the future. It will be LCC's agent in managing 350 new build properties due between 2010 and 2013 in the Holbeck and Beeston Hill PFI area. It will also take on the management of housing association properties built in the south and east of the city between 2009 and 2012 under the Council's affordable housing programme¹³⁷. AVH's board has also begun to consider how it might generate income and access non-traditional forms of borrowing in future. These social enterprise models would build on existing partnerships and could allow it to make a wider social and economic impact in communities. They would also not cut across the outcomes of the stock options review because they would be applicable to either an ALMO or a housing association.
- 178** Despite the funding gap, there are plans to make better use of resources for maintenance and improvements. A forward surveying strategy is in place, involving an annual 10 per cent stock condition survey¹³⁸. A full asbestos survey¹³⁹ of domestic properties in all sheltered schemes will be done in 2009/10 and a rolling programme of 5 per cent surveys of each property archetype per year will also begin then to inform planning. A joined up approach is in development for all post-decency maintenance programmes. The cyclical painting programme¹⁴⁰ is currently on hold and systems for ordering capital work, such as kitchen and bathroom replacements outside the decency programme, are also being reviewed with a view to carrying them out on a planned basis in future. The management of these issues, along with the client role on servicing and maintenance programmes, is coming together under the control of a new development surveying team, which should improve efficiency.

¹³⁷ LCC incorporated this into the brief when funding was allocated for the first six sites, three of which are within AVH's area

¹³⁸ Incorporating HHSRS surveys

¹³⁹ Type two

¹⁴⁰ £530,000

What are the prospects for improvement to the service?

- 179** There are also a number of improvement plans in place to address performance issues in other service areas. Examples include: a SMART and outcome focused plan to investigate, benchmark and action call centre weaknesses over the next year; the use of teams of customer mystery shoppers and environment inspectors to carry out reality checks from August; the use of investment planning workshops with customers to explore their priorities for the post-decency future and others to consider the future shape of grounds maintenance and building cleaning contracts when they are re-procured next year; and plans for enhancements to the website in July to further improve interactivity. These supplement a number of initiatives which had begun shortly before this inspection but were not yet demonstrating outcomes, including a 12-month project for specialist independent money advice in sheltered schemes and workshops with customers to consider the future shape of repairs and improvement contracts when they are re-procured next year. This means that AVH is planning effectively for service improvement in most areas.
- 180** There is strong and accessible leadership within AVH. The board takes a clear strategic governance role and provides appropriate challenge on performance issues, without deviating into operational detail. It has made mature decisions on integration and restructuring and its commitment to local influence over decision making is evident in its delegation of significant budgets to the three area panels¹⁴¹. Board members are committed, with strong attendance records at meetings and training events. Mutually respectful relationships are in place between members and officers. The SMT is strong, with a good mix of skills and experience. It is small¹⁴², which allows it to draw in specialist external support if required. It also meets bi-monthly with a larger team of third tier officers to look at organisation wide issues. Regular team meetings and one to one supervision sessions happen throughout the organisation. Effective performance is recognised and staff report that they feel valued and well motivated and that their managers are visible and accessible. The approach to leadership has been instrumental in establishing a stable and open culture within the merged organisation.
- 181** AVH is a learning organisation. Its self-assessment for this inspection was candid and contained a SMART improvement plan with outcome rather than output focused objectives, realistic timeframes and clearly identified resources. This is largely the result of lean systems reviews in key areas under LSE and extensive process mapping to merge procedures over the past year. Other initiatives have also impacted, such as moving managers between offices at the time of the merger to share learning, and involving technical and housing staff in workshops to help implement the new repairs diagnostic software at the call centre. The ALMO was also responsive to our on-site feedback, with a proactive approach to immediately addressing weaknesses identified. It has a history of learning from customers with, for example, many changes made after complaints to prevent problems reoccurring. AVH plays a leading role in exchanging good practice, sharing research and benchmarking via local, regional and sub regional partnerships and helps disseminate learning through, for example, an annual housing law conference for ALMO and stakeholder staff. This learning ethos has prevented complacency and helped AVH innovate since it was set up.

¹⁴¹ Each has £100,000 of environmental improvement funding to spend and a further £10,000 to support community groups

¹⁴² The smallest of the three Leeds ALMOs, with only four members

What are the prospects for improvement to the service?

- 182** AVH's corporate performance management framework is robust. It links to divisional and team planning and to individual staff appraisal and target setting processes. The framework is based on annually set targets for key performance indicators (KPIs) which are negotiated with teams, translated into individual plans¹⁴³ and appear in monthly performance reports. An operational weekly performance book is also produced which includes additional data on performance drivers. This system allows performance to influence planning, as happened when it became apparent during 2007 that the generic approach to rent arrears recovery was proving unsuccessful and a speedy decision was taken to make the service more specialist, impacting on HR plans as well as frontline service plans.
- 183** There is evidence that, although it has not yet impacted in terms of outcomes, AVH is beginning to make better use of data to drive service improvement in some areas. For example, although it acknowledges that its customer satisfaction scorecard is unsophisticated and does not reflect many of its new service standards, this is being revised. From July, some surveys will be based on bigger samples, revised versions on ASB and sheltered housing will be added and new ones developed on planned maintenance and environmental improvements. Less easily measurable service standards will be monitored via mystery shopping. Some interesting work is also beginning to measure the social impact of activity in 'value' rather than 'cost' terms. This uses a model which assigns monetary values to inputs and outputs and will go on to cost outcomes. For example, a traditional approach to deciding whether to use planned rather than responsive maintenance would simply consider cost and quality, but this model will force staff to assign values to factors such as the use of local labour and opportunities for greener procurement. Similarly, the outcomes of investment in adaptations will be considered in the context not only of the obvious health and social care savings that their preventative role can realise, but also of values assigned to community sustainment, dignity, independent living and reduced mortality rates. When these previously unconsidered factors are brought into decision making in a concrete way, this approach will begin to cast VFM in a different light and will allow AVH to build sophisticated scorecards over time.
- 184** The relationship between AVH and LCC is appropriately arm's length. This independence has been preserved throughout the period since the last inspection, despite financial difficulties at LS which required some intervention. This took the form of a six month recovery board, made up of Council and ALMO officers, board members and councillors, but had only limited delegated responsibilities for overseeing the resolution of the immediate crisis, while the LS board continued to function as its governing body. The Council's executive board now receives an annual report from AVH and its housing scrutiny board oversees quarterly performance reports¹⁴⁴. The ALMO CEO and chair meet quarterly with the Council's portfolio holder and chief housing officer to discuss strategic issues, while a range of lower level, performance meetings take place at more frequent intervals. Joint meetings also take place between the Council's monitoring officer and the three ALMO CEOs to develop ideas which are relevant to all.

¹⁴³ Personal appraisal and development plans (PADs)

¹⁴⁴ It has not chosen to call in the ALMO on any performance issues

What are the prospects for improvement to the service?

- 185** This is a mature partnership, with AVH and the other two ALMOs having brought pressure to bear on LCC to address issues it had been slow to consider. For example, its current review of pooled service charges, which lack transparency and mean some customers subsidise services consumed by others, was instigated partly as a result of pressure brought to bear by the ALMOs, as was LCC's decision to consult customers before tendering the support service contract for its sheltered housing schemes. AVH is also considered by the Council to be a significant local stakeholder, with a range of examples available of it influencing changes in proposed dwelling mixes and on design issues for new build estates, based on its local knowledge of need and demand and its commitment to regenerating less popular areas in a sustainable way.
- 186** There are a number of areas, however, where AVH has not brought appropriate pressure to bear on the Council. For example, its property refusal rates are high at 42 per cent in the context of an even higher city-wide figure of 68 per cent. This is largely the result of customers making second and third choice bids for properties they do not want, simply because the Council encourages them to make good use of their option to make three bids per week. AVH has no control over this system, which is inefficient and lacks customer focus, but could have done more to work with the council to deter frivolous bidding or apply short-term sanctions following repeated refusals. AVH has also not challenged the Council about the HRA subsidy of general fund services. For example, its caretakers carry out a number of general fund functions, including the disposal of all bulky items in blocks, litter picking around blocks and clearance of fly tipping on both HRA and general fund land. There is no general fund contribution, however, towards the service and there is only a £162,000 contribution towards the £508,000 grounds maintenance budget, despite the fact that customers on estates already pay council tax to cover the cutting of amenity grass and only sheltered schemes receive a significantly enhanced service. These are missed opportunities for AVH to help ensure VFM from the HRA is maximised.
- 187** Performance management at lower levels within the organisation is patchy. Some service areas are managed effectively and new systems in others promise a much improved approach, for example around ASB, where a new ICT package was introduced shortly before this inspection which will capture action on individual cases and allow a more analytical approach to monitoring and reporting. In other areas however, as outlined earlier, key indicators of performance are not effectively monitored. For example, there is no scheme by scheme monitoring of refusals on improvement schemes and no strategic monitoring of variation levels on responsive repairs. Also, although AVH has done some work to identify the performance indicators which matter most to customers, like void turnaround times, this has not been done in other areas such as 'right first time' on repairs. Even where appropriate indicators are in use, there is sometimes poor target setting, such as on adaptations, where an unachievable target of doing minor adaptations within seven days is in place while there is an unchallenging one of doing low priority major works within 212 days. This mixture of effective and less effective systems means performance in some areas is likely to improve more quickly than in others.

What are the prospects for improvement to the service?

188 The success of process reviews has also been patchy. As outlined earlier, lean systems thinking has been used successfully to improve management processes around voids and rent arrears recovery and has also been used, although less successfully, in the call centre. It has not impacted, however, in other areas. For example, elements of the responsive repairs management system remain cumbersome, resulting in an over reliance on pre-inspection and on picking up late in processes some of the issues which should have been addressed early, such as the capitalisation of individual repair works. This means AVH still has work to do to ensure efficiency in its systems in some areas.

189 Targets in place for efficiencies have not yet been translated into detailed plans. AVH's management fee has not increased this year but its salaries will increase with inflation and component costs will continue to rise in high spending areas like repairs. AVH's global efficiency target is 3 per cent and teams are expected to achieve this by tightening management processes. For example, the repairs budget has had no inflationary increase, so the team must make £303,000 savings without reducing the volume or quality of work done. There is no clear plan in place, however, to demonstrate how this will be achieved or for use in tracking progress. This means that, despite its track record in making efficiencies, there is some risk that AVH will be less successful this year.

Does the service have the capacity to improve?

190 This is an area where strengths outweigh weaknesses. Skills gaps are being met at board level, a robust approach is in place on HR and ICT issues, good use is made of limited training resources, financial management systems are sound and partnerships boost capacity in a range of areas. Although risk management procedures are generally robust, a weakness exists around gas servicing. There is a gap in training around management development, AVH does not have a clear procurement strategy in place and the board and staff are not representative of the local community's profile.

191 Skills gaps are being addressed at board level. There has been some targeting of recruitment to attract two new independent members. These are younger people who have financial and social enterprise skills, in line with AVH's business plan objective of exploring new income streams prior to the negative subsidy situation which will become problematic for it in three years time. This followed a review of the board's skills mix and has been supported by recent training on performance, business planning, contract management, procurement and governance issues. Customer board members are also mentored with a view to enhancing their future roles. This approach means the board has the capacity to take the organisation forward.

192 A robust HR strategy focuses on managing culture change, supporting staff to achieve a work life balance and ensuring health and safety. The company constantly reviews and redirects staff resources to meet objectives. For example, its process reviews in August 2007 indicated that staff resources for income and tenancy management were inadequate, so six additional specialist posts were created by restructuring elsewhere. The small frontline teams on two of its patches are also currently being brought together under one manager to improve cover and free up resources to support a mobile office to improve access in rural areas. This level of flexibility allows AVH to respond effectively to local needs.

What are the prospects for improvement to the service?

- 193** Workforce management procedures are sound. Job roles are based on eight core competencies which are described at four different status levels, allowing staff to develop themselves for a more senior post. This is linked to the appraisal system, with skills gaps flagged up and met via training plans. Individuals are supported with job redesign and the provision of aids to facilitate health or disability problems. Although sickness levels are still not good, they are reducing¹⁴⁵ as a result of tight sickness management procedures. The company has also begun to explore how it should be managing an ageing workforce¹⁴⁶, with access, for example, to a local hospital fund scheme which provides some basic health benefits, including free counselling. This approach is helping maximise efficiency and support staff retention and capacity building for the future.
- 194** Good use is made of limited training resources¹⁴⁷. Annual training plans cover staff and board members and are designed to meet company, service and individual needs. Training requests are prioritised on the basis of the extent to which they benefit the organisation. This approach means that, while much of its basic training is generic and traditional¹⁴⁸, other themes change with corporate objectives. For example, financial inclusion training is a priority for large groups of staff in 2007/08. More targeted training is also provided, like a recent session for particular housing officers on working in communities where extreme radicalism exists and training for sheltered staff on elder abuse and bereavement. There is also some professional education, with staff competing for three places beginning this autumn. Some external funding supplements the budget with, for example, energy efficiency training delivered in partnership with the Council's specialist unit and part funded by an energy supply company. AVH is also beginning to generate income as a founder member of a partnership training group which sells its modular online 'e-academy' courses to other housing and public sector bodies. This approach means staff have access to appropriate training opportunities to enable them to carry out their changing jobs and develop themselves for potential promotion.
- 195** Partnerships also support training. For example, the partnership with Groundworks includes training places for up to 25 local young people on a certificated 12-week foundation course. One of the repairs partner contractors also has a job guarantee programme for fifteen 14 to 16 year olds from South Leeds who do a two-year national vocational qualification (NVQ) at school with a guaranteed modern apprenticeship at the end of the process. A national time bank project, targeting AVH customers, has been used to employ 22 local people to do small scale jobs which would otherwise have been covered by agency arrangements. A partnership with a local college has also supported four training places¹⁴⁹, two of which have resulted in permanent employment within the company, one in a traineeship and one continues as a voluntary work placement. Initiatives like these help build capacity for the future, as well as providing training and employment opportunities for local people who might otherwise be excluded from employment.

¹⁴⁵ From an average of 17 days at the time of the merger to 10.7 at the time of this inspection

¹⁴⁶ 63 per cent are over 45

¹⁴⁷ £20,000

¹⁴⁸ Including H&S and customer care

¹⁴⁹ Two of which were provided to disabled people

What are the prospects for improvement to the service?

- 196** The ALMO makes good use of partnerships to boost its capacity in other ways. In addition to the large scale repairs partnerships, financial inclusion partnerships, community safety partnerships, neighbourhood management clean-up and environmental improvement partnerships outlined earlier, AVH also works with partners on a range of smaller scale projects. For example, although it does not fund it, AVH sponsors and promotes a voluntary sector DIY service and is working with a local independent cleaning and shopping service to help ensure these good quality, low cost services are available to its customers and provide local employment. Through engagement with social care colleagues, its staff have accessed a range of partnerships around the 'every child matters' and adult protection agendas, with the result that they now sit on a number of key boards and have made valuable contacts for specialist advice and consultation in developing the sheltered and adaptations services. Links with Leeds Telecare have also resulted in the primary care trust agreeing to train wardens to carry out assessments for minor adaptations. These and other local partnerships with community-based organisations have proved valuable in tracking and enhancing community cohesion and sharing learning.
- 197** Partnership work is also helping to lever in external funding. In addition to providing project and design support, the partnership with Groundworks enables AVH to tap into its expertise at identifying and securing grant funding. In 2007/08, £390,000 match funding was obtained from a variety of sources to support a range of environmental projects and the potential figure for 2008/09 is £485,000. Energy grants via the Fuelsavers partnership¹⁵⁰ brought in a further £250,000 last year for energy efficiency work, while income from AVH's affinity deal with a power supplier earned a further £38,725 in addition to the efficiencies it generated through earlier tenancy start dates for newly let properties. These funds, in addition to a number of projects covered elsewhere in this report, are making a significant contribution to the volume of non-housing management work which AVH is able to do in its communities.
- 198** Budget-setting and financial management systems are sound. Zero-based budgeting is in use in most areas of the business, which forces staff to consider whether spending is in line with objectives rather than custom and practice. Monthly monitoring meetings are held between budget holders and finance staff to assist them in managing their budgets and a full set of management accounts is produced monthly to help the board and SMT track expenditure. The staff and managers we met during this inspection had a good understanding of their financial management roles and were confident about ensuring funds are spent in areas which have the most impact in meeting AVH's objectives.

¹⁵⁰ With the Council's in house team

What are the prospects for improvement to the service?

- 199** The approach to the strategic management of ICT is robust. Although AVH has no formal ICT strategy, it has clear objectives and a resourced plan in place. It is migrating to a web-based version of its main software over the next two years which should improve service delivery and efficiency through increased mobile working and the implementation of a workflow system. AVH also plans to improve access to services by capturing more customer data¹⁵¹, to improve business intelligence reporting and to enhance the usage of existing software by taking advantage of a new trainer post in its shared ICT team. Although all three ALMOs have similar high level ICT goals, AVH can demonstrate that it is taking a unique approach to meeting them. For example, its emphasis on developing mobile working approaches means it has not adopted the 'kiosks' being trialled elsewhere and its wardens will have systems access via hand held technology rather than desktop computers. This approach means AVH is making good use of ICT to support its business objectives and is taking a longer-term view of how services will develop.
- 200** Although AVH's risk management procedures are generally robust, the board is not made fully aware of all the significant risks which the company faces. A risk register is in use and is overseen by a board subcommittee, with AVH also feeding into a city wide register. Most reports to the board highlight key business risks effectively and the chair takes a particular interest in ensuring 'red' risks are being managed. In one key area, however, insufficient prominence has been given to a significant risk. There has been no reporting of the age profile of out of date gas safety certificates on a case by case basis¹⁵². This is a particular omission because AVH does not have a corporate gas safety policy designating a senior officer as being responsible for compliance with legislation. The complex web of delegation in this area means there is a lack of clarity about whether the CEO of the Council or of the ALMO, or whether a senior officer within the agency managing the contract on its behalf is responsible should a case of corporate manslaughter arise. This means the board is carrying a significant risk and has not been given sufficient information to satisfy itself that this is being effectively managed.
- 201** AVH does not have a procurement strategy. It tends to rely on the Council's procurement team for advice and operational support with procurement exercises¹⁵³. LCC was a beacon authority for procurement in 2006, so its methodology is recognised as being robust. The lack of an independent AVH strategy, however, means there is a lack of clarity about its ethos on modern methods like consortia procurement or e-procurement and its stance on customer involvement. It also means there is no clear timetable in place for future procurement, other than for the re-procurement of existing contracts when they expire. This makes it difficult for stakeholders to establish how AVH intends to procure goods and services in future and for AVH to track whether it is delivering its objectives through procurement.

¹⁵¹ Partly by contributing to a partnership 'golden record' project to bring together profile information about customers which is currently held on a range of systems

¹⁵² Despite the fact that before processes were recently tightened, five of these were more than two years out of date and three were more than a year out of date

¹⁵³ Towards whose costs it makes a pooled annual contribution

What are the prospects for improvement to the service?

- 202** Despite the positive aspects of board development outlined earlier, only limited progress has been made in it reflecting the community profile. It has a reasonable age, ethnicity and gender balance¹⁵⁴ but it does not reflect the disability profile of its community¹⁵⁵. It has a stated objective to be representative, but the Council's desire to ensure that political representation is cross-party and geographically diverse, coupled with a lack of success in attracting excluded customers or independents, has left it with an unrepresentative mix. Although its new connected customer strategy sets out a planned approach to 'growing' potential area panel and board members among its active customers, this has not yet impacted on outcomes and no pressure has been brought to bear on the Council to provide more diverse nominees.
- 203** This is also the case in the workforce and among contractors delivering services on AVH's behalf. The senior staff group¹⁵⁶ is reasonably representative, particularly in view of its small size¹⁵⁷. Although 17 per cent of the staff recruited since the merger have been from BME backgrounds, they still only represent 5 per cent of the staff group, however, against an unchallenging 8 per cent target¹⁵⁸. Disabled staff also make up only 7 per cent of the workforce. Imbalances within partner contractor organisations are even clearer¹⁵⁹, with no plans to address them by, for example, targeted recruitment or mentoring schemes. These weaknesses mean AVH is not necessarily able to provide positive role models for customers or prospective employees and may be reinforcing barriers to access, particularly in the building trades.
- 204** There is no effective leadership and management development programme in place. AVH acknowledges that, while it has delivered some practical operational management training¹⁶⁰ and a number of management modules are in development for the e-academy, a tailored programme is not in use to improve the business focus and strategic thinking of middle managers. There is also no formal system of mentoring or support to help build capacity and assist with succession planning. This means that opportunities are being missed for AVH to equip its managers to more proactively address some of the weaknesses identified in the earlier chapters of this report.
- 205** There are no mechanisms to evaluate the outcomes of training. The organisation is considering how this can be done, but there is a lack of understanding among some service managers about how outcome-focused evaluation should work and a number of key staff are unable to explain how training has changed their approach. AVH has particularly never adopted outcome evaluation approaches for its E&D or customer care training which lend themselves most easily to mystery shopping, the use of non-threatening quizzes and similar approaches. This means AVH cannot demonstrate the impact training has had on the way staff and board members behave or how they deliver services.

¹⁵⁴ With 42 per cent females and 6 per cent from BME backgrounds

¹⁵⁵ With only 6 per cent disabled membership

¹⁵⁶ Top 5 per cent of earners

¹⁵⁷ It is 36 per cent female, 9 per cent BME and 9 per cent disabled

¹⁵⁸ The limited customer profile currently available indicates this should be at least nine per cent

¹⁵⁹ They currently employ only one female operative across both organisations

¹⁶⁰ Dealing with issues such as absenteeism and appraisals

Appendix 1 – Performance indicators

Performance indicator	Leeds 2005/06	Leeds 2006/07	AVHL* 2007/08	Mets top 25% 2006/07
63 Average SAP rating	61	65	77.9	67
66a Percentage rent collected	96.15	96.69	96.29	97.74
66b Percentage tenants with > 7 wks arrears (gross)	7.42	7.29	7.28	3.98
66c Percentage tenants in arrears with NSP served	30.12	24.93	21.87	22.75
66d Percentage LA tenants evicted for rent arrears	0.27	0.29	0.38	0.41
74a Percentage tenants satisfied with overall service	75	70	73	77
75a Percentage tenants satisfied with TP	-	57	55	67
184a LA homes which were non-decent at start of year	50	39	24	23
184b Change in proportion of non-decent homes	12.6	10.6	44.36	29.2
212 Average re-let time (days)	63	41	43	37

* unaudited

Appendix 2 – Previous inspection recommendations

Table 1 Leeds South recommendations

Leeds South recommendations	Progress
Review service standards by January 2005 in partnership with residents to include measurable targets, such as telephone and letter response times.	Achieved
Develop and publish information on LS's complaints policy and ensure that monitoring systems record details of complainants' ethnic origin and disability profile, as well as the outcomes of each complaint by November 2004.	Achieved
Ensure that service standards for disabled adaptations are published, in partnership with the Council, by November 2004.	Achieved
Publish the new hate crime service standards and ensure that these are available at all LS offices by November 2004.	Achieved
Ensure that the gas procedures for non-access cases are fully implemented, with outstanding cases subject to enforcement activity within prescribed time frames. This should be undertaken with immediate effect.	Achieved
Review access arrangements and contact centre, and develop a clear plan to make any proposed changes in provision by January 2005.	Achieved, although no change in provider was made
Ensure that arrangements are put in place to maximise learning from customer satisfaction surveys, mystery shopping exercises, complaints and other consultation activities.	Achieved
Develop monitoring arrangements to determine service usage by different ethnic groups and ensure that information is routinely presented to the board.	Not yet fully achieved - ongoing
Ensure that all customer satisfaction surveys routinely collect diversity information in order to identify issues and concerns across different groups.	Achieved
Review the current Equality and Diversity Action Plan to ensure that it includes the full range of activities required to meet Level three of the Local Government Equality Standard and provides a greater sense of prioritisation.	Achieved

Appendix 2 – Previous inspection recommendations

Leeds South recommendations	Progress
Ensure that there are systems in place locally to reflect capital improvements to homes in the stock condition data within one month of their completion.	Achieved
Review the coverage and impact of housing support services and, in partnership with the Council's Supporting People Team, consider ways to strengthen existing arrangements.	Achieved
In partnership with the Council, consider how existing tenants can be better informed about the purpose of the choice-based lettings scheme, its impact on local re-housing decisions and the in balance in local housing supply and demand.	Achieved
Review the range of performance information presented to the board and its subcommittees, with an emphasis on ensuring fuller coverage of key organisational health and service performance indicators.	Achieved
Review the service improvement plan to ensure that it is focused on outcomes for customers and major challenges facing LS. This should be completed by December 2004.	Achieved
Ensure that the financial forecasts within the strategic business take account of future stock projections. This should be completed by November 2004.	Not achieved by deadline but now in place
Review the scope and quality of current financial support to ensure that it meets both operational and strategic business needs. This should be completed by November 2004.	Not achieved by deadline but now in place

Source: AC inspection report 2004

Table 2 Leeds South East recommendations

Leeds South East Homes recommendations	Progress
The Capital sub group should consider how it monitors the process of responding to tenant dissatisfaction following surveys by January 2005.	Achieved
Take steps to address how the ALMO will assess the impact of its Equality and Diversity Action Plan by January 2005.	Achieved
Respond to the needs of BME groups in planned investment programmes and to inform design choices to facilitate cultural or religious needs by March 2005.	Achieved

Appendix 2 – Previous inspection recommendations

Leeds South East Homes recommendations	Progress
Review current quality control monitoring systems, and introduce a higher level of checks on long-term voids to ensure the lettable standard is consistently applied by December 2005.	Achieved
Review the level of charges for advertising vacant homes by the CBL service to ensure parity with all other ‘advertisers’ including RSLs by December 2005.	Achieved
Ensure that it collects accurate information on costs and services including resident involvement and uses it to decide priorities and to strategically manage resources by March 2005.	Achieved
Ensure that the value for money issues that could mean tenants ‘paying twice’ for a General Fund service are identified and remedied as a matter of urgency.	Partially achieved – now only pay for legal support on AVH tenancy enforcement action but questions remain around grounds maintenance and some caretaking duties
With immediate effect ensure that ‘no access’ for gas servicing are followed up with appropriate legal action as necessary and regularly report to the board on progress.	Partially achieved – procedures have been tightened and board reporting improved but performance problems have continued
Take steps to ensure consistent application of initiatives such as the mobile phone texting tenants in arrears scheme so that effective evaluation can take place and procedures for maximising income collection and reducing arrears are robustly followed with emphasis on personal contact rather than an over reliance on written communication by March 2005.	Achieved
With their external auditors the Council and LSE should review the policy of payments being accepted on accounts after write-off if a former tenant re-emerges by December 2004.	Achieved
Develop a clear and robust empty property strategy in consultation with residents with a clear vision to reduce the number of properties particularly the longer-term voids which impact on estate aesthetics by March 2005.	Achieved
Review its procedures and monitoring processes to minimise the impact that fear of racial violence has on lettings by March 2005.	Related to an area now managed by another ALMO

Appendix 2 – Previous inspection recommendations

Leeds South East Homes recommendations	Progress
Review the Tenant Participation strategy in consultation with all tenants and leaseholders to ensure it provides a clear plan of action for how the ALMO sees resident involvement developing in LSE and its relationship with the City Wide strategy by March 2005.	Achieved
Ensure that vulnerable tenants are referred to appropriate agencies when legal action is being considered with immediate effect.	Achieved
Consider the production of an information publication/ leaseholder handbook for all LSE leaseholders and introduce effective liaison systems with the strategic landlord to ensure that customer satisfaction can be effectively monitored by December 2005.	Not achieved by deadline but now in place
Ensure that effective performance management systems are implemented without delay.	Achieved at corporate level and in most service areas
Review performance information provided to the board to ensure that it can monitor and manage effectively by February 2005.	Achieved
Review all Service Improvement Plans to include any relevant issues identified in this report.	Achieved

Source: AC inspection report 2004

Appendix 3 – Reality checks undertaken

- 1 Before going on site and during our visit we reviewed the documents included on our standard document request list and a number of additional documents which the ALMO and stakeholders felt would be helpful in reaching our judgements.
- 2 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of the quality of the service being delivered. They included customer, staff and partner interviews, file checks, visits to various neighbourhoods and housing schemes, and mystery shopping of service access points.
- 3 We also interviewed key people involved in governance and monitoring of the ALMO, including councillors and board members.

Appendix 4 – Positive practice

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

Partnership Financial Inclusion Approach

- 1** A range of partnership initiatives are in place in this area. AVH is active in a citywide, multi-agency partnership which has reduced average waiting times for money advice from twelve to three weeks. It has developed an in-house financial inclusion training package which has been used by front line staff, key partners and some active customers. All visiting officers have been equipped to give basic energy efficiency advice and the ‘warmer living’ project provides more in-depth advice and practical assistance to individual customers. The ALMO is the host organisation for a new partnership development worker, who provides business advice to customers interested in self employment and social enterprise. It has also partly funded the secondment of a Job Centre Plus worker to signpost jobless customers into employment. These initiatives illustrate the fact that AVH takes a clear role in combating poverty and disadvantage in its neighbourhoods, rather than simply providing a housing management service.

Training Partnership

- 2** AVH is a founder member of a partnership training group, with a local housing association and private sector organisation. This provides a range of modular, online ‘e-academy’ courses to housing and public sector bodies. Not only has this proved to be a cost-effective way of providing training for its own staff, board members and active customers, but the project is also beginning to generate income from sales.

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