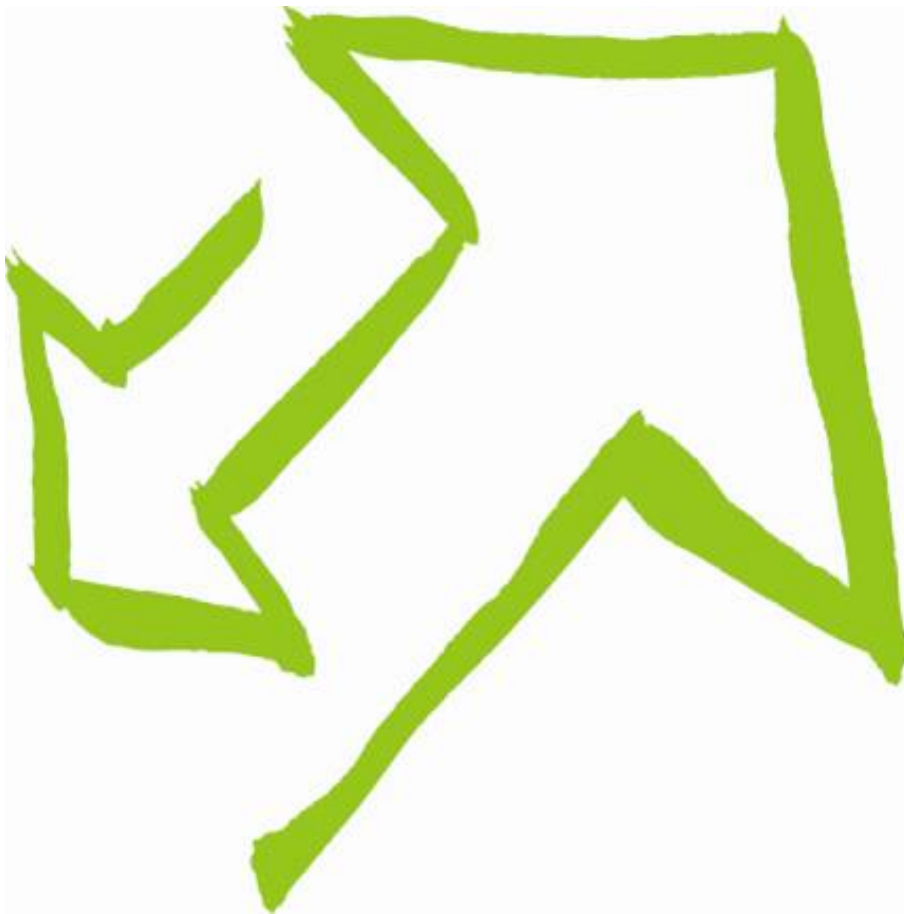


Short Notice Inspection

Pavilion Housing Association

June 2009



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Housing Association Inspections

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

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

For housing associations our current inspection role and remit is set out in sections 41A and 41B of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003). Provisions contained in the Housing and Regeneration Act 2008 will amend our role and remit in due course, but are not yet in force. Our role 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.

Short notice inspections (SNIs) have been developed to encourage improvements in the performance of housing associations (HAs) at delivering services to their customers – tenants and leaseholders. They focus on the outcomes for residents and work on the basis that associations will concentrate on improving services rather than preparing for an inspection, which could happen at any time.

The scope of each inspection of a housing association, undertaken by the Audit Commission has been agreed in consultation with the Tenant Services Authority. The Tenant Services Authority is the statutory body which regulates housing associations to ensure that they are well governed, well managed and financially viable as set out in its Regulatory Code.

The Association

- 1 Pavilion Housing Association (Pavilion) was registered with the Housing Corporation¹ in 1995 to take transfer of local authority homes from Rushmoor Borough Council in Hampshire. Since 2005 Pavilion has been part of the First Wessex Housing Group (FWHG).
- 2 Pavilion now operates in Hampshire and Surrey, mainly in three local authority areas: Rushmoor, Waverley and Guildford. Rushmoor, where most of its homes are still located, has a black and minority ethnic (BME) population of around 5 per cent.
- 3 Pavilion currently has 4,423 general needs homes for rent. It also owns and manages 458 sheltered and extra care homes and over 800 leasehold and shared ownership homes. The Association was last inspected by the former Housing Corporation in 2004 and was assessed as having 'scope for considerable improvement'.

¹ The Housing Corporation was succeeded as regulator by the Tenant Services Authority (TSA) in 2008.

The scope of the inspection

- 4 The scope of this inspection focused on the following areas.
 - Resident involvement.
 - Estate management.
- 5 The inspection also included an assessment of how Pavilion is addressing three cross-cutting themes: Access and Customer Care, Diversity and Value for Money within the services included in the inspection's scope.
- 6 We would like to thank the staff of Pavilion who made us welcome and met our requests efficiently and courteously.

Dates of inspection: 25 to 27 March 2009.

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Summary of our findings

- 7 We have assessed the strengths and weaknesses of the service areas included in the scope of the inspection. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 Assessment

How good is the service?	Assessment
• Access and customer care ¹	Strengths and weaknesses are in balance
• Diversity	Weaknesses outweigh strengths
• Value for Money	Weaknesses outweigh strengths
• Resident involvement	Strengths and weaknesses are in balance
• Estate management	Strengths outweigh weaknesses

-
- 8 We have asked Pavilion to consult with its tenants on the findings of this report and on the preparation of an action plan to implement our recommendations. We will publish Pavilion's response together with our assessment of the association's prospects for improvement within the next three months.

¹ Access and Customer Care, Diversity and Value for Money are assessed in relation to the service areas inspected only.

How good is the service?

Access and Customer Care in the service areas inspected

9 We found that strengths and weaknesses are in balance in this area.

10 There are some strengths.

- Residents benefit from easy access to services via a well-located head office and local satellite offices and community facilities (all of which offer disabled access).
- Pavilion has values and uses customer feedback to shape services, for example, neighbourhood action plans and community regeneration initiatives reflect residents' priorities and there has been service user involvement in reviewing opening hours and setting service standards.
- The website is easy to navigate and offers interactive features which allow service users to make a complaint, report a repair and pay rent on line.
- Recent customer satisfaction data has been collected for most aspects of the service, with reasonable ratings for some aspects of customer care and the inspected service areas.

11 There are also some weaknesses.

- There are gaps in the quality and accessibility of information for residents, including limited information about service performance.
- Residents contacting the association by phone get a variable service, with some callers waiting a long time for a response to estate management queries.
- An inconsistent approach to complaints handling has led to low customer satisfaction, with 57 per cent of complainants rating the way their complaint was handled as poor.
- The strategic approach to customer access is underdeveloped - not all staff have received customer care training and service standards are not consistently monitored to ensure high quality outcomes for service users.

Diversity in the service areas inspected

12 We found weaknesses outweigh strengths in this area.

- Despite the appointment of diversity champions, there is a lack of awareness among managers about leadership arrangements for diversity within Pavilion. Progress on the diversity agenda has been slow.
- The approach to equality impact assessments (EIAs), diversity monitoring and target setting, and diversity training is underdeveloped, meaning that the association cannot be sure that services are delivered fair and equitably.

How good is the service?

- Pavilion has information about its tenants' age, gender and ethnicity but there is little or no information on their disabilities, sexual orientation or faith, reducing opportunities to tailor services to meet some individual needs.

13 There are some strengths.

- Services are provided to help those with diverse needs, including interpreters and translated information, and Pavilion is actively involved in a range of community development and employment and training initiatives which help to create sustainable tenancies and communities and promote community cohesion.

Resident involvement

14 We found strengths and weaknesses are in balance in this area.

15 There are some strengths.

- Resident involvement is underpinned by a group-wide resident involvement policy developed in consultation with residents and a group-wide resident involvement statement, both of which provide a clear framework for residents and staff.
- A wide range of involvement options allow residents to get involved in ways that best suit their needs. Residents are now increasingly involved in shaping service delivery and are generally confident that their views are taken on board.
- Dedicated staffing and financial resources are supporting a range of involvement initiatives, with most residents taking part satisfied with the various training and capacity building initiatives on offer.
- Pavilion demonstrates a strong commitment to community development, both through delivering initiatives to engage 'hard to reach' customers and giving residents opportunities to prioritise estate improvements through the development of neighbourhood plans and appointment of block and street representatives.

16 There are some weaknesses.

- Outcomes from resident involvement activity and improvements in resident satisfaction with opportunities for involvement are still to be fully assessed and reported on.
- Residents have had limited involvement in strategic decision making. The Tenants' Consultative Group (TCG), the key strategic decision making forum for residents is not yet fully engaged in strategic decision-making and is not fully representative of the local community. This increases the risk that some voices will not be heard.
- Resident involvement in managing performance and shaping value for money approaches in the inspected areas is underdeveloped.

Estate management

17 We found strengths outweigh weaknesses in this area.

- Estates are generally clean and tidy and meet residents' aspirations - 86 per cent of residents are satisfied with the standard of grounds maintenance.

- Appropriate procedures and effective partnership working help to tackle anti-social behaviour and crime and address estate management issues, such as rubbish dumping. This is helping to improve the estate environment for residents.
- Investment in a neighbourhood improvement fund and neighbourhood wardens is leading to improved environments for residents.
- A focus on recycling and energy efficiency is contributing to wider sustainability of estates.
- Estate inspections are starting to inform wider asset management decisions and long-term planning in local areas with residents.

18 There are some weaknesses.

- The standard of communal cleaning is inconsistent with some evidence of variable standards.
- Some aspects of the approach to estate inspections - such as the lack of a targeted risk-based approach, the limited quality of inspection sheets and failure to promote outcomes - do not help to fully maximise benefits to residents.
- Ineffective use of signage, mapping and notice boards on estates and weak approaches to monitoring problems on estates has led to some missed opportunities to provide information to residents and target resources most effectively.

Value for money in the service areas inspected¹

19 We found weaknesses outweigh strengths in this area.

- The strategic approach to value for money is underdeveloped, with a lack of robust value for money and procurement strategies and efficiency targets for the inspected areas. This will not help to maximise value for money outcomes.
- There is not a full understanding of costs or quality, with inconsistent use of benchmarking and gaps in performance and satisfaction monitoring in the services inspected. The association cannot demonstrate that it is using the right information to promote value for money.
- Budget setting arrangements are underdeveloped, with insufficient scrutiny of costs and efficiency plans.
- There is insufficient challenge of the in-house provider's performance in relation to the estate services it provides.
- As service charges are still pooled with rents, some tenants are paying for services they do not receive and costs recovery is not maximised.

¹ In assessing value for money we are looking at two questions: 'How do costs compare?' and 'How is value for money managed?'

How good is the service?

20 There are some strengths.

- Procurement and competitive tendering have been used to improve value for money in some areas. Tendering of caretaking and grounds maintenance, for example, has ensured that costs are competitive within the wider market.
- Efficiency savings and some success in attracting external funding have resulted in investment of new or redirected resources to meet priorities, such as setting up a new team to drive organisational improvement and new community projects.

Recommendations

21 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 costs¹ 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 tenants and board members; and takes action to address all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

Recommendation

R1 Review, with customers, the weaknesses identified in the approach to diversity and customer focus during this inspection and put plans in place to address them.

Particularly:

- develop a strategic approach to customer access and ensure all frontline staff receive customer care training;
- improve performance to meet services standards for telephone answering and to increase customer satisfaction with complaints handling;
- develop a strategic approach to equality and diversity to clarify leadership arrangements and to ensure that the approach to diversity targets, equality impact assessments and training is comprehensive;
- ensure that all service performance is routinely monitored and reported to tenants;
- improve the range and quality of website information and ensuring that written customer information is fully accessible to people with diverse needs; and
- complete a comprehensive profile of tenants which covers the six key diversity strands and begin to make use of the information to tailor services to individual tenants' needs.

The expected benefits of this recommendation are:

- improved delivery of accessible and equitable services; and
- better targeting of services to individual needs.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by October 2009.

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

Recommendations

Recommendation

- R2** Review, with customers, the weaknesses identified in resident involvement during this inspection and put in place systems which address them. Particularly:
- ensure that residents who are involved monitoring, managing and developing service are broadly representative of the general tenant profile;
 - ensure that the impact and benefits of resident involvement activity is routinely assessed, with results used to shape further work; and
 - develop a comprehensive approach to resident involvement in performance monitoring.

The expected benefits of this recommendation are:

- service improvements from the involvement of residents.

The implementation of this recommendation will have high impact with low costs. This should be implemented by November 2009.

Recommendation

- R3** Review, with customers, the weakness in estate management identified during this inspection and put in place systems which address them. Particularly:
- work with residents to develop clear and measurable estate service standards;
 - address weaknesses in the approach to estate inspections;
 - routinely involve residents in local decision-making and prioritising estate improvements; and
 - ensure robust systems are in place to monitor the quality and delivery of all estate services, including cleaning and caretaking services.

The expected benefits of this recommendation are:

- high quality estate services which meet and reflect residents' priorities.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2009.

Recommendation

- R4** Review, with customers, the weakness in value for money identified during this inspection and put in place systems which address them. Particularly:
- develop a comprehensive value for money strategy and related action plan that has clear, outcome-focused priorities and efficiency targets;
 - develop effective systems for costing and benchmarking service delivery in each area and for using this data to drive improvement; and
 - improve budget setting arrangements, with a focus on cost scrutiny and efficiency savings.

The expected benefit of this recommendation is:

- improved value for money in services inspected.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2009.

Recommendation

R5 Review and address all the weaknesses identified during the inspection relating to operational management and front line service performance.

The expected benefit of this recommendation is:

- demonstrable delivery of a service which meets customer needs and represents value for money.

The implementation of this recommendation will have high impact with low costs. This should be implemented by January 2010.

The Audit Commission

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