

# Short Notice Inspection

Management of the Decent Homes Programme and  
Anti-social Behaviour

Magna Housing Association Limited

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](http://www.audit-commission.gov.uk/housing).

For housing associations our inspection role and remit is set out in sections 41(A) and 41(B) of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003), 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.

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 Housing Corporation. The Housing Corporation's role will pass to the Tenant Services Authority (TSA) when the TSA becomes operational in late 2008/09. The Audit Commission will continue to undertake inspections of associations after the TSA is established.

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## The Association

- 1 Magna Housing Association Limited (MHA) together with Magna West Somerset Housing Association Limited (MWS) are subsidiaries of the Magna Housing Group Limited. MHA and MWS are registered as Industrial and Provident Societies. Magna Housing Associations' offices are shared with the Magna Housing Group headquarters at Hollands House in Dorchester, Dorset.
- 2 Magna Housing Association operates in Dorset, Devon, South Gloucestershire and Somerset. It has 5,764 homes to let (as at 31 December 2007), plus 68 currently under construction. It also has 127 shared ownership homes, with another nine under construction. It was last inspected in 2003 and was deemed to have 'scope for considerable improvement'.

### The scope of the inspection

- 3 The scope of this inspection focused on the following areas, which have been identified in consultation with the regulator.
  - The Decent Homes Standard programme and specifically, the outcomes achieved for tenants, resident involvement and levels of satisfaction.
  - The management of anti-social behaviour.
- 4 The inspection also included an assessment of how Magna is addressing three cross-cutting themes: Access and Customer Care, Diversity and Value for Money within the services included in the inspection's scope.
- 5 We would like to thank the staff of Magna who made us welcome and met our requests efficiently and courteously.

Dates of inspection: 20 - 22 January 2009.

Regional contact details:

Audit Commission

3-6 Blenheim Court

Lustleigh Close

Matford Business Park

Exeter, EX2 8PW

Tel: 0844 798 5657

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

# Summary of our findings

- 6 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 <sup>1</sup>	Strengths and weaknesses are in balance
• Diversity	Strengths and weaknesses are in balance
• Value for Money	Strengths and weaknesses are in balance
• Decent homes Programme	Strengths and weaknesses are in balance
• Anti-social behaviour management	Strengths considerably outweigh weaknesses

- 7 We have asked Magna Housing Association to consult with its tenants on the findings of this report and on the preparation of an action plan to implement our recommendations.

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

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# How good is the service?

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## Access and Customer Care in the service areas inspected

8 We found a balance of strengths and weaknesses in this area.

9 There are a number of strengths, as follows.

- It is easy for tenants to access services via local offices, surgeries and home visits from housing officers.
- Front-line staff are helpful, welcoming and demonstrate a strong commitment to listen to customers.
- Magna's contractors deliver a customer-focused repairs and maintenance service.
- Publications are easy to understand and informative.
- Tenants help produce some of Magna's leaflets and newsletters.
- Residents are shaping some of the services they receive.
- Customer complaints are dealt with promptly and effectively.

10 There are a number of weaknesses, as follows.

- The association's strategic approach to customer access is underdeveloped.
- Tenants express some dissatisfaction with access arrangements.
- Clear service standards are not in place for either anti-social behaviour or planned maintenance services.
- Limited use is being made of the website to promote access to services.
- Tenant consultative and involvement arrangements are not fully effective.

## Diversity in the service areas inspected

11 We found a balance of strengths and weaknesses in this area.

12 There are a number of strengths, as follows.

- Equality and diversity issues are taken into account in shaping and delivering services.
- Good use is made of knowledge of disability to plan improvements to homes.
- The decent homes programme is geared to take account of disability.
- Victims of anti-social behaviour are provided with a high level of support.

## How good is the service?

13 There are a number of weaknesses, as follows.

- The association's board member profile does not fully reflect the diversity of the community and training provided for the Board is not mandatory.
- The lack of monitoring of customer satisfaction by ethnicity in some key areas means that patterns of dissatisfaction among minority groups may be missed.
- Although the association does work hard to meet the needs of any visitors to its facilities there is a risk that visitors to some offices will find it difficult to access them.
- The association has yet to fully assess the impact of equality and diversity of the services inspected.
- There are gaps in the association's understanding of tenant profile.

## Decent Homes Standard

14 We found a balance of strengths and weaknesses in this area.

15 There are a number of strengths.

- The association has sound information on its homes and this is updated to reflect improvements.
- The association is on course to meet the decent homes standard by 2010. This will help to ensure that tenants live in safety and comfort.
- Tenants are provided with a reasonable level of choice over materials and colour schemes.
- Satisfaction with planned improvement work is high.
- The use of energy efficient heating systems brings benefits to the environment and to tenants through lower fuel costs.

16 There are a number of weaknesses.

- Customers are not kept well informed about future maintenance programmes.
- Some tenants are paying more to heat their homes because energy efficiency measures have not been maximised.
- There are no formal processes for tenants to have significant and meaningful involvement in the design and delivery of the service.
- The association is not delivering works significantly beyond the Decent Homes Standard.
- The association is not proactively addressing sustainability issues through its improvement work.

### Anti-Social Behaviour (ASB) management

17 We found strengths considerably outweigh weaknesses in this area.

18 There are a number of strengths, as follows.

- There is a strong multi-agency focus on tackling anti-social behaviour and this has resulted in increased tenant satisfaction.
- Steps are taken to deter ASB.
- The wide use of acceptable behaviour contracts (ABCs) is an example of measures that help to resolve problems.
- Victims and perpetrators of ASB are provided with support.
- Enforcement action is used in a considered way and as a last resort.

19 There are only two significant weaknesses, as follows.

- A high proportion of telephone calls to the ASB team are unanswered. This presents a risk that urgent calls may not be responded to.
- Starter Tenancies have not been systematically evaluated. This presents a risk that implementation may not have been fully effective.

### Value for Money in the service areas inspected<sup>2</sup>

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

21 There are a number of strengths, as follows.

- Costs are focused on front line services.
- The allocation of resources specifically to tackle anti-social behaviour has led to improved services.
- The association has a well managed capital programme with resources linked to stock needs with projects completed on time and within budget.
- The number of staff needed to administer and supervise planned maintenance work is low.

22 There are a number of weaknesses, as follows.

- The strategic approach to managing value for money is still developing.
- The potential for efficiency savings through larger contracts is not being maximised.
- The association does not have a robust understanding of how its costs compare in relation to ASB.
- Performance reports to senior managers and board members do not include value for money indicators or allow performance to be reviewed and scrutinised alongside costs.

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<sup>2</sup> In assessing value for money we are looking at two questions: 'How do costs compare?' and 'How is value for money managed?'

# Prospects for improvement

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## Summary of our findings

**23** We have assessed Magna Housing Association as having promising prospects for improvement for 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.

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## What prospects are there that the services inspected will improve?

### What is the track record in delivering improvement in the areas inspected?

**24** We found strengths outweighed weaknesses in this area.

**25** There are a number of strengths.

- Performance indicators demonstrate an improving record in service delivery. The improvement in overall satisfaction and specifically with neighbour nuisance indicates that tenants have noticed improvements in the areas inspected.
- Planned maintenance work has improved both in terms of the quality of work and in increased customer focus.
- The association has implemented recommendations arising from the previous housing inspection. Benefits from this include a stronger understanding of stock condition on which investment decisions have been made.

**26** There are a number of weaknesses.

- A key action point to revise MHA's asset management strategy was not met which would have enabled the Board to review its priorities on items such as affordable warmth and sustainability.
- The strategic approach to managing value for money and progress on equality and diversity and resident involvement does not match some of the best performing housing providers.

### How well is performance managed in the areas inspected?

**27** We found a balance of strengths and weaknesses in this area.

**28** There are a number of strengths.

- A robust performance management framework ensures that staff understand the contribution they make to achieving the association's objectives.
- Service reviews have led to improvements. A clear methodology ensures resident involvement in all reviews.

- The organisation is open to and learns from external challenge. Mock inspections and mystery shopping exercises have informed the development of clear action plans which are delivering improvements in the areas inspected.
- There is an effective approach to contract management with regular performance meetings being used to address any issues of underperformance.
- The association provides strong leadership in relation to community development issues.
- The association has responded positively to the inspection. It has invested in a range of effective arrangements to consult residents on our recommendations, which has resulted in the development of a detailed and ambitious action plan. The plan demonstrates an improved customer focus and shows that the resources are available to deliver the improvements. Arrangements are in place for the board and residents to regularly monitor implementation. This will help to ensure that weaknesses are addressed in a way that meets residents' views.

**29** There are a number of weaknesses.

- Performance reporting is an area for improvement. Reports do not clearly set out reasons for variance in performance and reporting on the Decent Homes programme is weak.
- Performance on tenant satisfaction is not routinely reported to senior managers and board members on the areas covered by this inspection.
- There was an absence of active and visible strategic leadership of the planned improvement service at the time of the inspection, although we understand that this has since been addressed.
- There are significant gaps in the asset management strategy.

### Do the areas inspected have capacity to improve?

**30** We found strengths outweighed weaknesses in this area.

**31** There are a number of strengths.

- Staff are well supported through training and development opportunities. Sickness levels are relatively low and morale high. This means that staff are equipped and available to deliver services efficiently and confidently.
- Internal communication is effective with teams working well together and good use is made of the intranet and other forms of technology to support this. This means that staff understand their roles and those of their colleagues.
- Partnerships are used effectively to increase capacity and deliver local and national priorities. Strong partnerships with the police and local authorities has enabled the association to make a valuable contribution to meeting targets such as those relating to safe neighbourhoods.
- The use of partnering has given contractors the ability to retain good staff and to develop new employees through apprenticeships.

## Prospects for improvement

32 There is one significant weakness.

- The capacity of tenants to contribute to services and their involvement in performance management is not being maximised.

# Recommendations

**33** To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs<sup>3</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the 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** Strengthen the focus on customer care by:

- developing and publishing a suite of measurable and challenging service standards in consultation with tenants;
- supporting and involving tenants in the design and delivery of services;
- developing a clear strategic approach to improving access based on a clear understanding of current levels of access and satisfaction among customers;
- improving website facilities to allow more services to be delivered online; and
- publishing a clear five-year planned maintenance programme.

The expected benefits of this recommendation are:

- better 'fit' between what tenants want and the service provided;
- increased accountability to customers;
- a more responsive service; and
- increased tenant satisfaction.

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

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

## Recommendations

### Recommendation

**R2** Strengthen the focus on equality and diversity by:

- developing a greater understanding of the profile of tenants and using this understanding to shape service delivery;
- completing equality impact assessments on key areas of policy and service delivery and developing robust action plans to address any negative impact of policies and inform strategies on equality; and
- ensuring that performance reporting highlights equality and diversity issues.

The expected benefits of this recommendation are:

- improved service to diverse groups; and
- assurance that services do not discriminate against any individuals or groups.

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

### Recommendation

**R3** Strengthen the approach to value for money by:

- developing a robust understanding of how costs compare with peers;
- routinely reviewing service cost alongside service performance;
- reviewing policies to ensure they maximise opportunities for efficiencies through measures such as the use of joint procurement; and
- developing value for money targets for teams and managers as part of performance management arrangements.

The expected benefits of this recommendation are:

- better services at reduced costs with efficiency savings enabling further improvements in services; and
- decision-making based on informed data on cost and quality of services.

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

### Recommendation

#### R4 Improve performance in service areas by:

- developing a clearly defined 'decent homes plus' standard which is influenced by tenants and board members;
- developing a clear policy for maximising opportunities to increase the sustainability of the housing stock;
- systematically evaluating the impact of Starter Tenancies; and
- improving performance monitoring information available to senior managers, board members and tenants.

The expected benefits of this recommendation are:

- improved quality of service; and
- more informed tenants and board members.

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

# Appendix 1 – 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)**

## **Support to vulnerable tenants in recording evidence of ASB**

The association supplies pocket cassette recorders to those tenants who are unable to keep written diary sheets. This flexible approach helps ensure that vulnerable tenants are not disadvantaged when there is a need to collect evidence to allow enforcement action to be taken.

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# The Audit Commission

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212, Fax: 0844 798 2945, Textphone (minicom): 0844 798 2946

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