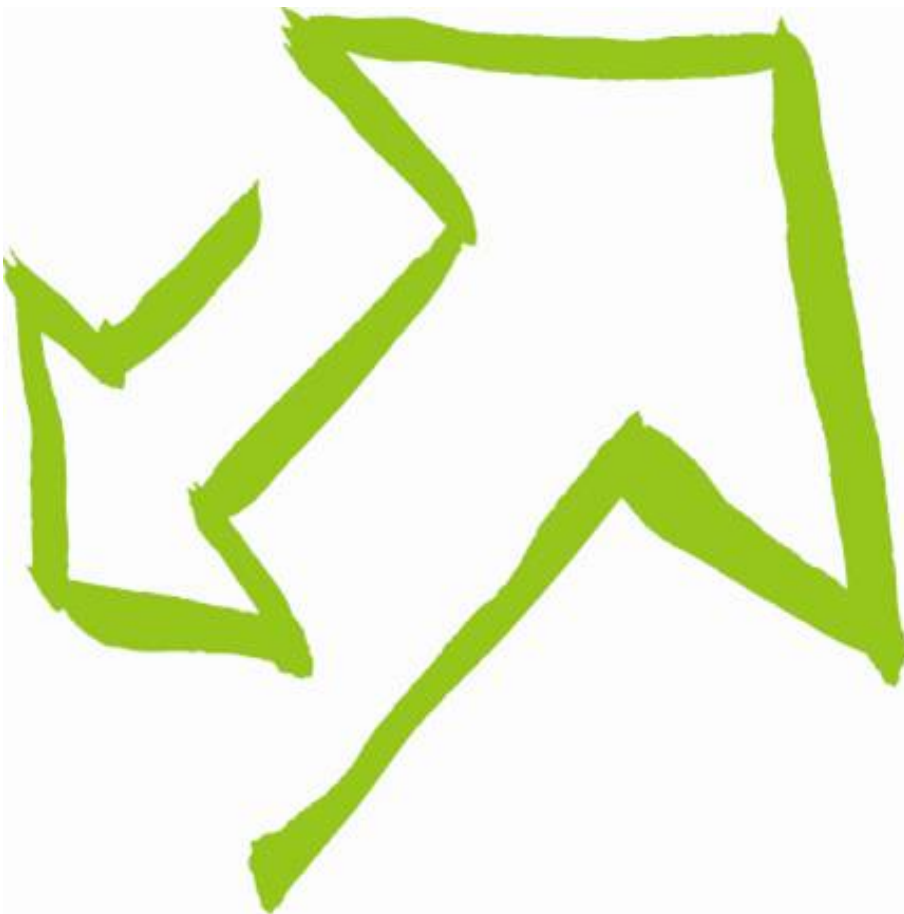


East North East Homes Leeds

Leeds City Council

January 2010



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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 arms 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).

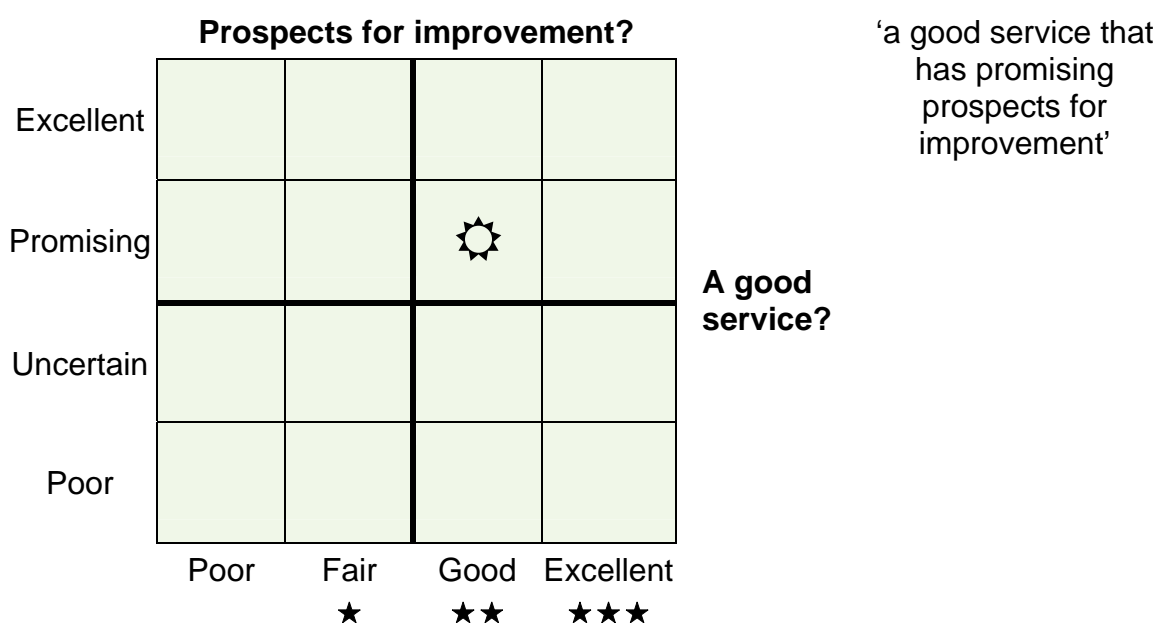
Summary

- 1 We found the service to be good because it is generally accessible, many key services are being delivered effectively and there is a robust approach to improving efficiency. Some areas, however, have weaker performance and customer satisfaction is low across all service areas. In addition, a number of the Council's policies are impacting negatively on the ALMO's services.
- 2 We found the service to have promising prospects for improvement because the ALMO has a track record of making some customer-facing improvements, it has robust performance management systems and the recent restructure has boosted capacity and reduced costs. There are some barriers to improvement, however, including the fact that plans are of mixed quality and staff morale is relatively low.

Scoring the service

- 3 We have assessed East North East 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

- 4 We found the service to be good because it has a range of strengths including:
- frontline services are accessible, so most customers can easily use most services;
 - there is a clear strategic commitment to equalities and diversity issues and the ALMO is building and using a profile of its customers;
 - ENEHL has a robust approach to dealing with the safeguarding of vulnerable adults and children, hate crime and domestic abuse;
 - the ALMO has demolished homes which are unpopular or cannot be brought up to modern standards and it will meet the government's decent homes standard by December 2010;
 - there is a robust approach to managing gas, asbestos and fire safety;
 - repair reporting is easy and performance is generally good;

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.

- vacant homes are generally let to a reasonable standard and at low cost;
- improvements in how the aids and adaptations service works have been embedded;
- there is a strong approach to financial inclusion;
- a commitment to involving customers is beginning to impact on outcomes;
- there is a partnership approach to addressing anti-social behaviour;
- estates are well maintained;
- vacant homes are allocated in line with the city-wide policy and best use is made of the housing stock;
- the sheltered housing service has improved; and
- there is a robust strategic approach to value for money and the ALMO has done well in delivering efficiencies.

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

- there is a weak strategic approach to access, customers have to chase-up too many enquiries and complaints handling is still slow;
- equality impact assessments have not always led to tangible outcomes for customers;
- customer satisfaction is low in several key service areas;
- satisfaction among customers from black and minority ethnic groups is still lower than that of other groups;
- ENEHL does not have a robust approach to managing contractor compliance on equality and diversity issues;
- re-letting of vacant homes is slow;
- current and former tenant rent arrears are high;
- some excluded groups, including leaseholders, are not effectively involved in service improvement;
- people from black and minority ethnic groups are under-represented in sheltered housing; and
- the ALMO has been slow to market test its repair and maintenance services and it cannot demonstrate that its plans for doing so will deliver optimal VFM.

In addition, the Council's failure to charge the economic costs of delivering services means some customers are subsidising services provided to others, its policies mean some customers have received improvement work to a lower standard than others and the Council equipment in use in sheltered housing schemes is not fit for purpose.

Scoring the service

- 6 The service has promising prospects for improvement because:
- there is a track record of making customer-facing improvements;
 - corporate performance management is robust;
 - the culture is customer-focused, with an emphasis on learning;
 - the board and senior management team provide strong leadership;
 - the recent restructure has boosted capacity as well as having reduced costs;
 - effective systems are in place to manage risk and budgets; and
 - high levels of staff absence due to sickness are coming under control.
- 7 However, there are a number of barriers to improvement. These include:
- plans for improvement are of mixed quality, with insufficient emphasis on outcomes;
 - there is ineffective use of data to drive service improvement in some areas;
 - there is low staff morale; and
 - staff and board profiles are not representative of the communities they serve.

In addition, the Council has failed to support the ALMO by effectively addressing the weaknesses in its own policies identified at the time of the last inspection.

Recommendations

- 8 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 Develop a clear strategic approach to access issues. This should include clarifying:

- how a comprehensive profile of leaseholders will be developed;
- how access will be tailored to meet customer needs, as defined by profile and other information;
- how the ALMO will identify and seek to remove barriers to access and involvement for excluded customers;
- how the ALMO will identify, monitor and share with customers the relative costs of access options, to inform VFM decision making;
- how customers will be engaged in setting and reviewing opening hours;
- how new services will be promoted to ensure take up by those customers for whom they are designed;
- how the ALMO will work with partners to extend IT access for excluded customers; and
- its approach to any negative STATUS findings after each survey.

It should also include:

- development of local service standards with customers. These must be measurable, relate to the quality of service which each customer will receive every time they access a service and conform with the regulatory requirements being set out by the Tenant Services Authority (TSA); and
- development of a system to manage and report performance against service standards.

² 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

The expected benefits of this recommendation are:

- ENEHL will be able to demonstrate that the locations and opening hours of its various access points, including the contact centre, meet the needs of most customers and represent VFM. Its customers will be aware of the services they can access, know what level of service to expect and whether this is being delivered.

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

Recommendation

R2 Review weaknesses in planning and performance management identified in this report and during the inspection. Particularly put in place:

- a system of sanctions, rewards and appropriate performance reporting by contractors on equality and diversity issues;
- a system for ensuring all plans are outcome, rather than output focussed;
- a system for ensuring that all targets are realistic but challenging;
- a system for evaluating the outcomes of new initiatives;
- a system to address weaknesses in performance reporting around antisocial behaviour;
- systems which address weaknesses in the use of repair data to drive service improvement; and
- a system to ensure a proportionate response to any negative staff perception survey results after each survey.

The expected benefits of this recommendation are:

- clarity about how the ALMO will achieve its objectives, a better understanding of its performance in key areas and approaches which are geared to continuous improvement of services.

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

Recommendation

R3 Review with the Council, customers and the other Leeds ALMOs the weaknesses in city-wide policies identified in this report. Particularly:

- failure to address reliance on leasing schemes for central heating replacement;
- failure to address pooling of service charges;
- failure to address board nomination arrangements which are insensitive to the need to better reflect the community in terms of gender, age, disability and ethnicity;
- the use of equipment in sheltered housing which is not fit for purpose; and
- the impact of the lettings policy on refusal levels and void turnaround times.

These processes should include robust research into customer requirements, consider good practice from elsewhere and involve equality impact and value for money assessments.

The expected benefits of this recommendation are:

- 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 three months.

Recommendation

R4 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 benefits of this recommendation are:

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

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

- 9** We would like to thank the staff of East North East Homes Leeds and East North East Homes Leeds who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 12 October - 20 October 2009

Report

Context

The locality

- 10 The city of Leeds is situated in the north of England and is the country's second largest municipal district, at 55 hectares. In 2007 it was the 114th most deprived of England's 354 districts, which is an improvement on its 91st position in 2004, but this masks significant variations in affluence. Leeds is an important financial, legal and business centre with thriving suburbs, but over half of the super output areas in its inner city are among the 10 per cent most deprived nationally. Unemployment is relatively high at 6.6 per cent³ and the population is relatively young⁴ with a large student population.
- 11 East North East Homes Leeds (ENEHL) manages 18,740 tenanted and 640 leasehold properties⁵ in northern and eastern Leeds. The Arms Length Organisation (ALMO)'s area is home to around 200,000 people living in 90,000 households and it manages 22 per cent of this housing stock. Over half of its properties are either of non-traditional construction or are flats⁶, most of which are located in the more deprived areas. The ALMO also manages a significant number of back-to-back properties acquired by the Council in advance of clearance which never took place. Shortage of affordable housing across the city means ENEHL has no 'low demand' estates.
- 12 At the time of the 2001 census, almost 20 per cent of people living in the ENEHL area were from BME communities⁷, compared to the national average of 10.4 per cent. These groups are concentrated in the most deprived inner city wards, where the ALMO's own estimates indicate that the figure may now be as high as 40 per cent.

The Council

- 13 A Liberal Democrat and Conservative alliance governs the Council. Of the 99 councillors, Labour has 43, the Liberal Democrat party 23, the Conservative party 22, Independents 7, the Green Party 3 and the British National Party 1. The Council has a leader and an executive board, which is its principal decision-making body. This is made up of nine members with portfolio responsibilities, in addition to the leader of the Labour group and a further non-voting member of the Labour group.
- 14 Under the Audit Commission's Comprehensive Performance Assessment framework Leeds City Council was judged, in 2008, to be a council that is improving adequately and demonstrating a three-star overall performance.

³ against a 5.7 per cent national average between January and December 2008 (Office of National Statistics - ONS)

⁴ just over 17 per cent of the 761,100 population is over 65, compared with the national average of 18.5 per cent (mid-year estimate 2007 - ONS)

⁵ April 2009

⁶ 2001 non-traditional properties, 3869 multi storey flats in 63 blocks and 4507 low and medium rise flats

⁷ mainly Irish, Pakistani, Indian, Black Caribbean and Chinese, but with emerging communities of asylum seekers, migrant workers and refugees

The service

- 15** ENEHL was established in April 2007, following the merger of three existing ALMOs⁸ and has an agreement in place to manage the stock until 2012/13. It was inspected in September 2008 and judged to be a 'fair' service with promising prospects for improvement.
- 16** The ALMO is one of three in the city and is responsible for:
- managing and letting Council homes;
 - collecting rents, service charges, arrears and other debts;
 - managing the repairs service and improvement programmes to meet the decent homes standard;
 - tenancy and estate management including dealing with anti-social behaviour;
 - caretaking, cleaning, security and environmental management;
 - support for resident involvement and participation;
 - adaptations for older people with a disability; and
 - sheltered and supported housing.
- 17** The functions retained by the Council include:
- overall housing strategy and enabling;
 - determining policies on lettings, anti-social behaviour and rents;
 - managing the Supporting People programme;
 - homelessness, housing advice and administration of the housing register; and
 - some leaseholder services and right to buy administration.
- 18** ENEHL has a board of 12⁹ which is supported by four sub-committees¹⁰. It has four area panels, which have delegated responsibilities for environmental and community safety issues and local performance management. These are made up of one tenant board member, two local councillors and up to nine elected tenants.
- 19** Day to day operational management of the ALMO is delegated to a chief executive and management team of four other directors. It employs 415 staff in four area offices, a headquarters building and a depot.
- 20** In inspections of the ALMO's forerunner organisations, we judged them to be delivering 'good', two star services, which allowed the Council to access £128 million supported borrowing to bring its homes up to the government's decent homes standard.
- 21** In 2009/10 ENEHL received a management fee of just under £27 million from the Council.

⁸ Leeds East Homes, Leeds North East Homes and part of Leeds South East Homes

⁹ four elected tenants, four appointed independent members and four nominated councillors

¹⁰ finance and business planning, performance planning, human resources and audit

How good is the service?

What has the service aimed to achieve?

- 22** ENEHL considers itself to be ‘a company with a passion for communities’. It has three strategic aims:
- by 2010 all of the homes it manages for the Council and which are sustainable for the medium term, will meet the Decent Homes Standard;
 - by 2015 all of the communities in which the homes it manages are located will be cohesive and cleaner, safer and greener; and
 - by 2020 all of the people living in the homes and communities it manages will contribute to, and benefit from, the economic prosperity of the city.
- 23** These are underpinned by four strategic themes:
- ‘Decent Homes’;
 - ‘Decent Places’;
 - ‘Fair Access’; and
 - ‘Valuing Resources’.
- 24** Leeds City Council's strategic plan 2008-11 aims to achieve:
- people happy, healthy, safe, successful and free from the effects of poverty;
 - young people equipped to contribute to their own and the city's future well being and prosperity;
 - local people engaged in decisions about their neighbourhood and community and helping shape local services;
 - neighbourhoods that are inclusive, varied and vibrant, offering housing options and quality facilities and free from harassment and crime;
 - an environment that is clean, green, attractive and above all, sustainable; and
 - a city-region that is prosperous, innovative and distinctive enabling individuals and businesses to achieve their economic potential.
- 25** The local strategic partnership's¹¹ vision is based on:
- Culture - high quality facilities, participation by all communities;
 - Enterprise and the Economy - innovation, employment, competitiveness;
 - Learning - fulfilling individual and economic potential;
 - Transport - better accessibility and connectivity;
 - Environment - reduced footprint, cleaner, greener city;

¹¹ The Leeds Initiative

- Health and wellbeing - reduce health inequalities, promote independence, safeguard vulnerable people;
- Thriving places - better housing, less crime, reduce worklessness and poverty; and
- Harmonious communities - involve people in decision making, stronger communities.

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

Access and customer care

- 26** In the previous inspection there was a balance of strengths and weaknesses in this area. The strategic approach was robust and satisfaction was routinely tested. Offices were accessible and staff well trained. Customers waited too long, however, for calls to be answered, had difficulty contacting the right person and too many were dissatisfied with the outcome of their enquiry. Complaints handling also failed to consistently meet service standards.
- 27** This inspection found that there is still a balance of strengths and weaknesses. Frontline offices and the telephone contact centre deliver an effective service and the website and written information for customers is accessible. ENEHL's strategic approach to access, however, is not robust, there are weaknesses in the use of service standards, customers have to chase up almost a third of the queries they make and the speed of handling complaints is still slow for over a quarter of customers.
- 28** Services are accessible. Most customers use the Council's free phone contact centre¹², which is contracted by the ALMO to provide this service. Staff are helpful, offer appropriate assistance on most issues and refer complex calls to specialists within the ALMO. There are some weaknesses in the service, such as a 40 second introductory message which can be frustrating for customers and distorts performance reporting, but the service has otherwise improved. In the first half of 2009/10, 80 per cent of calls were answered within 20 seconds of the end of the message, 99 per cent were answered without being abandoned, 87 per cent of customers were satisfied with staff ability to answer their questions and 90 per cent were satisfied with the quality of service during the call. This improvement is the result of the ALMO closely monitoring performance against service standards and investing in staff training. It means most customers now receive an acceptable service most of the time.

¹² open weekdays, eight am to six pm

How good is the service?

- 29** Customers can make face to face contact through a network of housing offices, the Council's 'one stop' centres and a range of local surgeries and access points. These are well publicised and welcoming, with responsive staff who all benefit from annual customer care training. All offices are compliant with the Disability Discrimination Act (DDA), have induction loops and access to both telephone and face to face interpretation services. Customer feedback has shaped the service offered. For example, the results of service-specific customer satisfaction surveys early in 2009 identified inadequate waiting and interviewing facilities in some offices, so the ALMO responded by introducing a 'queue buster' system¹³ in the busiest and improved facilities in the three poorest. This has improved satisfaction, with 100 per cent of customers in the second quarter of 2009/10 rating the quality of service as good or excellent and 98 per cent waiting less than 15 minutes to be seen.
- 30** The ALMO's website is a useful way of accessing services. It is easy to navigate, with a useful search facility and accessible reports and leaflets. It is easy to use for customers who do not read well in English or who have visual impairments because the main pages can be translated into 35 languages and a font size changer is available at the top of each page. The site gives access to rent accounts and online payment facilities, repair and complaint reporting, energy supply switching and there is a facility to bid for properties through the city-wide choice-based letting system. The ALMO also has a dedicated younger person's website and customised social networking pages to help engage with younger service users. There has been disappointingly low usage of the website, but those customers with information technology (IT) facilities are able to access key services at any time.
- 31** Publications for customers are useful and easy to read. The customer handbook and leaflets are written in plain language and graphics enhance their readability. All literature and standard letters carry a translation grid showing information availability in six community languages and alternative formats. General and sheltered housing newsletters are interesting and contain targeted information about benefits and local events, as well as feedback in 'you said, we did' sections. This approach contributes to the fact that 94 per cent of customers find information useful, 95 per cent are satisfied with the content of the newsletter and 77 per cent consider the ALMO keeps them informed¹⁴.

¹³ where staff prioritise the cases of those waiting

¹⁴ STATUS 2009

- 32 The ALMO has no clear strategic approach to access issues. Its strategy does not explain how it tailors access to meet customer needs and the reasons for some of its choices have been obscure. For example, developing access points where offices have closed and investing in the contact centre without exploring extended opening hours. Where the Council has opened one-stop centres, ENEHL has moved into them and has closed four of its housing offices, following customer consultation and analysis of usage. Because it has not effectively identified the costs of delivering services in housing offices, however, it has made these decisions on the basis of insufficient information. Plans are in place to involve customers in deciding opening hours for front line services using footfall data but, again, this will be insufficiently rigorous because only 30 per cent¹⁵ of customers use offices and understanding the reasons why others do not is essential in making these decisions. The weaknesses in this strategic approach mean ENEHL cannot demonstrate that the current locations or opening times of its offices and contact centre meet the needs of most customers or that they represent value for money.

¹⁵ STATUS 2009

How good is the service?

- 33** The strategy fails to address several key issues. The 2009 STATUS survey, for example, indicates that only 11 per cent of customers have used the website and the ALMO assumes this to be because of poor IT access in its communities. It recently made a successful bid to fund IT facilities in five of its sheltered schemes but there is no strategic approach to extending access for other groups of excluded customers. Also, although service-specific surveys indicate that customers who use telephone and office services are generally happy, STATUS demonstrates that wider customer perceptions are less positive, with only 71 per cent being satisfied with how their enquiry is addressed, only 68 per cent finding it easy to get hold of the right person and only 63 per cent happy with the final outcome. This means a number of issues which matter to customers will not be addressed by the strategy.
- 34** Although service standards are in place in most areas and have generally been agreed with customers, many are flawed. For example, of the 13 standards relating to the improvement programme, only one is measurable¹⁶ and the rest are either general statements about how the procedure should work¹⁷ or about how staff will behave¹⁸. Performance is not currently monitored or reported against any of them. Another example is the standards in use for dealing with anti-social behaviour (ASB). These were recently reviewed and monitoring has begun against the new versions, but this process involved no customer input and the focus group in this area has yet to see them, despite the original standards having been agreed with customers and despite the fact that some of the standards are not challenging¹⁹. This means that it is not always clear to either staff or customers what service they should expect to give or receive, the ALMO cannot demonstrate that it is achieving the standard every time or use this data to drive service improvement and there is potential for uncertainty about whether a complaint might be legitimate.
- 35** ENEHL performs poorly in addressing issues on a 'right first time' basis. It measures 'avoidable contacts', which are cases where the customer has to chase-up his or her query. Around two thirds are related to repairs and these incidents remain high²⁰. Actions introduced to address the problem include contact centre staff being required to record the name of the responsible party in each case, the case being escalated to supervisors after two contacts and system generated case profile reports being discussed at monthly meetings with the contact centre. Despite this approach, however, a 26 per cent target for repeat calls is not challenging and performance has been slow to improve, even against this, with 31 per cent of calls in the first half of 2009/10 being avoidable²¹. This is not only frustrating for customers but means the ALMO is diverting resources unnecessarily into duplicate activities.

¹⁶ sending a letter at least 28 days before work starts

¹⁷ for example, 'we will involve you in the planning of work and offer you a choice...'

¹⁸ for example, 'we will behave in a polite and courteous manner'

¹⁹ for example, the ALMO only aims to respond to threats of violence within 48 hours

²⁰ for example, there were 749 out of 3,805 in repairs in August 2009

²¹ against a 26 per cent target and compared with 35 per cent in 2008/09

- 36 Complaints handling has improved, but performance is still not good. Case numbers have fallen and relatively few²² are now pursued to the second stage, but only 73 per cent were addressed within the ten day service standard in the first half of 2009/10²³. Although the ALMO has prioritised this issue, with weekly monitoring reports, additional staff training and managers doing quality checks, this performance indicates that a significant number of customers still receive a slow response to complaints.

Diversity

- 37 In the previous inspection there was a balance of strengths and weaknesses in this area. Partnership working with the Council was strong but the strategic approach was underdeveloped, with service improvement plans not yet delivering equality and diversity (E&D) outcomes, there was patchy completion of equality impact assessments (EIAs) and customer profile information was not being consistently used to tailor services to meet needs. Satisfaction among black and minority ethnic (BME) customers was also significantly lower than among other groups.
- 38 This inspection found that there is still a balance of strengths and weaknesses. There is clearer strategic commitment to E&D, the ALMO uses its customer profile, takes a lead on safeguarding and participates in community cohesion initiatives. It also has a robust approach to dealing with hate crime and domestic abuse. Although ENEHL has carried out EIAs in key areas, however, these have not always led to tangible outcomes for customers and there is lower BME customer satisfaction than that of other groups. The ALMO has yet to develop a robust approach to managing contractor compliance and has poor performance management in this area and it has no meaningful profile of leaseholders.
- 39 There is now a clearer commitment in this area. 'Fair access' is a corporate value and is supported by annual staff, board and area panel training, integrated into induction training and is central to the appraisal system. ENEHL has worked with customers and other stakeholders to develop a simplified equality and diversity strategy²⁴. Its vulnerable people strategy emphasises identifying and meeting the needs of those who tend to be most excluded. In partnership with the Council the ALMO has also developed a single equality scheme with activity on all six diversity strands, has attained level four of the equality standard for local government and work is ongoing to transfer to the new equality framework. Although the underdeveloped approach to managing E&D among contractors means ENEHL cannot yet comply with the Code of Practice on Racial Equality in Housing²⁵, it does comply in other respects. These approaches provide a sound basis for the ALMO's overall approach to equality and diversity.

²² nine per cent

²³ up from 44 per cent in 2008/09

²⁴ 2009-11

²⁵ revised by the Commission for Racial Equality in 2006 but managed by the Equality and Human Rights Commission

How good is the service?

- 40 ENEHL is beginning to understand the profile of its customers. It gathers data on all six diversity strands and although the comprehensiveness of coverage is variable²⁶, it is being supplemented by sign-up interviews, tenancy audit visits and office and telephone contacts. The information is being used to influence how services are planned at a strategic level. For example, by informing the translation policy and providing evidence of need for additional parking spaces for people with disabilities. It is also being used operationally to help ensure individual customer requirements are met when they access services. For example, staff in lettings are able to plan ahead for translation at accompanied viewings and sign-ups and all repair tickets outline customer vulnerabilities and communication needs for operatives. This approach means that many customers with specific needs do not have to repeatedly explain them to staff and services are tailored to suit them, where possible.
- 41 More extensive work has been done in some service areas to identify and address barriers to access for customers who do not speak English. For example, ENEHL analysed use of the repairs service over a 12 and 24 month period and identified only ten out of 700 potential non-English speaking customers who had not used it. Analysis of customers who had not allowed access for gas safety checks also indicated that none were non-English speakers. This means the ALMO can demonstrate proactive use of profile data to explore the individual service delivery needs of customers.
- 42 ENEHL has developed a robust approach to safeguarding adults and children, in the context of weaknesses in the Council's approach. It has worked within guidelines agreed with partners and trained 70 per cent of staff, with further training planned for the remainder. Plans are also in place to extend criminal record bureau (CRB) checks, in line with legislation, and a safeguarding register is now managed by the independent living team. This means customers can be confident that the ALMO is taking reasonable steps to protect the vulnerable adults and children to whom it provides services and is contributing to a multi-agency approach to these issues.
- 43 The ALMO is supporting local agencies to provide services. In one area, where there is a concentration of Kurdish men, it leases a former housing office to a community group which provides them with help in accessing benefits and health services. It also ran a successful 'English for speakers of other languages' (ESOL) course for 28 people, most of whom were ENEHL customers. This means it is taking opportunities to help build community cohesion in the neighbourhoods where it has a stake.
- 44 The ALMO works proactively with partners to tackle hate crime. All of its offices are reporting centres and it is involved in multi-agency tension monitoring. In one neighbourhood, 6 per cent of offers were refused because of a perceived hate crime threat in 2008/09. In response, lettings staff do risk assessments when vacancies arise and offer advice to BME customers about the support and help available so they can make informed decisions. ENEHL has also worked with partners to run a 'show racism the red card' campaign and has let an empty property to the police for surgeries which provide local people with a reassuring presence. Outcomes have been positive, with an 82 per cent reduction in hate related incidents in the first quarter of 2009/10. Property refusals also fell to 3 per cent in the second quarter of 2009/10.

²⁶ it holds gender information for 100 per cent of customers, age information for 94 per cent, ethnicity information for 79 per cent, disability for 56 per cent, religion or faith for 28 per cent and sexual orientation for 27 per cent

- 45 The ALMO has a well developed approach to dealing with domestic abuse. A clear policy and comprehensive procedure are supported by accessible customer information and regular staff training, which has included specialist sessions on 'honour based' violence. This approach means staff are equipped to respond appropriately to customers who need support. Not only is the effectiveness of multi-agency working in this area illustrated by monitoring of repeat domestic violence cases, which shows a rate of 17 per cent²⁷ in the first half of 2009/10, against a 20.5 per cent target, but the ALMO's own responses have included a number of cases of, for example, 'target hardening' measures to keep survivors safe in their own homes.
- 46 The ALMO's approach to carrying out EIAs is sound. They have been done using a clear methodology, to an agreed timetable and by a pool of trained staff. Completed assessments are considered by the relevant customer focus group, which is providing accountability and challenge, and the results have been published on the website. Some EIAs have informed service improvements with, for example, the assessment of the adaptations service identifying an under-representation of customers from BME communities, which has led to targeted promotion of the service. Other examples include improved communication with some groups around gas servicing and income management and pictorial posters about cleaning standards.
- 47 EIAs, however, have not always led to tangible outcomes for service users. In a number of cases the recommendations of EIAs have centred on amending policy wording which, while important, does not always demonstrate a focus on improving outcomes for customers. Some ALMO managers could explain the difference that EIAs had made in their service areas but this was not the case in every area. This indicates that the approach is not yet fully embedded in the way ENEHL drives service improvement.
- 48 The approach to monitoring fair and equal access to services is not fully developed. There are formal arrangements for monitoring progress on equality and diversity, with the Council and the Board receiving annual reports and the reporting of progress at each senior managers meeting. Area panels will also receive regular reports on progress against the revised strategy action plan in future but this has not yet begun. Monitoring of customer satisfaction and of access to all services is done using the six diversity strands and in some cases this has resulted in work to remove barriers to access. This is not reported at a senior level, however, and specific diversity performance measures are not yet in place. This means the organisation may be missing opportunities for key figures to understand how it is performing in this area and to make informed resourcing and policy decisions.
- 49 The approach to managing E&D among repair and improvement contractors is not robust. None of the contracts in place includes targets, sanctions or rewards relating to employment levels and contractors are not required to report on their workforce profiles to the client. Plans are in place to begin to address this in future procurement exercises but the current situation means the ALMO may inadvertently be reinforcing barriers within the local labour market for excluded groups.

²⁷ Against a national average of 26 per cent, per Communities and Local Government figures

How good is the service?

- 50** The ALMO does not have a comprehensive profile of leaseholders. It used a recent satisfaction survey to gather information but this provided little data²⁸. The Council also fails to pass information to the ALMO about new leaseholders when properties are purchased on the open market. This means some new customers are not given information about the services available to them and this limits ENEHL's ability to tailor services to meet the needs of most leaseholders.
- 51** The 2009 STATUS survey shows that there are still mixed levels of satisfaction on the part of different groups. Overall, satisfaction among BME communities has improved from 64 per cent in 2008 to 70 per cent in 2009, following work with BME groups which identified that communication and trust issues required attention. This has partially closed the gap, but there remains a 6 per cent difference between their satisfaction levels and those of non-BME groups. The satisfaction levels of non-Christian customers also increased²⁹ but remains 7 per cent lower than that of Christian customers. There are also still gaps in satisfaction between heterosexual and non-heterosexual customers³⁰ and between different age groups³¹. This means that, while ENEHL has been working hard to reduce these differentials, it has more to do to understand and meet the needs of some diverse groups.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 52** In the previous inspection strengths outweighed weaknesses in this area. ENEHL was on target to meet the government's decent homes standard by 2010. Its improvement programme was based on accurate stock condition information and only sustainable stock was being retained. The programme was tailored to customer needs and there was a complementary programme of cyclical maintenance. There was a lack of clarity, however, about how medium to longer term investment needs would be met.
- 53** This inspection found that strengths still outweigh weaknesses and that the position outlined above is largely unchanged, with the ALMO having developed a robust approach to managing asbestos and fire safety. The Council's 'Heatlease' policy however, has resulted in some customers receiving differential services from the programme and some upstairs flats cannot be made accessible for disabled people.

²⁸ age in 30 per cent of cases, ethnicity in 28 per cent, disability in 25 per cent, religion in 18 per cent and sexuality in 13 per cent. Preferred language and method of communication is also known in less than 20 per cent of cases

²⁹ from 68 to 71 per cent

³⁰ lesbian, gay and bi-sexual customers recorded 66 per cent satisfaction compared to 77 per cent among heterosexuals

³¹ under 45's are 62 per cent satisfied and over 45's recorded 79 per cent

- 54** The ALMO is on target to achieve the decent homes standard by December 2010 and is not investing in unsustainable stock. Performance management of the programme is robust and the housing stock was 85 per cent decent in March 2009. There is a forecast £3 million shortfall in the improvement budget over the next two years but plans are in place to meet this by delivering efficiencies and deferring non-essential work. ENEHL and its predecessors have demolished 656 homes and implemented licensed repairing solutions for most of its non-traditional stock. The remaining non-traditional homes have no structural defects and have been brought up to the decent homes standard, giving them a lifespan of at least ten years. Only 57 customers have not been offered improvements since the ALMOs were set up. This means that most of ENEHL's customers live in better conditions than prior to the programme.
- 55** Action is being taken to improve thermal comfort. Despite a dispute between the ALMO and Council about the reliability of SAP³² data³³, there is a consensus that the average SAP rating is around 66, with only 300 properties rated below the national average of 48 and the lowest figure being 42. Option appraisal is currently under way on 260 miscellaneous properties with low SAP ratings. This may result in some disposals. The decent homes programme includes insulation work to target those retained, now a successful funding bid³⁴ has been won for £750,000 to insulate 1500 properties. These plans should deliver an average rating of 70 by 2010/11 and means even customers living in non-traditionally built homes will have above average thermal comfort³⁵ by the end of the programme.
- 56** Stock condition data is generally robust and is being used to model and forecast spending for the period after 2010/11. The decent homes programme was based on an 85 per cent stock condition survey by the ENEHL's predecessor ALMOs and its stock condition database is updated with new surveys and with improvement, void, adaptation and repair data. This has been used to develop a 20 year financial plan to model the costs of delivering ongoing decency. A robust forward surveying strategy involves 10 per cent annual surveys by in-house staff who also carry out housing health and safety rating assessments. This means the ALMO understands how much it will cost to maintain its properties in future and is keeping this information up to date.
- 57** Elements of the improvement programme have been customer focussed. Although choice on some schemes has been more limited towards the end of the programme, there has generally been a good choice offered of fixtures, fittings and finishes. Limited respite facilities have been available for customers who have difficulty coping with the work and special decanting arrangements have been made in exceptional circumstances. Adequate decorating allowances have been available where decorating has been necessary and vulnerable customers have also been offered the free services of Michelangelo's Mates³⁶ to help them in recent months³⁷.

³² Standard Assessment Procedure – the nationally recognised measure of thermal comfort in domestic premises

³³ the ALMO considers that the Council has under-recorded insulation work done as part of the programme

³⁴ to the Social Housing Energy Savings Programme

³⁵ for example, Airey properties will have an average SAP of 73

³⁶ partnership project which trains people who have learning disabilities to do decorating

³⁷ 24 cases in the past 6 months

How good is the service?

- 58** Appropriate arrangements are in place for cyclical maintenance. Domestic electrical systems are serviced every eight years and lift, plant, fire safety equipment and legionella testing is carried out in line with best practice. A seven year cyclical painting programme will also return to full strength when the improvement programme ends in 2010/11. In areas where hard wired smoke detectors are not being fitted as part of improvement works, the ALMO is working with the Fire and Rescue service to install battery operated alarms, with 6,000 fitted since 2005. This approach means customers can be confident that ENEHL is taking reasonable steps to ensure their homes do not fall into disrepair and risks to their safety are being managed.

- 59** The ALMO takes a proactive approach to fire safety. Fire risk assessments are in place in each of its 64 multi-storey blocks and sheltered schemes and are currently being undertaken in every maisonette block. Since the recent Southwark disaster, ENEHL has jointly reviewed risk with the Fire and Rescue Service and confirmed that its blocks are not vulnerable to any of the design problems which contributed to the spread of fire there but has addressed specific issues in some³⁸. A 'stay put' policy is in operation in the multi-storey blocks and training is planned with residents' groups and visiting staff to help ensure they understand it. This means the ALMO has taken reasonable precautions to protect customers living in schemes with shared stairs and corridors from fire hazards.
- 60** The ALMO plays a strong role in regeneration. Stock demolition has provided a number of key development sites for EASEL³⁹ and neighbourhood planning is underway in many areas. Ten new Council homes⁴⁰ purchased from one of the partnership's developers are being managed by the ALMO and Council land sale receipts of £1.1 million are being used to fund a further ten homes which will be let by the ALMO on an intermediate 'rent to mortgage' basis. ENEHL has also managed the Council's interest in an innovative equity stake scheme where 92 properties built for sale were all eligible for gap funding to cover the difference between the sale price and the level of mortgage which the purchaser could raise. The Council contributed £1.3 million land sale receipts to fund the scheme⁴¹ and a charge on the properties means it will share in any potential appreciation in value. The scheme released 16 Council and three housing association properties for re-letting, supported two households to move out of clearance properties and rehoused two households from the housing register. The estate is now fully occupied, with the remaining 69 homes having been sold on the open market. These approaches are beginning to deliver mixed tenure communities in areas dominated by renting and they meet a need for affordable modern homes where unpopular properties once stood.
- 61** Although the ALMO has done only limited work to explore alternative energy solutions, it has had some success in reducing fuel costs for customers. A combined heat and power plant supplies electricity to 297 customers in three multi-storey blocks and sells its surplus to the national grid. The average heating and hot water bill for these properties was £248 in 2008/09, against average annual gas heating bills in the Leeds area of £734. Surplus power also generated income of £8,266 during 2008/09, which contributed towards the £10,000 annual maintenance bill for the plant.

³⁸ for example, it has installed rubbish chute sprinkler systems in three blocks susceptible to arson attacks

³⁹ East and South East Leeds Regeneration Partnership

⁴⁰ to be managed as secure tenancies but held outside the housing revenue account (HRA)

⁴¹ its ability to use 100 per cent of the capital receipt supported gap funding of around £40,000 per home, which was up to 49 per cent of the lowest purchase price

How good is the service?

- 62 ENEHL's approach to managing asbestos is generally robust and the ALMO complies with its legislative duties as a landlord and employer. Its asbestos management plan is based on leaving asbestos undisturbed unless it proves necessary to remove it⁴². Asbestos containing materials (ACMs) in communal areas are inspected annually to track deterioration. Although it has only carried out 7,000 asbestos surveys on domestic premises, these are done prior to work beginning on every void, adaptation and improvement, so risk to these operatives is being effectively minimised and over 10 per cent of the stock is being surveyed each year. The ALMO holds a database of information about ACMs in domestic premises and all contractors have 24 hour access to this via the website. All in-house operatives and caretakers have had asbestos awareness training and a basic but accessible leaflet is in use for customers about how to behave if they have asbestos in their homes.
- 63 There are some weaknesses, however, in the management of asbestos. Repair job tickets highlight where a survey has been carried out or is pending, but operatives then have to consult a supervisor for details about the type and location of ACMs. In a busy working environment, there is a risk that this will not happen but the ALMO has no way of tracking whether records are being appropriately accessed. Also, basic asbestos awareness training has not been provided to visiting staff like housing officers and sheltered housing wardens, so they are unable to help identify potential risk or to reassure customers at the first point of contact. In addition, although new customers are given information about asbestos in their homes at the start of their tenancies, this has only been done for the last 18 months, so those customers who have lived with asbestos for longer are at a disadvantage in terms of awareness.
- 64 Some elements of the improvement programme have not been customer focussed. It is widely publicised in advance but, because work in individual properties is based on a pre-site inspection and some components have a longer life than anticipated, there is still a lack of clarity for customers until very shortly before work begins. This means that those who require full or partial rewiring, for example, do not have sufficient notice to avoid redecorating in advance. This has contributed to the fact that 10 per cent of customers⁴³ have refused to have work done since the programme began⁴⁴.

⁴² £500,000 worth of removals were done last year, largely prior to kitchen replacements on improvement programmes but the contract also makes provision for emergency removal out of hours following, for example, vandal damage

⁴³ 1906

⁴⁴ of whom 559 refused work involving rewiring

- 65** There is also a lack of equity between customers in the improvements they have received. If work was done early in the improvement programme they benefited from new bathrooms, kitchens and double glazing but since 2007 a 'basic decency' approach means no bathrooms have been replaced and windows have only been replaced where strictly necessary. The Council's 'Heatlease' policy, in place since 2002, also means those who have received new heating systems since then pay a service charge for ten years. Although this is covered by housing benefit, almost 40 per cent of customers do not claim this, so while some can heat their homes more cheaply than before, this is not the case for all. Around a third of the ALMO's customers pay a charge for their heating, while around half have free systems and over ten per cent⁴⁵ have no central heating at all. These issues have contributed to reducing satisfaction with the programme⁴⁶.
- 66** ENEHL cannot make all of its properties accessible for disabled customers or visitors. Work was done between 2006 and 2008 to bring all sheltered complexes, offices and workplaces into compliance with the DDA and a programme was recently completed to bring its 64 multi storey blocks into compliance by improving access and parking. In August 2008, however, the ALMO board was informed, following an audit, that DDA compliance could not be achieved above ground floor level in maisonette blocks or in two and three storey 'walk up' blocks of flats because of the need to install lifts. This means that 1623 properties will not be made accessible to customers or their visitors if they have disabilities which make it difficult for them to climb stairs.

Responsive repairs

- 67** In the previous inspection there was a balance of strengths and weaknesses in this area. Reporting was easy and performance against target timescales was consistently high. Value for money (VFM) had not, however, been thoroughly assessed, satisfaction was mixed and elements of the service were not customer focussed.
- 68** This inspection found that strengths now outweigh weaknesses. Reporting is still easy, elements of the service are more efficiently managed than last time and performance is generally good, but satisfaction remains mixed and the ALMO is not using all of the data available to it to improve efficiency. It also suffers from a historical legacy of disrepair.

⁴⁵ 2,027 customers, only 452 of whom will be offered it before the end of the programme

⁴⁶ from 94 per cent in 2006/07 to 92.73 per cent in 2008/09 (see also paragraph 181 for reference to reliability of this data)

How good is the service?

- 69** The service is customer focussed. Repairs can be reported in a range of ways. There are three well advertised repair categories⁴⁷ and appointments are made for all work requiring access, including inspections. Receipts are posted out following every repair report and a text reminder is also generated if the customer has given a phone number. Customers are told immediately if a low priority repair is being 'batched'⁴⁸ and this is followed up by a letter. Appointments are only offered on the basis of 'morning' or 'afternoon' slots, but there is scope to specify common requirements such as 'avoid the school run'. Weekend and evening appointments cannot always be provided quickly because they are relatively scarce, but are available in key trades for customers who are prepared to wait. Vulnerability and risk information is highlighted on the IT system at the point of reporting and transferred to job tickets so operatives are aware of it and contact centre staff have protocols in place for upgrading repair priorities in cases of vulnerability. This approach means most customers find it easy to report a repair and have some control over when it is carried out.
- 70** Elements of the system operate efficiently. For example, at the reporting stage call centre operators have a detailed set of protocol questions designed to ensure that replacement of items takes place only where absolutely necessary and repair is always the first option explored. The system also ensures that any faulty improvement work is passed back to the originating contractor. Although variation levels are high⁴⁹, this is not due to poor specification by operators but to empowerment of contractors, who can vary jobs by up to £150. The out of hours 'make safe' service is also well managed, with the Council providing telephone access and the in-house team delivering the service across all of the ENEHL area. This means customers are more likely to have a job completed in one visit, while ensuring spending is controlled.
- 71** Performance is managed effectively, despite the complexity of the various contractual arrangements which the ALMO inherited from its predecessors⁵⁰. Contractors receive weekly performance information and are benchmarked with one another. Monthly performance meetings are held with each and there are occasional joint workshops to share best practice. Performance is reported quarterly to the performance sub-committee. There is also significant analysis of individual customer dissatisfaction, with a comprehensive survey in use⁵¹, feedback to contractors on individual cases and some strategic analysis to identify common problems.

⁴⁷ 24 hour, three day and 28 day

⁴⁸ external work like fencing is put into a programme and done within 90 days, at the contractor's convenience, to maximise efficiency

⁴⁹ 15.58 per cent in 08/09 and 16.73 per cent in the first four months of 2009/10

⁵⁰ the in-house team does half of repairs and voids, while two further contractors cover the remainder

⁵¹ covers ease of reporting, use of identification, keeping of appointments and completion of work in one visit, politeness, workmanship and tidiness

- 72** There is a generally positive picture in terms of performance in this area. The ALMO took an average of only 10.79 days to complete non-urgent repairs and did 98.66 per cent of urgent repairs within government timescales last year. This performance put it among the top 25 per cent of comparable organisations and it has improved further during the first half of this year, to 8.29 days and 99.06 per cent, respectively. The first half of the year has also seen 99.13 per cent of appointments made and kept across all types of repair, with each individual contractor achieving close to the ALMO's 99 per cent target. Less positively, however, only 97.68 per cent of non-urgent repairs were done in line with the ALMO's target timescales and two contractors have performed particularly poorly. Also, only 98.78 per cent of emergencies were done on time, against a target of 99.62 per cent. This means that most customers receive a service which is good, but the ALMO is not yet performing as well as it aims to do in all cases.
- 73** There is a mixed picture, however, in terms of customer satisfaction. Although some contractors perform significantly less well, average satisfaction was high at 93.3 per cent for the first half of 2009/10⁵². BME customers, however, remain less satisfied with the service, at only 90.78 per cent. This is despite the ALMO's work last year to investigate the reasons behind the difference by holding focus groups of dissatisfied customers, which failed to identify any underlying causes.
- 74** Elements of the service are not customer focussed. For example, after an inspection, the job is closed and a new one opened for the work to be ordered. Although inspections are done promptly, this can still mean a customer waits for up to two weeks for the inspection and up to a further month for the repair, with the full 'end to end' time not being monitored or reported. This masks the fact that the customer has had to wait longer than advertised. Operators are also unable to advise customers about whether or when improvement work is planned for their homes, so they are forced to order unnecessary inspections for work which might be due shortly.
- 75** The ALMO does not use all the data available to help identify and tackle inefficiencies in repairs. For example:
- a significant amount of work is cancelled because operatives cannot gain access to properties⁵³ but it has not analysed cases to explore and address the reasons for them, despite each visit incurring costs in terms of fuel and operative down time;
 - it carried out 35 per cent of repairs on either an emergency or urgent basis⁵⁴ last year and 33 per cent in the first four months of this year, which is slightly higher than good practice dictates, but has done only limited work to ensure routine repairs are not unnecessarily upgraded, despite the fact that these are more expensive to deliver;
 - although post-inspection levels are reasonable⁵⁵, there are a large number of client pre-inspections for a mature partnering relationship⁵⁶ which could be reduced by further empowering contractors or by communicating more effectively with customers about which improvements will not be done under the repairs service;

⁵² against a challenging 95.36 per cent target

⁵³ 5.74 per cent in the first half of 2008/09, up from 5.65 per cent last year

⁵⁴ of which 86 per cent are urgent and 14 per cent emergency

⁵⁵ at 10 per cent

⁵⁶ 16.69 per cent in 2006/07 which only reduced to 12.3 per cent last year and was 12.88 per cent in the first four months of this year

How good is the service?

- the IT system forces staff to record a reason if appointments cannot be made within the appropriate target time⁵⁷ but managers do not monitor the reports produced on this to better deploy resources;
- there is no reliable system for monitoring whether work has been done 'right first time'. The analysis of how much work has been done in one visit covers both appointed and non-appointed jobs and any where contractors have been recalled during the month are deducted⁵⁸. This approach, however, ignores whether customers were satisfied with the work; and
- a workable and customer focussed rechargeable repairs system has now been put in place, but of the £100,000 worth of work ordered since October 2008, less than £11,000 has been recovered, despite half of an officer's time being spent on the process. Introducing this system may have raised the profile of the issue, deterred casual abuse and saved the ALMO money in terms of repairs not ordered, but ENEHL cannot demonstrate any of these outcomes because it has not set up systems to monitor impact. It is also unable to demonstrate that the debts raised to date are recoverable.

- 76** The ALMO is unlikely to achieve the ratio of planned to responsive repairs required to balance its budget this year. Its target is 62:38 but failure to batch sufficient repairs means it only achieved 52:48 in the first half of the year, with the high demand season for responsive repairs still to begin and no plans in place to review with customers whether additional categories of repairs should be batched. A recovery strategy is in place to address a budget overspend in this area which includes savings of £50,000 by doing more batching in line with current protocols. This, however, will only achieve a ratio of 57:43. This means that, although the ALMO will come close to good practice levels, it is still not maximising its resources or doing enough to balance its budget in this area.
- 77** Disrepair levels are high. Although numbers have decreased since the Council first set up its ALMOs, ENEHL has received 79 claims since April 2007⁵⁹. Only three of these are arrears counter-claims and 38 are the result of alleged failure to address damp and condensation, despite the improvement programme and the ALMO issuing condensation leaflets on all inspections relating to damp or condensation. This means a significant number of customers have received a sufficiently poor repair service in the past to be able to make a legitimate claim on the organisation.

Empty (void) property repairs

- 78** In the previous inspection strengths outweighed weaknesses in this area. Costs were low and turnaround times were reducing. However, the standard of properties re-let was basic and value for money was not proven.
- 79** This inspection found that strengths still outweigh weaknesses. Vacant homes are generally being re-let to a higher standard and at lower cost than in the past. There are still significant performance weaknesses, however, with a slow approach to turning properties around for re-letting.

⁵⁷ this happened in 379 cases in the first half of this year, which was 1.08 per cent of jobs ordered

⁵⁸ only 84 per cent were done in one visit in the first half of this year against a 91 per cent target

⁵⁹ of which 59 involved compensation and repair costs of £227,000

- 80** Homes are let in reasonable condition. A clear standard has been developed with customers, which includes decent homes work if it has not been done. The quality of cleaning has been robustly challenged and ENEHL has reached a common understanding with its contractors of what is expected. Sheltered properties are decorated if necessary and others carry a decorating voucher which is accepted at a wide range of outlets. Vulnerable customers can also be referred for decorating under the in-house scheme⁶⁰. Vacant properties viewed during this inspection largely met the lettable standard and customer refusals due to property condition fell from 5.44 per cent in 2008/09 to 3 per cent in the first six months of 2009/10. Satisfaction of new customers with their homes also increased from 81 per cent in the third quarter of 2008/09, before the lettable standard was introduced, to 92 per cent in the second quarter of 2009/10, which puts ENEHL among the best performers.
- 81** Although cost benchmarking shows mixed results, efficiency measures are beginning to have an impact. Client costs are above average but are reducing as a result of the centralisation of the lettings team. Void security costs are below average as a result of reducing the use of steel sheeting⁶¹ in favour of less visible alternatives, which also helps minimise blight in neighbourhoods with higher turnover. Most significantly, both turnover and void repair costs have reduced. In 2008/09, 1,813 vacant homes were repaired at an average cost of £1,948⁶². In the first six months of 2009/10, however, 875 homes have been repaired at an average cost of £1,560. This has been achieved in part through more efficient working practices, reduced sickness levels and a partial restructure in the in-house team which undertakes 60 per cent of void repairs. This means homes are generally being repaired at a lower cost than in the past.
- 82** Performance in re-letting vacant homes is among the poorest. Even excluding those voids undergoing major works, the average turnaround time in 2008/09 was high at 37 days and rose to 59 days when these were included in the first four months of this year. Although only 19 days of this is due to repairs being carried out⁶³, performance varies between contractors, with the quickest taking only an average of 12 days and the in-house team taking an average of 27 days. In the year leading up to this inspection, over 12 per cent of voids were returned late. While there is a robust procedure to gain approval for voids to be returned late and the management team receives weekly reports on late voids, differential performance means opportunities to relet homes as quickly as possible are being missed.
- 83** Although working practices have improved with the aim of reducing average relet times, there is limited focus on doing 'back to back' lettings on properties which require few repairs. Pre-inspections are done as soon as notice is received from the outgoing customer, properties are advertised during the notice period and accompanied viewings carried out while homes are still occupied, wherever possible. The ALMO has no systems in place, however, to ensure these voids are let as soon as the notice period ends and cannot demonstrate that any have been done. This means opportunities to minimise void rent loss and provide a prompt service to new tenants are being missed.

⁶⁰ Michelangelo's Mates has decorated 41 properties in the first half of 2009/10

⁶¹ from use on 44 per cent of voids in 2008/09 to 25 per cent in the first half of 2009/10, with the average cost falling from £87 per home secured to £67 in the same periods

⁶² excluding capital works

⁶³ against a 22 day target

How good is the service?

Gas servicing

- 84** In the previous inspection strengths significantly outweighed weaknesses in this area. Only two properties did not have a valid gas safety certificate, the process in place to gain access for servicing was customer focussed and quality assurance was robust.
- 85** This inspection found that this is now an area of strength. Although more properties are currently without a valid gas safety certificate, there remains an effective and timely approach to the servicing of appliances.
- 86** The ALMO meets its legal responsibility to ensure that its 14,638 customers with gas appliances have them serviced annually. In 2008/09, 99.49 per cent of servicing was done within anniversary deadlines. At the time of this inspection, only 77 homes were without gas safety certificates. None of these was overdue by more than two months, over half had appointments for servicing booked and appropriate action was being taken on the remainder. There is a clear policy for dealing with cases of customers found to be sleeping in rooms with open flued gas appliances. Only five ENEHL properties have solid fuel heating systems and an annual servicing programme is in place to ensure they remain safe. This approach means customers can be confident that the ALMO is doing everything reasonable to ensure their safety in this area.
- 87** There is an effective approach to gaining access for servicing. The risks are well publicised to customers and early access is supported by a range of tools, including a prize draw, text reminders, evening and weekend appointments and regular 'days of action' where staff and contractors visit homes in particular areas to gain access. Customer profile information is used well to ensure that the most appropriate contact methods are used and that the service is tailored to meet individual needs. Homes where servicing is overdue are flagged on the IT system so that staff can raise the issue with customers if they make contact on other matters. Where necessary, however, timely legal action is taken to gain entry, with 28 injunctions obtained in the first half of 2009/10. This approach means most customers receive a service which is convenient to them but action is taken to protect them and their neighbours if they do not make use of the flexible service offered.
- 88** Appropriate quality assurance measures are in place. Contractors carry out 5 per cent quality checks and ALMO staff check 10 per cent of new installations. There is a further external audit of almost 4 per cent of all work. Issues identified are raised at monthly contract meetings and appropriate action is taken. This approach has helped deliver a good quality service with 99.66 per cent customer satisfaction.
- 89** Performance management in this area is robust. Liaison with contractors is effective and there is clear accountability for performance, with quarterly reporting to the board's performance sub-group. The ALMO also monitors the effectiveness of its activity to gain access and can demonstrate that, for example, first time access has increased by 6 per cent to 74 per cent since the prize draw was introduced in July 2008. This approach helps ensure that performance issues are identified and addressed early and senior figures within the ALMO can satisfy themselves that this key area is being well managed.

Aids and adaptations

- 90** In the previous inspection weaknesses outweighed strengths in this area. Customers waited too long for work to be done and new process improvements had not yet impacted on outcomes. Benchmarking and other data was not used to manage the service. The service was, however, well publicised and funded and needs were identified and met alongside decent homes work.
- 91** This inspection found that strengths now outweigh weaknesses. The service is still accessible, process improvements have been embedded and performance has improved, but it remains below average among comparators.
- 92** The service remains generally accessible. Although we found that some front line staff were unable to outline the process for customers, it is widely promoted through leaflets and posters, a page on the website, articles in the newsletter and a DVD played in office reception areas. Following an equality impact assessment which identified limited use of the service by some BME groups, awareness has also been raised by sending out 2,000 letters, resulting in 112 enquiries. This means most customers should be able to request an adaptation.
- 93** Process improvements are now embedded, the service is well resourced and there is no backlog of cases. A 'one-contact' approach means staff look beyond the customer's immediate needs and examine potential future adaptation requirements and use their visits to identify any repairs or decent homes work required. This is then done alongside the adaptation to make best use of available resources and minimise disruption for customers. ENEHL offers choices of fittings and colour schemes, where appropriate, and a schedule of work is provided to the customer to ensure s/he knows the timescales involved. This approach means customers now receive a more holistic service than in the past and has contributed to improved satisfaction levels, which reached 100 per cent in the first quarter of 2009/10⁶⁴.
- 94** Performance management in this area is now more sophisticated. There is appropriate prioritisation of cases and the ALMO has begun monitoring performance for the whole process, from application to completion of works. It also surveys the impact of adaptations on the customer's quality of life after six months and work is underway to identify future likely demand. This means the ALMO is better able to pinpoint and address problems and it has a clearer picture not only of how effective the service is, but of how it should develop in future.
- 95** Performance has improved. All work is being completed within the ALMO's target timescales and well within government recommended timescales⁶⁵, with an average of 57 days taken for high priority and 171 days for low priority works in the first quarter of 2009/10⁶⁶. Minor adaptations are also now being delivered in an average of 14 days. This means most customers wait less time for adaptations than in previous years.

⁶⁴ up from 94 per cent in 2008/09

⁶⁵ 104 days for high priority and 294 days for low priority works

⁶⁶ compared with 83 days and 179 days in 2008/09

How good is the service?

96 Major adaptations, however, are still taking too long. Performance across all three categories averages 160 days and, although they have been reduced this year, targets are still not challenging when compared with others⁶⁷. This means that the average customer waiting time for work is still over five months and some customers wait considerably longer if their adaptation is complex.

Housing income management

97 In the previous inspection strengths outweighed weaknesses in this area. Services were customer focussed, recovery and accounting processes worked well, appropriate emphasis was given to debt and money advice and work with credit unions was particularly positive. Service charges were still pooled, however, performance was not consistently high and rent statement information did not identify different charges and debts.

98 This inspection found that strengths still outweigh weaknesses. Systems encourage early and regular payment and the ALMO has a strong approach to financial inclusion. Performance in recovering debt is improving but is still below average and the Council's failure to de-pool rents means some of the ALMO's customers are subsidising services provided to others.

99 Customers are encouraged to pay regularly by the most cost effective methods. The range of payment options is comprehensive and the 'It Pays to Pay' scheme rewards those who keep clear accounts or pay by direct debit. Rent accounts are set up immediately after sign-up to encourage new customers to pay and the 'Money Matters' page in the newsletter promotes the importance of regular payment. While the ALMO actively promotes the most cost effective payment methods, it is also sensitive to the needs of different customers. For example, some direct debits are rejected by banks if customers have a break in tax credit payments, incurring charges for customers who are already in financial difficulties. The ALMO has responded by promoting telephone payments and standing orders to this group, which offers them more control at times of variable income. This approach has contributed to high customer satisfaction with rent payment methods of 93.5 per cent in the first half of 2008/09.

100 Customers are supported to understand their accounts. There is a good range of clearly written information, including: quarterly statements and online access to rent accounts and a benefit calculator; a useful 'Money Matters' debt guide and 'What happens if you can't pay your rent' booklet; and clear standard letters about the annual rent increase and about arrears. All correspondence and publications signpost advice services. There is a particularly strong focus on ensuring new customers understand what they need to pay, including: a useful booklet outlining the costs of running a home which is included with offer letters; and affordability checks and indicative housing benefit calculations done at sign-up to help ensure customers know what they need to pay. Staff also act as income verification officers to avoid unnecessary delays in processing housing benefit applications. This approach has contributed to 77 per cent satisfaction with advice provided on rent payments⁶⁸.

⁶⁷ high priority work should be done within 60 calendar days - down from 80, medium priority within 120 - down from 160 and low priority within 240 days - down from 269

⁶⁸ STATUS 2009

- 101** A strategic income management framework sets out the ALMO's approach to income collection. Its key aims are to give a firm but fair service to all customers, create a culture of 'rent first', improve rent collection without creating financial hardship and to maximise income for customers. This approach has led to increased debt recovery rates, take-up of benefits and affordable borrowing. Partner agencies report that the ALMO takes a sensitive approach to negotiating arrears repayment, based on an appreciation of the impact of eviction on individuals and the wider social consequences and costs of not helping people to sustain their tenancies. Customer satisfaction with the rent arrears service is high at 88.1 per cent in the first half of 2008/09.
- 102** Proactive case management is supported by payment campaigns. Housing offices have 'blitz days' on specific patches, where the whole team spends the day visiting customers in arrears. Everyone in arrears is also contacted before rent-free weeks to remind them to pay and seasonal poster campaigns send out relevant messages at different times of the year. Customer profile information is used effectively to support this work. For example, it identified that the people most likely to be in arrears in one area were young women with children. This resulted in the ALMO running a benefits advice surgery in a local school. These and similar schemes contributed to the collection of an additional £1.7 million in rental income in 2008/09.
- 103** The ALMO works hard to promote financial inclusion. Examples of schemes it supports and promotes include:
- back to work programmes, alongside advice on employment related benefits;
 - local recycling schemes aimed at reducing customer reliance on expensive hire purchase arrangements;
 - energy efficiency advice and information;
 - a utility switch service for gas and electricity services launched in June 2009 which had 290 users in its first four months, of whom 11 have changed electricity and eight gas providers, with a combined saving of £2,058 per year;
 - the 'money angels' service helps new customers access the cheapest energy provider and sign-up for a supply, with 51 choosing this method since June 2009; and
 - a low cost home contents insurance scheme taken up by 1,335 customers.

It has particularly supported the local credit union, by investing its rent collection reward payments from the Council⁶⁹ to help provide culturally sensitive and ethical loans which reduce doorstep lending, with measurable savings in interest payments for ALMO customers of around £6.5 million between April 2005 and July 2009.

⁶⁹ £75,000 in each of 2008 and 2009

How good is the service?

- 104** An in-house team of area based benefits advisers is providing an effective service. Weekly, well-publicised advice surgeries are held in housing offices, with outreach sessions in schools and community centres which are linked to other community activities. These staff also do home visits. Their role is to support people with complex housing and council tax benefit problems and provide advice about other benefits. In 2008/09, advisers helped 64 customers access discretionary housing payments and also secured a total of £423,308 in additional housing benefit and £765,489 in additional council tax benefit.
- 105** There are strong performance management measures in place around debt recovery. Managers review a sample of cases weekly to ensure appropriate action is being taken and peer audits within the team help support consistency. Staff have patch targets, which are regularly reviewed, and receive detailed weekly performance feedback. This approach has helped increase rent collected⁷⁰ and reduced current tenant arrears as a percentage of the rent roll⁷¹. An increase in focus on former tenant arrears (FTAs) has also led to earlier and more consistent recovery activity, with an increase in collection rates⁷² and appropriate arrangements now in place for quarterly write-offs of unrecoverable debt⁷³. This approach has helped reduce FTAs from £1.28 million at 31 March 2009 to £1.12 million at 30 September.
- 106** Despite improvements, however, performance in debt recovery is still not strong. Both FTA levels⁷⁴ and current arrears levels⁷⁵ are above average among comparator organisations, with a relatively high number of customers owing more than seven weeks gross arrears⁷⁶. Also, only 10 per cent of the £100,000 rechargeable repair debt raised since October 2008 has been recovered.
- 107** Although the relationship with the housing benefit service is generally positive, its poor performance in processing new claims contributes to the ALMO's rent arrears. A service delivery agreement is in place, supported by regular liaison meetings and dedicated liaison officers within housing benefits for each patch. Although changes in circumstances are dealt with in an average of 9.43 days⁷⁷, however, it takes the Council an average of 32.6 days to process new claims⁷⁸, which increases arrears.
- 108** Although arrangements for accessing independent money advice are generally sound, there are no formal referral protocols or service level agreements in place. The in-house team provides basic advice to help minimise pressure on the city's specialist agencies but refers on customers with multiple debts. The lack of data about the impact of referrals means the ALMO is unable to track outcomes or to use this data to drive service improvement.

⁷⁰ to 96.73 per cent in the first half of 2009/10, compared with 96.2 per cent at the same point last year

⁷¹ to 3.11 per cent, compared with 3.23 per cent at the same point last year

⁷² from £136,000 in 2008/09 to £72,000 in the first half of 2009/10

⁷³ £471,975 was written off in 2008/09, £168,000 in the first quarter of 2009/10

⁷⁴ 2.39 per cent at end of 2008/09

⁷⁵ 3.11 per cent at the end of the first half of 2009/10

⁷⁶ 6.37 per cent at the end of 2008/09

⁷⁷ against a target of 11

⁷⁸ against a target of 23

109 Although rents are calculated in line with the government's formula, the Council has not taken on board good practice in recovering the actual cost of delivering services through service charges for the customers who receive them. Heating and security charges are applied only to the customers living in the blocks to which they apply and are identified as separate service charges. Only a nominal fee is charged to cover other services, however, which means those customers living in houses and bungalows unfairly subsidise those living in flats with communal corridors and customers have not been consulted on this issue.

Resident involvement

- 110** In the previous inspection strengths outweighed weaknesses in this area. Formal structures for involvement were well supported and resourced. There was evidence of customer involvement in focus groups, tenant inspections and performance monitoring. These arrangements were new, however, with some training still outstanding and no increase having been achieved in customer satisfaction with opportunities for involvement.
- 111** This inspection found that strengths still outweigh weaknesses. There is a strong commitment to involving customers in shaping services and this is beginning to impact on outcomes. Customer satisfaction with opportunities for involvement is now among the highest 25 per cent of comparator organisations but the ALMO has yet to effectively engage with some excluded groups or with leaseholders.
- 112** The ALMO has a strategic commitment to engaging customers. There is a resident involvement strategy in place, a decision has been taken to provide a high quality service even if this means it is high cost⁷⁹ and an enthusiastic team of nine people works on customer involvement and community development projects. Agreements with 60 residents' groups help ensure all parties' expectations are clear and provide a sound basis for funding. There are formal structures for involvement in strategic decision making, with eight places on each area panel as well as four board positions, and a training programme for these active customers is based on a skills analysis. Despite limited awareness among customers about compacts⁸⁰ these approaches have contributed to high levels of customer satisfaction that their views are being taken into account, at 69 per cent⁸¹.
- 113** There is also a commitment to involvement outside of formal structures. Although involvement levels remain relatively low at around 3 per cent of customers, there is a range of ways for them to get involved and these are well advertised. An annual conference and youth conference encourage people to attend on a one-off basis, while long standing focus groups and more recent customer inspection initiatives in key service areas have allowed customers to shape the particular services in which they are interested. The ALMO has also begun to involve customers in some of its most sensitive business decisions, with the views of active customers carrying 20 per cent of the weighting in a manager selection process, following the recent restructure. These initiatives mean that customers can have a meaningful input into shaping how services are delivered without committing to regular committee attendance.

⁷⁹ among the most expensive twenty five percent of comparator organisations, at £77.12 per property per year

⁸⁰ only 31 per cent, per the 2009 STATUS survey

⁸¹ STATUS 2009

How good is the service?

114 Focus groups in each service area have been particularly successful in involving customers in procurement, performance management and service improvement. Examples include:

- The repairs group receives quarterly performance reports and has influenced key decisions like the sequencing of the painting programme. Some of its members have participated in procuring contracts, trialled new products and been integral to a component review for repairs and improvements.
- The income management focus group helped make the quarterly rent statement easier to understand, influenced the wording of arrears letters and the content of the debt guide and participated in a review of the rent arrears recovery procedure.
- The adaptations focus group receives feedback on contractor performance, has introduced pictorial guides to help customers understand what to expect, introduced a 'customer sign off' stage to help ensure quality, reviewed service standards in this area and now receives reports on performance against them. A member of the group was also recently involved in the re-procurement exercise.
- The sheltered housing focus group has been consulted about the new needs and risk assessment process and about service standards.

These approaches ensure that the ALMO focuses on things which matter most to customers and should help the service reflect customer aspirations for the future.

115 There is a mixed picture, however, on engagement with excluded groups. Meetings are held in accessible venues, with support provided for those with caring responsibilities or transport difficulties. Flexible alternatives to traditional meetings are also offered, for example a drop in session in one area where meeting attendance was low. Most meetings, however, take place during the day, which creates barriers for some people with work or caring commitments. Also, although attempts are made to ensure area panels reflect the communities they serve and residents' groups are encouraged to target under-represented communities, the ALMO has not made them accountable for outcomes by setting targets or using rewards or sanctions. This lack of focus on outcomes means that, although ENEHL has increased its active number of BME customers to 70, this is still relatively low and little has been done to involve sheltered customers⁸².

116 ENEHL has not explored barriers to engagement by leaseholders. It has a leaseholder forum which has met three times in 18 months and it also holds annual leaseholder events. These are not well attended, however, because they are held during a weekday. Although 68 individual leaseholders have volunteered for the involvement pool, one is assisting in the forthcoming procurement exercise for repairs and some attend area fora, this limited mainstream engagement means the ALMO is not yet maximising opportunities for leaseholders to influence the services they purchase.

⁸² less than half of respondents in a recent sheltered housing survey said meetings were held in their schemes

Tenancy and estate management

Tenancy management

- 117** In the previous inspection strengths outweighed weaknesses in tenancy management. ASB was effectively addressed with partners, diversionary activity was working and support was in place for both victims and for perpetrators. There were weaknesses, however, in evaluating compliance with the RESPECT standard, record keeping and performance monitoring was not effective and too few tenancy audits were being done.
- 118** This inspection found that strengths still outweigh weaknesses in this area. Tenancies are well managed, effective systems are in place to identify and meet customer support needs and the ALMO takes a partnership approach to preventing and dealing with ASB. There is a mixed picture, however, in terms of performance management in this area, there are some weaknesses in the approach to dealing with ASB and customer satisfaction with the service is low.
- 119** Tenancies are well managed. The tenancy agreement has been updated with specific ASB clauses and references to civil partnerships, clarifying rights and responsibilities. The new customer welcome pack includes a DVD explaining the tenancy agreement and information about the property and area. Support visits after one and eight months also help identify any early problems. Introductory tenancies are always used and this probationary period has contributed to improved compliance, with tenancy failure during the introductory period reducing from 10 per cent in 2006/07 to 8 per cent in 2007/08. A 24 hour tenancy fraud and abandonment hotline is well advertised and a tenancy audit is being carried out by all visiting staff to help verify customer identities and collect profile information.
- 120** Effective systems are in place to identify customer support needs. The application form asks a number of questions which help, with further checks made at the offer stage. A vulnerability risk assessment is carried out as part of the accompanied viewing process and, although wardens are still not always present when these are done in sheltered housing, this is becoming the norm. The referrals process to support agencies has recently been formalised, with cases now passed to the new in-house independent living team, which liaises with external agencies to ensure that support packages are put in place. Despite the approach being new, 144 assessments have already been completed and 64 customers identified as vulnerable, with 52 referrals made to support providers and seven to 'care ring'. This approach means customers should receive the support they need to sustain their tenancies at an early stage.
- 121** The ALMO takes a proactive approach to preventing ASB among young people. The 'young fire-fighters' and 'safety rangers' schemes involve them in role play aimed at raising awareness of the impact of ASB on neighbours and communities. Diversionary activities also include the 12 week 'urban rugby' project, which involved over 200 young people in a coaching scheme and area panels provide funding for a range of community-run activities, including junior football teams. These projects help reduce the likelihood of bored young people causing nuisance in their communities.

How good is the service?

- 122** Partnership working to tackle ASB is robust. The ALMO is involved with partner agencies at various levels. For example, it attends six-weekly tasking team meetings across its area, where information is shared and partnership solutions developed like clean-ups, door knocking exercises and the 'operation champion' victim support initiative. It also cooperates with partner agencies to find the right solution in individual cases and has participated in action to obtain anti-social behaviour orders, injunctions and dispersal orders, as well as taking tenancy enforcement action and working with the mediation service to prevent low level disputes escalating. This approach may be contributing to reported incidents of ASB having dropped by 19 per cent in the second quarter of this year, despite this period covering the school holidays.
- 123** The ALMO provides support to both victims and perpetrators of ASB. Fortnightly contact is made with all victims and referrals to other agencies, including victim support, are made if necessary. Dictaphones are provided to help them record evidence and court familiarisation visits are made before they have to give evidence. Additional security is installed, where necessary, to make victims feel safer. ENEHL also works with a family intervention project which provides practical help and support with issues such as improving parenting skills and this has been successful in two of the three cases the ALMO has referred.
- 124** There is a mixed picture in terms of quality and performance management in this area. Electronic systems are in place to record and monitor cases. These show clear ownership of each case, with stages of action colour coded, input from partner agencies easily identified and links in place to supporting documents. Monthly supervision sessions between managers and staff review each case and case closures must be agreed on the basis that all possible action has been taken and the complainant has been notified.
- 125** Files examined during this inspection indicate, however, that actions are not always taken in line with service standards. A key indicator of a five day response to non-urgent incidents is also not precise enough to provide reliable data. The ALMO has only been able to set an 80 per cent target for this because ENEHL does not exclude anonymous reports or partner referrals from the figures. This means reported performance is misleading and customers do not always receive the standard of service publicised. Also, although the system facilitates a range of reports for monitoring purposes and performance against some standards is reported to area panels, these reports do not identify the most significant performance issues. The standard for responding to incidents involving threats of violence is too low, at 48 hours, and performance against it is not clearly distinguished from performance against the five day standard for lower priority cases. This means area panel members do not have a clear picture of how quickly the ALMO is responding to ASB reports.
- 126** There are some other key weaknesses in this area. For example, it is not always easy for customers to report ASB. They can use the website and make daytime telephone calls to report incidents. CCTV systems in multi-storey flats are also linked to a security response team. The new out of hours reporting service, however, is not yet functional and has not been marketed. This is a significant weakness because serious incidents often occur in the evenings and at weekends and the absence of support during these periods can contribute to victims feeling isolated and fearful.

127 Performance against some service standards is weak and customers are not satisfied with the service provided. Only 66 per cent of customers in a recent survey confirm that they have been kept informed about their case on a fortnightly basis and the ALMO cannot provide monitoring evidence that it has taken place. There is also a low level of customer satisfaction with the way ASB is handled, at 58 per cent in 2008/09, which dropped to 55 per cent in the recent survey.

Estate management

- 128** In the previous inspection strengths outweighed weaknesses in estate management. Estates were well maintained and there was effective use of customer feedback. Area panels controlled sizeable budgets for environmental improvements and some work had been done to design out crime. ENEHL had not robustly assessed the cost and effectiveness, however, of Council provided estate services.
- 129** This inspection found that strengths still outweigh weaknesses in this area. Estates are well kept, the caretaking service has been modernised and partnership working has maximised resources for estate improvements. There is a mixed picture, however, in terms of performance management and customer satisfaction is still relatively low.
- 130** There is generally high quality estate maintenance. Although some pruning and weeding had not been done during this inspection, grassed areas were well maintained and communal areas were clean and tidy. Our inspection took place several weeks into a strike of refuse disposal workers but the ALMO had made arrangements to keep its higher density areas and multi-storey blocks clear of rubbish. Demolition sites on estates are also maintained to a high standard while decisions are made about their future use. This proactive approach led to ENEHL scoring highly on estate management within its benchmarking group during a recent assessment. It is also reflected in the fact that, while customer satisfaction is still not high, it improved in relation to grass cutting by 16 per cent to 64 per cent between September 2008 and 2009 and on shrub maintenance by 9 per cent to 51 per cent.
- 131** Caretaking services have been modernised. Caretakers are organised into area teams with a remit to meet customer needs. This includes a handyperson role and occasional gardening work for vulnerable customers. Although their role still excludes key issues such as helping monitor cleaning and grounds maintenance contracts, this reorganisation has helped to ensure a more responsive, customer-focussed service.
- 132** Partnership working brings in additional resources for environmental improvements. A two year probation service partnership provides free labour under community payback arrangements to clear litter and paint railings. The Groundwork Trust also supports ENEHL's area panels by bringing in match funding for their environmental improvement programmes, made up of small scale and locally identified improvements such as landscaping and fencing projects. This has maximised the impact of the ALMO's investment and ensures improvements reflect customer priorities.

How good is the service?

- 133** A traffic light estate rating system has been agreed with customers. These reflect issues such as the number of overgrown hedges on an estate and are supported by photographs of acceptable and unacceptable standards. Numbers of untidy gardens were high at the beginning of 2008, with six out of seven estates rated red, but this improved to four green and three amber ratings by the end of the year. Although the ALMO does not take the opportunity of widely publicising ratings in order to positively influence customer perceptions of their neighbourhoods, the approach is consistently applied across the area, which allows it to direct resources and track the impact of initiatives.
- 134** Performance management in this area is mixed. A 10 per cent sample of grounds maintenance is inspected, with contractors required to make good any service failures within a week. The level of penalties applied has reduced over time as quality has improved. Cleaning standards in communal areas are also monitored, with electronic tracking to ensure appropriate time is devoted by cleaners to each area and close scrutiny of charging. Less positively, however, a new IT system has been populated with environmental audit and estate walkabout data but this was not being used for reporting purposes by the time of this inspection. This means elements of the service were being more tightly managed than others.
- 135** The ALMO cannot demonstrate that its customers are satisfied with their neighbourhoods. The 2009 STATUS survey indicates a decline in satisfaction with the neighbourhood as a place to live since last year, down from 77 per cent to 74 per cent. This means that, despite improved estate management methods, it is still not doing enough to meet the expectations of customers.
- 136** There is currently no preventative, ongoing garden maintenance scheme in place for vulnerable customers. Caretakers provide an occasional one-off service and ad hoc arrangements also exist with voluntary sector agencies in some areas, but these arrangements do not prevent gardens becoming overgrown and unsightly if customers are unable to do the work themselves. The ALMO is considering extending Michaelangelo's Mates to take on this type of scheme but the fact that one is not currently in place is contributing to untidy gardens on some estates.

Allocations and lettings

- 137** In the previous inspection strengths outweighed weaknesses in this area. The choice-based letting (CBL) system was easy to access and vulnerable people received support to use it. There were incentives to address under-occupation and local lettings policies were designed to promote stable communities. Some data was not well used to improve service delivery, however, and the mutual exchange service was poorly promoted.
- 138** This inspection found that strengths still outweigh weaknesses. Homes are allocated in line with the city-wide policy and best use is made of the housing stock. The waiting list is accessible but applicant registration and the letting of properties can be slow.

- 139** Homes are allocated appropriately. 'Urgent need' offers made outside the City's policy must be approved by managers, who also carry out random checks on other offers. In addition, the Council does a quarterly review and undertakes regular audits. A detailed lettings plan targets lettings to each category of applicant⁸³ and is supported by comprehensive monitoring and action to address variances. The ALMO also advertises the percentages of properties let to each BME group in its newsletter, to help with 'rumour busting'. These approaches ensure ENEHL helps the Council meet need and that customer expectations and perceptions are well managed.
- 140** The ALMO ensures that housing allocations contribute to balanced communities. Local lettings policies take the form of age restrictions in 39 of the ALMO's 66 multi-storey blocks and ENEHL has to demonstrate at annual reviews that it has sufficient stock available to meet the needs of people outside these age bands. This approach has helped to reduce problems caused by clashes of lifestyle between generations and supports sustainability and cohesion on estates.
- 141** The ALMO makes best use of the stock it manages. It promotes a Council-wide under-occupation scheme which compensates customers by paying them £1,000 for each bedroom they free up in moving to smaller homes and provides support with moving. This has released 30 larger homes for families in housing need in the ENEHL area since September 2008 and a further 30 customers have been accepted on to the scheme. Incentives encourage customers who require adaptations to move to an existing adapted home. A register of adapted properties is in place and these are well described when advertised. Any bidders are referred to in-house occupational therapists who decide on the best match between property and applicant. If a successful match is not possible, adaptations are removed and some equipment is re-used. This helps ensure customers with specific needs have a reasonable prospect of being offered a suitable home and limited resources are used effectively.
- 142** Mutual exchanges are effectively promoted as a solution for tenants with limited prospect of being rehoused under the lettings policy. The Council began subscribing to the national mutual exchange scheme in April 2009. This is advertised via the ALMO's newsletter and website, with staff in each office trained to verify customer details for the scheme. As a result, the number of mutual exchanges has increased, with 76 taking place during the first six months of 2009/10, compared to 102 in the whole of 2008/09.
- 143** The choice-based lettings scheme is widely advertised and accessible, with a comprehensive range of bidding methods and support in place for vulnerable customers. Clear information for applicants includes vacancy rates and likely waiting times to help them make informed decisions. Customer satisfaction surveys indicate that this approach has contributed to 94 per cent finding it easy to apply for a home in the first half of 2009/10.

⁸³ homeless people, young people, people from BME communities, general needs applicants, priority and priority extra applicants

How good is the service?

- 144** Some applicants have not received a prompt service. Figures of between 12 and 100 per cent of new applications have been registered within the published ten day target in each month during the first half of 2009/10. Performance was particularly poor in the period immediately following the establishment of a centralised team, although this has improved more recently. This means, however, that some customers have recently faced delays in being able to bid for advertised homes.
- 145** It takes too long to let vacant homes. The Council's policy requires applicants to make regular bids for advertised homes, whether they want to live in them or not, in order to retain their priority status. This contributes to large numbers of offers being refused, with 51 per cent refused in 2008/09 and 41 per cent in the first half of 2009/10. The ALMO does reduce delays in letting homes by making targeted use of multiple viewings for harder to let homes and it has introduced a scheme to reduce the time taken to arrange a fuel supply for new tenants. It still took an average of 65 days to re-let vacant homes, however, in the first half of 2009/10. Even if long term voids returned for letting are discounted, the average void period would still be around 60 days. This means properties are left vacant for longer than necessary, resulting in nuisance for neighbours and the loss of rental income for the ALMO.

Supported Housing

- 146** In the previous inspection there was a balance of strengths and weaknesses in this area. Improvements had been made in warden support, customer engagement and scheme environments, which was reflected in high customer satisfaction. BME groups, however, were under-represented.
- 147** This inspection found that strengths now outweigh weaknesses. The sheltered housing service has improved in quality, associated services are being delivered effectively and there has been some work done to improve less popular schemes. BME groups remain under-represented among sheltered customers, however, and the Council emergency call equipment in use in schemes is not fit for purpose.
- 148** The quality of the sheltered housing service has improved. Information for customers is helpful and regularly reviewed. Support plans are in place for all customers. There is a strong ethos of customer care and the service meets individual needs. There is close liaison between wardens and the Council's out of hours 'Careline' service so customers receive a streamlined service. Customer satisfaction is relatively high, with 94 per cent saying sheltered housing helps them lead an independent life and 91 per cent saying they have the right amount of contact with their warden⁸⁴. Improvement is also evidenced by ENEHL's recent success in a competitive re-procurement exercise for the contract to continue managing the service. This external validation is particularly positive in the context of the service only having met minimum standards⁸⁵ at the time of its last Supporting People service review. Over the past year the ALMO has prioritised policy reviews and staff training in the high risk area of safeguarding and this part of the service has now been re-assessed as being above minimum

⁸⁴ per a recent sheltered housing survey

⁸⁵ 'level c'

standards⁸⁶. This means that vulnerable customers can now be confident of receiving appropriate support and protection from abuse while living in sheltered housing.

- 149** Associated services for this group of customers are effectively provided. For example, the 'down your way' repair service brings a multi-skilled operative to each sheltered scheme on a pre-arranged date each month, where s/he completes repairs and 'handyperson' jobs without customers having to go through the repair ordering procedure. Satisfaction levels of 89 per cent have been achieved among the 52 per cent of sheltered customers who have used the service in its first 18 months⁸⁷. Other examples include benefit surgeries in sheltered schemes to ensure customers are claiming everything to which they are entitled and a recently successful grant funding bid will cover the installation of IT suites and provision of training in five schemes to help reduce social isolation. Intergenerational projects have been run with local schools to facilitate better understanding between customers and younger people.
- 150** There has been some work done to improve conditions in sheltered housing schemes. Although resources have been limited, environmental improvements have been carried out at some schemes, in consultation with customers. Less popular sheltered housing is also being improved on a pilot basis to help assess future demand for these properties. They are currently being brought up to a high standard before re-letting and are currently being actively marketed to see whether this will impact on their popularity, prior to a full options appraisal process. This means that, although none of the stock is low demand, the ALMO remains sensitive to the potential for this to change.
- 151** The Council equipment used in the sheltered housing service does not meet customer needs and the ALMO cannot demonstrate that it has addressed this issue effectively. The equipment used by wardens is outdated and reports of alarm activations, received via electronic units, can be overheard in their homes and in those of any customers they are visiting when the alarm is raised. The equipment used by customers is also outdated, with pendants being particularly cumbersome and unpopular. This means there are significant risks of both breaches of confidentiality by staff and of customers putting themselves at risk by choosing not to use the equipment. Also, although the ALMO asks customers to comment on the Council's 'Careline' service in its satisfaction surveys, it does not ask how satisfied they are with it or with the equipment provided, so it does not have the data to support a discussion with the Council about this issue.
- 152** Limited success has been achieved in improving take up of sheltered housing services by BME customers. Some schemes have a diverse mix but many do not reflect the make up of the local community. Research supporting the establishment of a cross tenure floating support service in one of ENEHL's neighbourhoods has yet to be progressed. The ALMO's work to market sheltered housing to BME groups, alongside other initiatives on benefits and healthy lifestyles, has also not succeeded in increasing applications. This means there are still barriers to access which are not being addressed.

⁸⁶ 'level b'

⁸⁷ recent sheltered housing survey

How good is the service?

Leasehold management and Right to Buy

- 153** In the previous inspection weaknesses outweighed strengths in this area. There was a lack of clarity about the relative responsibilities of the Council and ENEHL and no service standards in place. Leaseholders were not effectively involved or consulted, services were not tailored to individual needs and satisfaction was low. Options to finance major repairs were customer focussed, however, and some additional services were offered.
- 154** This inspection found that there is now a balance of strengths and weaknesses. There is clarity about the services the ALMO offers and it now provides more additional optional services for leaseholders to purchase. The quality of information provided to leaseholders is mixed, however, with new services not effectively promoted and staff unprepared to deliver them. ENEHL can also not demonstrate that leaseholders are satisfied with the services it provides.
- 155** There is a clear service delivery agreement in place between the ALMO and Council which sets out their respective responsibilities. ENEHL 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 ALMO does communal repairs and building cleaning, provides information to the Council about planned and actual capital expenditure on blocks where leaseholders live, provides information to leaseholders about the services it manages, facilitates a leaseholder forum and offers additional services. The ALMO and Council meet quarterly to review their approach and consult one another about documents produced to ensure a consistent message.
- 156** The additional services available which leaseholders can purchase have recently been expanded. In addition to gas servicing, they can choose to buy 24 hour repair services with free quotes and fixed call out charges. They can also buy decent homes work, with signposting to loans to cover costs. This gives leaseholders access to reputable tradespeople to help them maintain and improve their homes.
- 157** There is a mixed picture in terms of the quality of information provided to leaseholders. A dedicated ALMO leasehold officer offers visits to new leaseholders and his contact details are widely publicised. There is a leaseholder page in the ALMO newsletter and website which support the Council's leaseholder handbook. An annual leaseholder event and leaseholder focus groups also allow ENEHL to pass them information.
- 158** We found, however, that information was not always effectively provided. A revised handbook was only being given to new customers, new services had not been well promoted and key frontline staff, such as those on the emergency out of hours switchboard, had not received guidance about 'repair and improve' services. This means some customers were unaware of them and those attempting to access them were unable to do so.
- 159** The ALMO does not have a clear picture of leaseholder satisfaction and the information it has suggests this is low. Only 12 per cent of customers responded to this satisfaction survey and, of these, only 61 per cent were satisfied with the service provided. Follow up telephone surveys are being conducted to explore these issues, but this information is not yet available so ENEHL cannot demonstrate that it is delivering a service which meets the needs of leaseholders.

Is the service delivering value for money?

- 160** In the previous inspection there was a balance of strengths and weaknesses in this area. The in-house repairs team had addressed a recurring deficit but retained outdated practices. Savings had been made by reviewing service level agreements (SLAs) but progress had been slow. Efficiency targets had been exceeded but these were modest. Costs and satisfaction compared unfavourably with peers, there was a lack of urgency in re-procuring contracts and economies of scale were not always being achieved.
- 161** This inspection found that strengths now outweigh weaknesses. There remains a mixed picture in terms of benchmarked costs but this year's restructure has reduced these considerably. There is now a robust strategic approach. Service level agreements with the Council have been reviewed and demonstrate VFM. The ALMO has done well in delivering large scale efficiencies and has particularly made savings through improved procurement. It has been slow, however, to market test its repair and maintenance services and service reviews have been inconsistent.

How do costs compare?

- 162** The ALMO has adopted measures to address the high cost of many services. Its recent restructure was designed to bring housing management costs, in particular, into line with comparators⁸⁸. It was also based on benchmarking of management information such as 'patch size' with other ALMOs. Although full benchmarking has not yet been done for this year, the loss of 60 posts is likely to bring management costs into line with those of comparator organisations.
- 163** In areas where staffing costs impact less on expenditure, however, benchmarking still indicates a mixed picture. For example, ENEHL's costs of delivering improvements and cyclical repairs were mid range among the metropolitan ALMOs⁸⁹ in both 2007/08 and 2008/09⁹⁰ but satisfaction was below average. In responsive repairs, speed of delivery is close to the average and costs are reducing⁹¹ but satisfaction⁹² is among the poorest. As a result of the recent re-procurement of major adaptations, benchmarking⁹³ indicates that the speed and cost of delivery are in line with comparators, while satisfaction is higher. This means the ALMO has generally made progress in reducing costs, but cannot yet demonstrate that a significant number of its services are high quality and low cost.
- 164** There are also still some high cost areas. Most significantly, detailed benchmarking with another organisation indicates that the in-house repair contractor is expensive. Elements of its work have also been more widely benchmarked and found to be high cost, compared with others⁹⁴.

⁸⁸ these were high for: staff per property managed; staff costs of tenancy-related activities; and arrears management

⁸⁹ in terms of both direct spend and client side management costs, but excluding overheads

⁹⁰ Housemark benchmarking

⁹¹ from a top quartile level of £490 in 2007/08 to £453 in 2008/09 and projected to be £306 in 09/10

⁹² per STATUS

⁹³ Housing Quality Network - HQN

⁹⁴ for example, over half of its work on minor adaptations (HQN)

How good is the service?

165 Although benchmarking is well used in most parts of the organisation some of the managers we met during this inspection were unable to talk knowledgeably about it in their service areas. Some misunderstood where their costs sat in relation to others and many focussed on cost over other key value for money issues, such as quality and satisfaction. This indicates that the approach is not yet sophisticated or well embedded in managers' thinking about how services should be delivered.

How is value for money managed?

166 There is a robust strategic approach to achieving VFM. The three year VFM strategy⁹⁵ is outcome focussed, with the principal objective of making 3 per cent efficiencies per year in line with the business plan and medium-term financial plan. It does not concentrate solely on cost cutting, but aims for a balance of cost, quality and performance. Rather than having a VFM action plan, activities to support the strategy are embedded in directorate service improvement plans. A procurement strategy⁹⁶ establishes a procurement policy and a timetable for future procurement of key contracts. All services have been subject to a degree of VFM review since the last inspection as part of budget setting. Each budget cut was supported by a plan which demonstrated its potential impact on quality, performance and satisfaction. In-year efficiencies are identified using a form which forces staff to identify whether they are cashable or non-cashable and whether they have been achieved at the expense of quality before they can be entered into the efficiency register. ENEHL has also established a VFM champions group to drive the efficiency agenda across the organisation and a programme of intensive VFM training. This approach should result in VFM principles being embedded in the ALMO's culture over time.

167 There is some emphasis on service development in addition to cutting costs. Despite budget savings in most areas this year⁹⁷ there has been some investment where it matter most to customers. For example, a £200,000 contribution has been made to the Credit Union, £200,000 has been invested in refurbishing area offices, an additional £24,000 is being spent on additional grass cuts and £30,000 has been invested in a review of the contact centre. This approach has contributed to the fact that 74 per cent of customers think their rent represents VFM⁹⁸.

⁹⁵ 2009

⁹⁶ 2007-10

⁹⁷ overall budget savings of £1,563,000 in 2009/10, of which over £1million are efficiencies and £433,000 are cuts

⁹⁸ STATUS 2009

- 168** The ALMO has done well in delivering efficiencies. It began the year with a 3 per cent savings target of £1,448,000⁹⁹ and by the end of the second quarter it had delivered revenue efficiencies of £2,035,000¹⁰⁰ and is forecasting a further £1,009,000 by the year end¹⁰¹. This has been achieved largely by accelerating its restructure, reviewing service level agreements and improving procurement. It should allow ENEHL to redistribute £717,000 for service enhancements in the final quarter of the year¹⁰². The ALMO has also achieved £335,000¹⁰³ capital savings to date this year, with a further £969,000¹⁰⁴ forecast, most of which has been achieved by renegotiating contracts¹⁰⁵ and all of which will be redirected into the improvement programme.
- 169** ENEHL has reviewed all its SLAs with the Council. Nine are still in place, covering a range of services which it can choose to contract out to any provider¹⁰⁶. The ALMO also pays for a further seven central services which it has no choice about receiving from the Council and for which it simply pays a proportion of running costs as though it were a Council department¹⁰⁷. Examples of effective reviews of SLAs include that for creditors' services, where both quality and cost considerations led to it being brought in house, resulting in improved performance and savings of £62,000 per year. There has also been some innovation, with the ALMO now saving £17,000 a year by hosting the paralegal service on behalf of the Council and the other Leeds ALMOs. There has been less success in challenging central service recharges, but one example is that of the 'property management' team which simply duplicated elements of its own work¹⁰⁸. The closure of an in-house contact centre and transfer of staff and business to the Council has resulted in savings of £156,000 in 2009/10 and the current review of the Council service by the three ALMOs is forecast to make further cashable and non-cashable efficiencies. This approach means ENEHL can now demonstrate that it is receiving VFM for the services it purchases from the Council.

⁹⁹ 3 per cent across both capital and revenue

¹⁰⁰ of which £1,718,000 was cashable

¹⁰¹ of which £836,000 is cashable

¹⁰² although around half of this is committed to help balance the repairs budget

¹⁰³ cashable

¹⁰⁴ of which £644,000 is cashable

¹⁰⁵ for example, 5.5 per cent savings have been made on three ongoing phases of work, amounting to £54,090

¹⁰⁶ for example, legal services, internal audit, insurance services and the contact centre

¹⁰⁷ for example, corporate procurement, financial services, payroll, IT and human resources (HR) charges

¹⁰⁸ saving £236,000

How good is the service?

- 170** New procurement and renegotiation initiatives have improved VFM in most service areas. In particular, the new adaptations framework arrangement with three specialist contractors¹⁰⁹ will deliver £932,000 of savings in its first year, customers have been involved in specifying VFM components¹¹⁰ and there are major savings on key elements of the work¹¹¹. Other successes include a two year contract extension for gas servicing at a significantly reduced rate, despite it including more work¹¹², a renegotiation of schedule of rates prices for electrical and emergency works¹¹³ and bringing in-house the out of hours repairs service¹¹⁴. There has also been some small scale use of innovative procurement methods¹¹⁵ and work has been done to ensure local employment is not neglected as a result of large scale procurement¹¹⁶.
- 171** ENEHL has been slow to market test its repair service and there is limited justification for its decision to tender only half of the work. The organisation will be three years old when the new contract begins in April 2010. Even though it needed to study its three inherited contract models and establish their relative benefits, it still had sufficient time to procure a new arrangement in the two years prior to April 2009 when they expired. Some savings have been negotiated in the interim¹¹⁷ but the ALMO cannot demonstrate that these have optimised VFM during a period when prices have fallen across the industry and it has had successive repairs budget overspends. The market testing now under way includes only half of the work, with the in-house team required to work to the same prices as the successful bidder on the remainder of the area. This means ENEHL has not maximised opportunities for obtaining the best price by offering maximum economies of scale to potential bidders. The ALMO's assumption that the in-house team can be modernised sufficiently quickly to compete effectively with external bidders, despite it having taken five years to operate without a deficit and despite benchmarking indicating that it is not competitive, also carries risks.
- 172** Although plans are in place for a robust programme of formal service reviews, those already carried out have been ad hoc and inconsistent. They were designed to address specific issues and, although they have resulted in efficiencies, like a reduction in sickness absence, they have tended to target only elements of service. This has been a missed opportunity to address key areas of inefficiency in the business like the in-house repairs team, where the retention of a bonus system and stores, coupled with failure to adopt commonly used hand-held technology, workload management software and outcome based targets, have contributed to ongoing high costs.

¹⁰⁹ beginning November 2009

¹¹⁰ for example, tap heads are interchangeable with those used in repairs, so will be cheaper to replace because the existing bodies can be used

¹¹¹ for example, the cost of delivering showers has been cut almost in half, although the specification is the same as that currently used

¹¹² £281,000 cashable savings per year, alongside the inclusion of smoke detector testing and tenancy audits at no additional cost

¹¹³ saving £91,000

¹¹⁴ saving a projected £135,000 this year

¹¹⁵ for example, £75,000 has been saved by using three e-auctions for components

¹¹⁶ most improvement work is delivered via a framework agreement but ENEHL uses a small local contractor from the Council's approved list on a 'labour-only' basis for 2.4 per cent of the kitchen replacement programme

¹¹⁷ 2009/10 saw £815,000 savings renegotiated with contractors and budget cuts of £871,000 in the in-house team

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 173** In the previous inspection strengths outweighed weaknesses in this area. The ALMO was on target to deliver decent homes, the merger had been completed without significant reductions in performance and customer engagement had improved. BME customers, however, were less satisfied than others and performance had not improved across services.
- 174** This inspection found that strengths still outweigh weaknesses. A number of customer-facing improvements have been made, delivery of the decent homes programme is nearing completion, the ALMO has a track record of supporting the Council in meeting housing need and performance has improved in a number of key areas. Most notably since the last inspection, ENEHL has taken some difficult decisions to help reduce its costs, including redundancy for a large number of staff. Customer satisfaction, however, remains low in a number of significant areas and the Council has failed to effectively address some of its own housing policies which impact on the ALMO's ability to improve services.
- 175** The ALMO has made a number of improvements in services. Online services have been made more interactive and area panels and fora have given customers a bigger role in decision making. Service-specific improvements are particularly noticeable in some of the areas identified as being weak at the time of the last inspection and ENEHL has implemented most of its recommendations. Details of progress against these recommendations are provided in appendix two of this report.
- 176** ENEHL has almost completed its decent homes improvement programme. This has been a complex task because the ALMO inherited three programmes at different stages of completion and three sets of contractors and delivery arrangements. This coincided with the merger of three stock condition databases with varying levels of accuracy and the decision to deliver a 'basic decency' policy for the remainder of the programme. Although all three programmes had been published on a year by year basis, so it did not have to back track on any promises to customers, the ALMO did have to slow down the programme in 2007/08 while it planned how to proceed, then to accelerate it again. This approach has resulted in non-decency levels dropping from 34 per cent in March 2007 to 15 per cent by the end of March 2009, with the programme on track for completion by December 2010.

What are the prospects for improvement to the service?

- 177** The ALMO has a track record of supporting the Council to meet housing need. It has continued to operate the Council's lettings policy, despite pressures on the waiting list as a result of regeneration work in its area. It has helped shape a recent review of the policy, negotiating a relaxation of some local lettings age criteria and initiating an agreement to ring-fence certain properties for customers from clearance areas to prevent regeneration delays while customers wait for rehousing. It has also managed implementation of the equity stake scheme and played a significant part in the EASEL partnership. This means that it has not focussed only on the needs of existing customers, but has been proactive in ensuring fair access to housing for prospective future customers as well.
- 178** ENEHL has modernised its approach and developed a unified culture since it was set up. The last twelve to eighteen months have been an extremely difficult period for the organisation because it has been forced to make unpopular decisions to revise its trade union facilities' scheme, close several offices and make 10 per cent of staff redundant. It has, however, emerged from these processes with a less municipal culture and a leaner approach to service delivery. Despite fears about potential job losses, there is also some positivity within the in-house repairs team about plans to modify its working practices to give it a more commercial future.
- 179** The ALMO has significantly reduced its costs. Its total operating costs¹¹⁸ and employee costs¹¹⁹ have begun to show a downward trend. Its position in its benchmarking group, in terms of direct housing management cost per property, has improved from 23rd¹²⁰ in 2007/08 to 10th¹²¹ in 2008/09 and is likely to be among the best performers in 2009/10¹²². Total overhead costs have also reduced from £159 per property in 2007/08 to £107 in 2009/10. Although ENEHL cannot demonstrate yet that its services are low cost and high performance, success in reducing costs means it has begun to address elements of VFM.

¹¹⁸ in 2007/08 they were £35.9million, which increased to £38.9million in 2008/09 but have dropped to £33.1million in 2009/10

¹¹⁹ £13.6million in 2007/08, £10.1million in 2008/09 and £9.3million in 2009/10

¹²⁰ £357

¹²¹ £198

¹²² at £186

What are the prospects for improvement to the service?

180 There have been performance improvements. Some have been sustained over its lifetime. For example, the efficiency of carrying out urgent repairs¹²³ and an increase in the number of repair appointments made and kept¹²⁴. Elsewhere, performance has fluctuated but remained good. For example, the average time taken to do routine repairs¹²⁵ has always placed ENEHL among the top 25 per cent of comparable organisations. In some areas, although performance is weak, it has slightly improved over time. For example, gross average void turnaround times¹²⁶, levels of debt¹²⁷ and the percentage of customers owing over seven weeks rent¹²⁸ are all high but have improved and rent collection rates have also improved from a low base¹²⁹. In some areas, performance improvements have not yet been sustained over time but have been dramatic and new processes mean slippage is unlikely. For example, customers wait less time for all types of adaptations to be done now than in previous years and there are reductions in abandoned properties¹³⁰ and tenancy turnover¹³¹. These various improvements contributed to the ALMO receiving a £285,000 performance bonus from the Council last year.

181 Improved performance, however, has sometimes been achieved at the expense of good practice. For example, there has been an increase in threats of legal action in arrears cases¹³². The ALMO is resorting to these methods because it has failed to address debt problems effectively at an earlier stage.

182 Customer satisfaction results do not demonstrate positive upward trends:

- Although STATUS satisfaction with property condition increased¹³³, satisfaction with the overall quality of customers' homes dropped¹³⁴ and satisfaction with the neighbourhood as a place to live fluctuated up from 74 per cent in 2007 to 77 per cent in 2008 and back down again to 74 per cent in 2009.
- There is lower satisfaction among BME customers. The STATUS overall figure for satisfaction with the service improved from 73 per cent to 77 per cent between 2007 and 2008 but it fell again to 75 per cent in 2009. Among BME customers, this figure dropped from 75 per cent in 2007 to 64 per cent in 2008 and only recovered to 70 per cent in 2009.
- Despite some positive results from service-specific surveys, STATUS indicates a deterioration in customer satisfaction with accessibility. The number of customers who thought it was easy to get hold of the right staff member increased¹³⁵, but

¹²³ the percentage done within government timescales improved from 95.36 per cent in 2007/08 to 98.66 per cent in 2008/09 and has been 99.06 per cent in the first half of 2009/10

¹²⁴ from 98.31 per cent in 2007/08 to 98.84 per cent in 2008/09 and 99.13 per cent in the first half of 2009/10

¹²⁵ which increased from 10 days in 2007/08 to 10.79 days in 2008/09, before dropping again to 8.29 days in the first half of 2009/10

¹²⁶ from 65 days in 2007/08 to 61 days in 2008/09 and 59 days in the first four months of 2009/10

¹²⁷ rent arrears were down from 3.43 per cent of the annual rent roll in 2007/08 to 3.1 per cent in 2008/09, which has been sustained in the first half of 2009/10, and although it has largely been achieved by write-offs rather than recovery, former tenant debt has reduced from 2.56 per cent to 2.39 per cent between 2007/08 and 2008/09

¹²⁸ from 6.41 per cent in 2007/08 to 6.37 per cent in 2008/09

¹²⁹ 96.68 per cent in 2007/08 to 96.85 per cent in 2008/09

¹³⁰ from 39 in the first six months of 2008/09 to 15 in the first six months of 2009/10

¹³¹ from 748 in the first six months of 2008/09 to 650 in the first six months of 2009/10

¹³² the percentage of customers in arrears where a notice was served increased from 17.12 per cent in 2007/08 to 20.47 per cent in 2008/09

¹³³ from 72 per cent in 2007 to 73 per cent in 2008 and 2009

¹³⁴ from 80 per cent in 2007 to 77 per cent in 2008 and 2009

¹³⁵ from 66 per cent in 2007 to 68 per cent in 2008 and 2009

What are the prospects for improvement to the service?

numbers who consider staff to be helpful fluctuated¹³⁶ over the same period, while those considering staff to be able to deal with their problems has progressively reduced¹³⁷ and satisfaction with the final outcome has fallen dramatically¹³⁸.

- STATUS indicates a deterioration in satisfaction with the handling of ASB over the past two years. Five of the six indicators show slightly lower satisfaction in 2009 than in 2008¹³⁹.
- Although there has been an improvement in STATUS satisfaction for all six repair indicators¹⁴⁰, there has been a less positive trend in response to the service-specific survey¹⁴¹.
- Satisfaction over the lifetime of the improvement programme, as measured by a service-specific survey, has reduced¹⁴², although this data is unreliable¹⁴³.

183 The Council has not fully addressed all the concerns raised at the time of the last inspection. For example, Heatlease and 'basic decency' are responsible for the fact that different levels of service have been provided to groups of ENEHL customers over time and around 10 per cent of its housing stock will not have any form of central heating by the end of the improvement programme. This is despite the local strategic partnership's objective of 'narrowing the gap' between rich and poor and despite 2009 STATUS survey results which indicate that 22 per cent of ENEHL's customers consider their family's health is affected by their heating conditions. Another example of the Council's failure to address issues is the fact that, although it has identified what some service charges should be, it still has no plan to end the system which makes one group of customers pay for services received by another group. In addition, outdated Careline equipment and a lettings policy which encourages high priority applicants to bid for properties they do not want hamper the ALMO's ability to further improve services.

How well does the service manage performance?

184 In the previous inspection there was a balance of strengths and weaknesses in this area. Leadership was effective, strategic aims were established and a service improvement framework was helping to deliver outcomes. The performance management framework was cumbersome, however, a performance culture was not embedded, strategic use of customer feedback was limited and performance against service standards was not consistently managed.

¹³⁶ from 81 per cent to 84 per cent and back down to 81 per cent

¹³⁷ from 79 to 75 and then 74 per cent

¹³⁸ from 72 per cent in 2007 to 58 per cent in 2008, only recovering to 63 per cent in 2009

¹³⁹ advice provided, being kept informed, support provided, speed, and the final outcome. One indicator was unchanged - 63 per cent were satisfied with 'how the report was dealt with'

¹⁴⁰ appointment being kept, length of waiting time, speed of work, attitude of workers, quality of workmanship and tidiness

¹⁴¹ satisfaction fell from 95.36 per cent in 2007/08 to 92.33 per cent in 2008/09 and only recovered to 93.3 per cent by the first half of 2009/10

¹⁴² In 2005/06 it was 94.43 per cent, in 2006/07 it was 93.11 per cent, in 2007/08 it was 92.49 per cent and in 2008/09 it was either 89.08 per cent, 90.25 per cent or 92.73 per cent

¹⁴³ partly because pre-2007/08 information is collated from three incomparable systems, partly because figures collated before and after 'basic decency' was introduced are impacted by the extent of the work carried out and partly because the ALMO's new performance management system has produced three different figures for 2008/09

What are the prospects for improvement to the service?

- 185** This inspection found that strengths now outweigh weaknesses. Monitoring of the ALMO's performance by the Council is effective, as is corporate performance management within ENEHL. There is an open and customer-focussed culture, with strong leadership and an emphasis on learning. Plans for improvement are in place in most areas but we found them to be of mixed quality, with insufficient emphasis on outcomes. There are also weaknesses in the approach to evaluating new initiatives and ineffective use of data to drive service improvement in some areas.
- 186** There are appropriate monitoring relationships in place between the ALMO and Council. Quarterly strategic meetings between the portfolio holder, chair and senior officers are mirrored by parallel operational meetings at more junior levels. Annual performance reports from the ALMO go to the Council's executive board and the performance incentive scheme is being revised to move away from performance indicator (PI) based rewards towards a more mature, risk based approach. This approach means the ALMO generally has sufficient freedom to make management decisions about the landlord service, but the Council retains a strategic influence and holds it accountable for performance in key areas.
- 187** Corporate performance within the ALMO is generally well managed. Although not yet fully implemented, the corporate performance management framework meets its needs. An IT-based system reports on performance against all PIs, the more measurable service standards and progress against improvement plans. Staff and board members view the system via the intranet, 'snapshot' packages are in place for many users to help them focus on their own team's performance and exception reports are set up for managers and board members. Further training for junior staff in using the system is planned, along with web access for customers, links between plans and the risk register, the development of directorate scorecards and the importing of benchmarking data directly into reports. This system should help ensure that performance failures are identified and actioned early at the appropriate level.
- 188** Parallel performance reports are still being provided in the old format and are well presented. Annual reports give sufficient detailed information for the Council to make informed judgements about how services are delivered. The quarterly performance report is over long but includes an executive summary which gives key data in an accessible format, allowing the board and other readers to drill down into further detail only if required. The monthly performance bulletin for staff focuses too heavily on benchmarking with the Leeds ALMOs rather than the wider sector, but is well presented and provides key data in a user-friendly format. Customers receive performance information in an accessible format in their newsletters. This dual approach to reporting is helping to ensure that performance monitoring continues to be effective during the period of adjustment to the new electronic system.

What are the prospects for improvement to the service?

- 189** The culture of the organisation is open and customer focussed. Junior staff have a strong commitment to meeting customer needs and particularly understand the importance of using customer profile information to tailor services for individuals. Although some of the middle managers we met require further support and development, all are well motivated to improve services and are growing into what are new roles for many. The senior management team provides strong and effective leadership and has benefited from the recent appointment of two new members with experience gained outside local government. The organisation is self-aware and managers have been responsive to inspector feedback, including taking immediate action while the inspection was still ongoing to address emerging weaknesses. For example, they addressed website link failures, reviewed how information for leaseholders and asbestos information for tenants was presented. ENEHL also amended a number of plans to increase their outcome focus and initiated a customer review of the resident involvement strategy.
- 190** This willingness to learn is apparent across services. The ALMO routinely adopts good practice from process benchmarking with the best performers¹⁴⁴ and recently exposed itself to external challenge in a peer review of estate management. It has learned from its own weaknesses¹⁴⁵ and has a system in place to ensure managers gather learning from each customer complaint they investigate. Also, a number of procedural improvements made in the past year have resulted from customer feedback on satisfaction slips, particularly around repairs, lettings and void management. This level of openness helps maintain a focus on continuous improvement and development of services which meet customer needs and expectations.
- 191** There are plans in place to improve services in most areas. For example, better access and VFM should be delivered in lettings with online customer applications from November 2009. Improved VFM and flexibility should also be delivered in sheltered housing through the modernisation of the warden service, which was delayed until the ALMO's bid to continue to manage the service was successful in October 2009, and by the longer term plans of the Council to upgrade outdated equipment. Plans are also in place for more community development activity, based on a youth facilities' audit and for gardening clubs in communal areas, which will shortly be piloted. A new resident involvement pool has the potential to boost capacity in future and an external scrutiny panel for E&D issues will provide added challenge in this key area. These and similar initiatives should help ensure that the ALMO's commitment to ongoing service development is translated into positive outcomes for customers.

¹⁴⁴ for example, its new 'repair and improve' service for leaseholders

¹⁴⁵ for example, it not only revised its complaints procedure after an adverse Ombudsman report, but also accessed training from the Ombudsman service

What are the prospects for improvement to the service?

- 192** The quality of the ALMO's plans, however, is mixed. The business plan defines objectives and sets out a clear vision for communities, linked to the wider strategic objectives of the Council. It is supported by a range of high level strategies, many of which are robust and all of which are linked to service plans. The uncertainty of the ALMO's position beyond 2012/13, however, means that lower level plans tends to focus on shorter-term goals and even the asset management strategy provides insufficient information about investment needs or projected resources to judge whether it is adequate to the organisation's needs. Some plans are based on outputs rather than outcomes, so objectives might be achieved without their having made a difference to the service. Some plans also lack links with those of partners. For example, the Council will open two new one-stop service centres in the area in the next year but ENEHL has no plan in place either to explore with customers whether it should close adjacent offices or to project manage any closures. These weaknesses mean there is sometimes a lack of clarity about how the ALMO will go about achieving some of the ambitious goals it has set in the business plan and there are sometimes weaknesses in delivering customer services.
- 193** The ALMO does not always effectively analyse the outcomes of new initiatives or evaluate pilots in order to inform service improvement. For example, solar hot water heating was piloted on 23 bungalows at three sites in 2007/08. No follow up work was done with these customers, however, to explore any cost savings they had made and there has been no analysis of how the cost of doing the work compared with more traditional solutions, despite the fact that it was funded from the capital programme. This means that, although the ALMO knows customer satisfaction with the scheme is high, it cannot demonstrate VFM and lessons from this innovative project have not informed future plans. Similarly, the 'down your way' repair service for sheltered customers appears to be popular and is relatively cheap to deliver, but there has been no analysis of key VFM issues to inform future plans, such as whether repair reporting and consequent costs in sheltered schemes have reduced as a result of the initiative.
- 194** There are some weaknesses in ENEHL's approach to performance management in front line services. Although there is effective use of data to drive service improvement in some areas¹⁴⁶ earlier sections of this report have outlined others where data is less well used. Some targets are not challenging¹⁴⁷ and the performance management system in use until shortly before this inspection was ineffective in monitoring or addressing slippage against plans¹⁴⁸. This means that the organisation has missed opportunities for rigorously managing performance and improving outcomes.

¹⁴⁶ for example, gas servicing, where the success of measures such as days of action have been monitored and their frequency altered to take account of success

¹⁴⁷ for example, the ALMO only aims to complete non-urgent repairs within timescale in 97.15 per cent of cases, which means it is acceptable to aim not to deliver against service standards in around 1500 cases per year

¹⁴⁸ for example, a number of actions were not taken against the Respect action plan in 2008/09 but these were not highlighted or rolled over into the plan for 2009/10

What are the prospects for improvement to the service?

Does the service have the capacity to improve?

- 195** In the previous inspection strengths outweighed weaknesses in this area. ENEHL was responding to financial pressures and the board provided clear direction. Work with local partners was effective. Staff personal development was a high priority. However, limited expertise in procurement had slowed progress in market testing. Staff absenteeism also compared unfavourably with other ALMOs.
- 196** This inspection found that strengths still outweigh weaknesses. The board provides strong leadership and the restructure has boosted capacity as well as reduced costs. Effective systems are in place to develop staff and manage risks and budgets, despite ENEHL's financial challenges. Excessive levels of sickness absence are coming under control, local partnership working boosts capacity and IT meets the ALMO's needs. The organisation does, however, suffer from low staff morale, its staff and board profiles are not representative of the communities it serves and its influence in some strategic partnerships is limited.
- 197** The board continues to provide effective leadership to the ALMO and its strength has been key to modernisation over the last year. It takes a clear role in scrutinising risk, making policy and challenging staff on performance issues. It has an appropriate focus on outcomes for customers and on VFM. Its chair is strong and its members are able, with a particularly good understanding of partnership and regeneration issues. The board has reviewed its governance arrangements and developed an appraisal scheme and training programme. Area panels are beginning to take on clearer roles. They are the only formal structures where leaseholders have a voice and the area fora which sit below them also allow for participation by the wider community. Although STATUS indicates that over two thirds of customers¹⁴⁹ still do not know what they are, panels have begun to deliver environmental improvements and are currently developing business plans to help ensure future spending decisions are made in line with corporate objectives. This means that the board and its supporting structures have the potential to play a robust role into the future.
- 198** There are positive signs that the ALMO's business may be beginning to grow. It has identified the potential to generate income by helping recover debts for the credit union¹⁵⁰ without the need for additional resources in the former tenant arrears team. The warden service has also been invited to tender for work in schemes managed by other landlords. In addition, the housing stock is beginning to grow after several years of retraction. Only 11 homes have been lost so far this year through the Right to Buy but 20 new units have come into management and the Council has been allocated funding to develop 63 more properties¹⁵¹ during 2009/10 and 2010/11, which the ALMO will manage¹⁵². This means that the organisation is taking advantage of new business opportunities to benefit existing and new customers.

¹⁴⁹ 78 per cent

¹⁵⁰ at 20 per cent commission on a potential 913 debts, which could bring in up to £230,000 income

¹⁵¹ it will supplement £3.5million grant with £3.6million prudential borrowing

¹⁵² the mix is still undetermined, but will include secure tenancies and intermediate 'rent to mortgage' properties

What are the prospects for improvement to the service?

199 Early indications are that the recent restructure has boosted capacity as well as reducing expenditure in some areas. For example:

- a smaller, centralised lettings team was set up in June 2009 and satisfaction data for the second quarter of the year suggests that it may be beginning to impact;
- an independent living team, funded by staff cuts elsewhere, is designed to address safeguarding issues and improve access for vulnerable customers. In its first six weeks, 144 referrals have resulted in 64 successful interventions;
- a generic 'environmental caretaker' role has allowed a reduction in numbers and the introduction of 'handyperson' duties to better meet customer needs;
- restructure of the debt recovery service has centralised FTA recovery and reduced numbers but introduced a manager post to focus on improving performance;
- co-location of surveyors with lettings staff has improved communication around void management; and
- in some areas, new posts have been created to improve services, such as a dedicated leasehold manager post.

This means that a leaner structure should deliver better services in future.

200 There is a framework in place for assessing staff performance and meeting training and development needs. Annual appraisals and quarterly reviews inform the corporate training plan, where individual needs are reflected alongside mandatory training on issues such as customer care and E&D and job-specific training. A number of staff are undertaking professional or national vocational qualifications (NVQs)¹⁵³ and ENEHL has developed a NVQ level two programme in team leading. Ten staff have completed this, with four further phases planned and evaluation indicates that participants are now more confident and capable managers. This approach, much of which has been funded by contributions from training agencies and the local college, is supporting the ALMO to build capacity at all levels in the organisation.

201 The ALMO has strengthened its approach to managing sickness absence. This has been extremely high in the past¹⁵⁴ but a sickness strategy and action plan was developed last year. A specialist service provides advice to staff who are sick and runs health and well being days. Managers carry out return to work interviews after every absence and central staff identify absence patterns which should be addressed. This approach improved average sickness per employee to 15 days in 2008/09, with the forecast for 2009/10 being ten days. Although this remains high, it represents a significant improvement and means a powerful 'sickness culture' is being broken down.

¹⁵³ 12 are doing level two NVQs in areas other than management and 38 are doing Chartered Institute of Housing level two or three qualifications

¹⁵⁴ In 2007/08, it lost an average of 18 days per full-time employee

What are the prospects for improvement to the service?

- 202** The ALMO has boosted its capacity to improve neighbourhoods via partnership working. Not only is this effective in delivering key services like tackling ASB, but ENEHL is working with private sector developers on regeneration, is an enthusiastic partner in a range of financial inclusion and community cohesion initiatives and has improved employment prospects for excluded groups through 20 apprenticeships¹⁵⁵ and 'Michaelangelo's Mates'. The ALMO also uses a community based organisation which provides temporary staff from the local area to cover vacancies and it supports 30 staff to volunteer with a community development organisation by allowing some of this to be done during working hours. This approach has helped embed the ALMO in the local community.
- 203** Risk management processes are robust. There are corporate and directorate risk registers and a business continuity plan in place, with reports to the senior management team, board and the audit committee. Corporate risks also feed into a wider Council register and the ALMO attends quarterly Council risk management meetings. There are appropriate delegations of authority in place to ensure health and safety risk is recognised and managed, with responsibility assigned to specific officers for issues such as gas and fire safety. The audit plan is also risk based, with internal audit resources allocated to higher risk areas at the start of each year. These approaches mean risk is being appropriately managed.
- 204** The ALMO has a sound medium-term IT strategy. This will meet its business needs until 2013 but does not prejudge the outcome of decisions about longer term management of the stock. It aims to maximise the use of existing assets and ties in with the strategies of the other two ALMOs and the Council in terms of investment in core systems. It also, however, gives scope for using non-core systems for smaller scale tasks, like the new performance management system, if a business need can be demonstrated. This approach is likely to result in further investment in hand held technology to support modernisation of the in-house repair team over the next year. This means the ALMO is making sensible decisions about how and where to invest in technology to support the business.
- 205** Budget-setting processes are robust. 2009/10 budgets were set using a rigorous zero-based approach. Managers were required to review their areas, outlining aims and benchmarking costs, before presenting 'minimum', 'preferred' and 'enhanced' service standard budgets to the senior management team, with details of how efficiencies could be achieved and a timetable for delivery. The exercise was revisited several times in some areas and was particularly useful in supporting restructure plans. This level of rigour was resource intensive and the process is likely to be diluted now its principles are established but a zero based approach, linked to planning, will continue. This means customers can be confident that VFM is being fully considered as part of budget setting, rather than there being a focus only on cost.

¹⁵⁵ 16 young people moved on to full-time work, nine of whom stayed with the ALMO (including three women and two people from BME groups)

What are the prospects for improvement to the service?

- 206** Financial management systems are also now sound after previous problems. Responsibility is designated to middle management budget holders, with appropriate training, support and guidance in place from the finance team to ensure they are managed effectively. Expenditure is centrally monitored and regularly reforecast, with intensified support if problems occur. This is illustrated by current activity to bring down a forecast £1.6 million over-spend on the repairs budget¹⁵⁶. A recovery strategy has been developed, based on increasing income from partnering arrangements with contractors and the generation of efficiencies. Although it is impossible to predict whether, for example, the ALMO will need the contingencies allowed for extreme winter weather, the plan should bring expenditure back into line by the year end and weekly monitoring is taking place to ensure emerging issues are tackled proactively. This approach means there is less risk of budget overspends in future than there have been in the past.
- 207** The ALMO's overall financial position is challenging but is being effectively managed. It had a budget overspend last year¹⁵⁷ and cannot afford this to happen again. It has reserves, but these are largely committed to covering retirement benefits¹⁵⁸ so it is dependent on the management fee to cover revenue costs. This has been a driver for its restructure, which has been carried out in a shorter time frame than envisaged and will not only allow re-allocation of over £717,000 efficiencies in the last quarter of this year¹⁵⁹, but should provide £500,000 for reserves.
- 208** The ALMO's financial position on the investment programme is also challenging. The major repairs allowance (MRA) is being used to fund completion of the decent homes programme but this leaves a shortfall of almost £3 million over the last two financial years of the programme. Approximately £1.3 million of efficiencies have already been identified to help fund this gap and the Council has given an undertaking to provide funding to meet the standard if insufficient further efficiencies can be made. More significantly, however, the Council cannot afford to either maintain the housing stock at the decent homes standard or deliver a more aspirational standard after next year. It is unlikely that a future government will allow the Council to increase rents to fund improvements and borrowing to fund them would require it to commit to significant long-term prioritisation of housing stock condition issues, which it has yet to do.
- 209** There is no clarity about the ALMO's future post-2013 but the Council has begun to address the issue. A third stock option appraisal will begin shortly, under a project board which includes representatives from the ALMOs. This will report to the Council's executive board in March 2010, followed by a public consultation on options. There are uncertainties around the outcomes of the housing revenue account (HRA) review and whether either stock transfer or extending the use of the private finance initiative are viable for any of the Council's stock. There is some clarity among key figures within the Council, however, that they do not want to see a return to in-house management, that customer views must be considered and that any ALMO arrangement adopted must be based on both efficiency and localisation issues. The current uncertainty means it is difficult for the ALMO to plan beyond the medium term.

¹⁵⁶ due to poor forecasting of void numbers and an effective moratorium on repairs late last year because of a budget over-spend in 2008/09

¹⁵⁷ over £1.2million, of which almost £500,000 was redundancy costs and almost £800,000 was a repairs overspend

¹⁵⁸ the Council has not retained this liability, as happens with some ALMOs

¹⁵⁹ half of which will support over-spending in repairs

What are the prospects for improvement to the service?

- 210** Low staff morale is a significant issue for ENEHL. Although the staff we met during this inspection were positive about the changes made in the last year, staff morale among the wider staff group has been low for a long time and has particularly suffered as a result of the restructure and a long-running dispute over the union facilities' agreement. A staff satisfaction survey in May 2009, at the height of uncertainty about the future, reinforced a number of messages about how negatively staff felt. Low levels of satisfaction¹⁶⁰ indicate a culture where staff feel their contribution is not valued. These figures are similar to those in previous surveys¹⁶¹ and allegations of discrimination and bullying¹⁶² began to factor in satisfaction data as early as the union facilities' dispute which ran from February 2008 until March 2009. The senior management team has developed an improvement plan following the survey, which largely involves increasing its visibility and improving communication, but this is not a high profile plan in the organisation and key actions are only being taken several months after the survey results were first reported. This has not been a proportionate response to such significant findings and means senior managers and the board have still not effectively addressed these issues.
- 211** The profile of the ALMO's board and staff are not representative of the communities it serves. Women account for 45 per cent of the workforce and 42 per cent of top earners but other groups are less well represented. For example, people from BME communities make up only 9.3 per cent of employees¹⁶³ and people with a disability make up only 3.6 per cent of staff¹⁶⁴ with neither group represented among the top earners. The board better represents the community in terms of gender, ethnicity, sexuality and disability but is particularly unrepresentative of younger people. Although steps are being taken to address these imbalances, including targeted recruitment and the introduction of mentoring for staff from under-represented groups, they mean that ENEHL cannot necessarily provide positive role models for customers or prospective employees, is not benefiting from the views of younger people in policy making and may be reinforcing barriers to access.
- 212** The ALMO's 'Customer First Board' has had a limited impact. This has been in place for six months and was intended to perform an important scrutiny role as a subgroup of the board, in preparation for future 'co-regulation'. It is currently only made up of one board member and two customers from the access focus group, however, so meetings are dominated by officers. More members are in the process of being sourced from the involvement pool, but it currently does not have the scope to set standards or the ability to help manage performance, as originally envisaged.

¹⁶⁰ 37.3 per cent of housing and 38.8 per cent of corporate services' staff did not feel valued as employees, 34 per cent of staff felt they did not have time to do their work, only 55 per cent said their managers motivated them, only 63 per cent had confidence in their managers' leadership skills, only 30 per cent felt their views were listened to, only 38 per cent felt they got recognition from senior managers and over a third of staff felt that 'relationships at work are strained'

¹⁶¹ satisfaction with the ALMO as an employer dropped from 77 per cent in 2007 to 74 per cent in 2008. Also in 2008, only 64 per cent felt their feedback was listened to or noted and 38 per cent said morale was bad or very bad

¹⁶² these were 11 and 20 per cent respectively in 2009 but 21 per cent said they'd been bullied in the 2008 survey

¹⁶³ against a target of 11.5 per cent

¹⁶⁴ against a 5.7 per cent target

What are the prospects for improvement to the service?

213 The ALMO's position is weak in some of its strategic partnerships. Limited evidence has been provided of it exerting a meaningful influence over strategic housing issues and, despite the fact that it is a significant local employer and service provider, ENEHL has no voice on the local strategic partnership. This means it has had limited influence over the Council policies which most affect it, such as service charge pooling and Heatlease and it is unable to maximise its ability to deliver services effectively by networking.

Appendix 1 – Performance indicators

Performance indicator (BVPI reference)	2006/07	2007/08	2008/09	Met. Councils top 25% 2007/08
63 Average SAP rating	66	66	66	73
66a Percentage rent collected	96.96	96.68	96.85	98.3
66b Percentage tenants with > 7 wks arrears (gross)	6.65	6.41	6.37	3.2
66c Percentage tenants in arrears with NoSP served	22.74	17.12	20.47	22.3
66d Percentage LA tenants evicted for rent arrears	0.27	0.18	0.37	0.3
74a Percentage tenants satisfied with overall service	72	75	77	79
75a Percentage tenants satisfied with opportunities for participation	57	67	67	69
184a LA homes which were non-decent at start of year	34	22	15	19
184b Change in proportion of non-decent homes	13	26	27	29.7
212 Average re-let time (days)	35	44	38	32

Appendix 2 – Previous recommendations

Table 1 Audit Commission recommendations in January 2009

Recommendation	Progress
R1 Improve customer focus by:	
improving response times to and learning from customer complaints;	Done
reviewing call-centre arrangements to ensure agreed service levels are achieved;	Not complete - plans will bring closer by year end
ensuring satisfaction measures across all service areas use consistent formats to enable comparison;	Done
establishing consistent service standard monitoring and learning from practice;	Not complete - limited monitoring and reporting in place
introducing and monitoring an improved letting standard;	Done
routinely and robustly testing satisfaction with opportunities for customer involvement; and	Done
addressing all other customer care related weaknesses identified.	Done
R2 Improve performance in meeting diverse needs by:	
examining causes of disparity in satisfaction among BME customers and putting in place arrangements to rectify and raise satisfaction levels to equal other customers;	
ensuring equality schemes are approved, implemented and monitored by an appropriate governance group;	Done
ensuring equality impact assessments are completed for all service areas;	Done
ensuring all staff and appointed contractors are fully aware of translation arrangements and how they can access services wherever needed; and	Done
addressing all other equality and diversity related weaknesses identified.	Done

Appendix 2 – Previous recommendations

Recommendation	Progress
R3 Improve value for money by:	
reviewing procurement proposals for contracted services, addressing limited in-house capacity and ensuring contracts are re-tendered at the earliest opportunity;	Done
undertaking thorough service reviews, prioritising high cost service areas and putting in place arrangements that reduce costs and improve efficiency and effectiveness;	Zero based budgeting, rather than service reviews done but demonstrate the same outcomes
reviewing all service level agreements to ensure that value for money is maximised;	Done
putting in place service level agreements where ENEHL is dependent on the Council for services;	Done
ensuring all service level agreements are robustly monitored and action taken to address under performance;	Done
reviewing bonus arrangements in construction services to ensure they add value;	Not complete - planned for autumn 2009/spring 2010
introducing tenant recharging, where appropriate;	Done
ensuring that the high proportion of responsive repairs is reduced to align with best practice guidance;	Not complete - plans will bring closer by year end
addressing, with the Council, the urgent need to de-pool service changes so they reflect actual costs for customers; and	Not complete - charges calculated but Council decision taken not to de-pool
addressing all other value for money weakness identified.	Done
R4 Strengthen performance management and improvement planning by:	
thoroughly reviewing the performance management framework, ensuring that it is efficient and effective, that the overall health of the business is clearly demonstrated, that priorities are readily identifiable and that reports use appropriate comparisons; and	Done
ensuring improvement initiatives have success measures based on improvement in outcomes for customers.	Done
R5 Strengthen financial projections by:	
reviewing business plan projections as they relate to regeneration and home ownership initiatives in the light of instability in housing and finance markets.	Done

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Appendix 3 – Reality checks undertaken

- 1 Before and during this inspection, we reviewed a range of relevant documents, including a number which the ALMO 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 in practice. They included: observation of a board meeting; customer, staff, board member and partner interviews; file checks; visits to various neighbourhoods and housing schemes; and mystery shopping of service access points. We also interviewed key figures from the Council.

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)

Equity Release Scheme

- 1 ENEHL has managed the Council's interest in an innovative equity stake scheme for 92 newly built properties. These were all eligible for interest free gap funding to cover the difference between the mortgage which the purchaser could raise and the sale price, up to a maximum of half of the property's market value. Loans are secured as a charge against the property to ensure it shares in any appreciation in value. The ALMO contributed £1.3 million land sale receipts to fund the scheme, which would otherwise have been used for non-decency works. The scheme released 16 Council and three housing association properties for re-letting, supported two households to move out of clearance properties and rehoused two households from the housing register. The estate is now fully occupied, with the remaining 69 homes having been sold on the open market. These approaches are beginning to deliver mixed tenure communities in areas dominated by renting and they meet a need for affordable modern homes where unpopular properties once stood.

Lettings Responses to Hate Crime

- 2 ENEHL carries out risk assessments before making offers of accommodation to BME customers in areas identified as hate crime 'hot spots'. Should these customers refuse the property, no penalty is placed on their application but this approach ensures they understand the potential issues and that satisfactory support is arranged before they move into a property. Through partnership working with West Yorkshire Police, this approach has also helped support the introduction of a 'community house' in a hotspot area. Surgeries are held there regularly with key agencies to better tackle hate crime and provide a reassuring presence for the community. ENEHL also publishes articles in its newsletter explaining how much stock is allocated to BME groups in order to 'rumour bust'.

Staff Training on Domestic Violence Issues

- 3 Domestic Violence training is targeted at front line staff to ensure that customers receive the correct support at their first point of contact. This highlights the range of options available to survivors in order to discourage staff from imposing solutions on them. Enforcement options for perpetrators are also included. This training is refreshed annually to ensure emerging good practice is incorporated and complimentary scenario training has been delivered at the annual staff conference to help maintain awareness.

- 4 'Lead officers' are identified from across the organisation to take a more specialist role. They have received training on issues such as 'honour based' violence which is cascaded to other staff. They are also a point of contact for front line staff who require specialist advice and support in dealing with cases.
- 5 ENEHL monitors the impact of process improvements and training around domestic violence. The instances of repeat cases is falling and is significantly lower than in other parts of the city, at a rate of 17 per cent against a partnership target of 20.5 per cent.

Money Angels and Energy Switch schemes

- 6 ENEHL provides a web based and free phone telephone utility switch service for gas and electricity supplies. Launched in June 2009, it has had 290 users in its first four months, of whom 11 have changed electricity and 8 gas providers, with a combined saving of £2,058 per year. An extension to this, the 'Money Angels' service, ensures gas and electricity supplies are live in all void properties at the point of sign up. New customers are informed of the cheapest energy provider, with the option to sign-up for a supply immediately. Fifty one customers chose this method during the first four months of the scheme. The schemes incur no cost to the ALMO and the utility companies pay it a fee for each dual fuel customer referred, with this money being used to help fund energy efficiency work.

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