

ALMO Inspection Newark and Sherwood Homes

Newark and Sherwood Homes Limited

Inspection 2005/2006

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our remit covers around 11,000 bodies which between them spend nearly £180 billion of public money every year. Our work covers local government, health, housing, criminal justice and fire and rescue services.

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

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

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

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Arms 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 and national services for the public.

Within the Audit Commission, the Housing Inspectorate inspects and monitors the performance of a number of bodies and services. These include local authority housing departments, local authorities administering Supporting People programmes, arms length management organisations (ALMO) 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 (ALMO) 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 arms 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).
- 'Learning from the first housing ALMOs' (May 2003).

Summary

- 1 Newark and Sherwood District Council covers 65,000 hectares in north east Nottinghamshire. It is predominantly rural with a number of ex-coal mining villages. Its main towns are Newark-on-Trent, Southwell and Ollerton. Its population is 106,273 and it has a black and minority ethnic population of 1.5 per cent.
- 2 The Council is controlled by a Conservative/Liberal Democrat alliance. It has 23 Conservative, 12 Labour, 7 independent and 4 Liberal Democrat councillors. The Council was assessed as 'fair' following the Audit Commission's 2003 comprehensive performance assessment.
- 3 In November 2004 the Council set up an arms length management organisation (ALMO), Newark and Sherwood Homes Limited, to provide landlord services to its stock of 5,500 homes and 130 leaseholders. This ALMO inspection covered all of those services.
- 4 The ALMO employs 190 staff and receives an annual management fee of £6.4 million.
- 5 An inspection of Newark and Sherwood District Council's housing services took place in May 2003. We considered the service to be a good, two star service with promising prospects of improvement.

Scoring the service

- 6 We have assessed Newark and Sherwood Homes Limited 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.

Table 1 Scoring chart¹:

		Prospects for improvement?				
Excellent						‘a good service that has promising prospects for improvement’
Promising			☀		A good service?	
Uncertain						
Poor						
	Poor	Fair	Good	Excellent		
		★	★★	★★★		

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- 7 The service is good because it has a number of positive features including:
- customers can access services in a range of ways which reflect the dispersed nature of the stock;
 - staff are friendly, welcoming and knowledgeable and have been trained in customer care;
 - there is a comprehensive, overarching customer promise;
 - a range of useful, good quality customer information including a recently revised tenants' handbook, customer information leaflets and a tenants' newsletter includes performance information;
 - useful information is available on the website and customers can report repairs, pay rent and bid for homes via the internet;
 - an effective choice based lettings scheme has been introduced;

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- there is a wide range of rent payment methods;
 - there is a freephone number for reporting repairs during the day time;
 - public offices and supported housing community centres comply with the Disability Discrimination Act 1995;
 - a national interpretation service is used and minicom, induction loops and text-talk is available in all offices;
 - a tenants' easy reading panel quality checks printed information;
 - there is a genuine commitment to resident involvement, supported by resources, and a range of ways for tenants and leaseholders to be involved;
 - positive and effective steps have been taken to tackle unsustainable homes;
 - a wide choice of good quality fittings and finishes, developed with tenants, is available for improvement work;
 - kitchen planning software is enabling tenants to design their own kitchen layouts;
 - response repairs are completed more quickly and there are high levels of customer satisfaction with the service;
 - vacant homes are re-let quickly;
 - arrangements for annual gas services are effective with evening and weekend appointments available;
 - the appearance of estates is of a high standard, well maintained and well cared for;
 - there is an effective approach to tackling anti-social behaviour; and
 - a falls prevention protocol is in place for supported housing tenants.
- 8 There are weaknesses in the service including:
- service standards are only in draft form;
 - analysis of office usage, customer preferences and opening hours has been limited;
 - customer surveys are not in place for all service areas;
 - the out-of-hours repair number is not a freephone number;
 - only 29 per cent of repairs are done by appointment;
 - straplines in community languages and about the availability of information in other formats are not systematically included on all printed information;
 - a lack of robust project management has meant that some customers have experienced delays in completing improvement work to their homes;
 - the repairs database does not flag when improvement work is planned at the point that response repairs are logged;
 - there is no detailed analysis or control of cancelled repair orders;

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- there is no customer information on the standard of vacant homes;
- estate walkabouts are not publicised to the wider tenants audience and there is no feedback of the outcomes;
- there are delays in raising leaseholder service charges and collection rates are poor;
- there is no handbook for leaseholders;
- the proportion of emergency and urgent repairs is very high at 78 per cent of all response repairs; and
- the ALMO cannot demonstrate value for money or effective use of resources in areas such as rent collection.

9 Newark and Sherwood Homes has promising prospects for improvement. There are a number of strengths including:

- the ALMO has a strong and genuine commitment to continuous improvement;
- a number of customer-facing improvements have been achieved since the last inspection;
- performance has improved across a range of local performance indicators;
- a comprehensive work plan is in place which addresses key weaknesses;
- the ALMO has increased its capacity to achieve the Decent Homes Standard by selecting experienced strategic investment partners;
- the relationship between the ALMO and the Council is positive and constructive with an effective framework for liaison in place; and
- board members have a good mix of skills and experience and governance arrangements are working well.

10 There are some weaknesses including the following:

- slow progress has been made on some recommendations in the 2003 housing services inspection report;
- performance has declined against best value performance indicators in 2004/05;
- customer feedback is not being comprehensively captured and so learning opportunities are being lost;
- the ALMO's approach to challenging current ways of delivering services is under-developed;
- leasehold management and Right to Buy services have not been subject to a best value review; and
- not all areas are being performance managed such as the time taken to complete disabled adaptations.

Recommendations

- 11 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. In this context, the inspection team makes the following recommendations.

Recommendations
<i>R1 Implement the service standards currently in draft form, publicise them to tenants and monitor and report on performance against them within three months.</i>
<i>R2 Establish customer satisfaction and feedback methods for all services provided by Newark and Sherwood Homes and report on the outcomes and action taken to the board and all service users within three months.</i>
<i>R3 Publicise the freephone number for out-of-hours emergency repairs to all tenants within two months.</i>
<i>R4 Develop and implement a plan to gather comprehensive profile information for all tenants within six months.</i>
<i>R5 Develop a systematic approach to ensuring that straplines are consistently included on all printed material for customers within three months.</i>
<i>R6 Set equality and diversity targets for all service areas and monitor and report on performance against these to the ALMO board within six months.</i>
<i>R7 Develop, implement and monitor an overarching strategy for resident involvement, with tenants, within six months.</i>
<i>R8 Undertake a fundamental review and cost benefit analysis of current and potential rent payment methods. Set clear targets for customer take-up of the most cost-effective payment methods and consider customer incentives, in consultation with service users, within five months.</i>
<i>R9 Undertake a fundamental review and cost-benefit analysis of all current service access methods and opening hours, consult all tenants on their preferences and act on the findings within 12 months.</i>
<i>R10 Publicise estate walkabouts to all tenants and residents and give feedback on the outcomes to the wider tenant audience within three months.</i>

Recommendations
<i>R11 Undertake and complete a best value review of leasehold and Right to Buy services within 12 months.</i>
<i>R12 Take action to understand the decline in the average SAP rating of homes to ensure that resources are effectively targeted within three months.</i>
<i>R13 Take action to address all other weaknesses identified in the report.</i>
<i>R14 Report the findings of this inspection to the Council and the ALMO board, tenants, leaseholders and other service users within three months.</i>

- 12 We would like to thank the staff of Newark and Sherwood Homes Limited, particularly Sue Parker and her team, who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 3 May to 12 May 2005

Regional contact details

Audit Commission Housing Inspectorate

1st Floor

Bridge Business Park

Bridge Park Road

Thurmaston

Leicester LE4 8BL

Telephone: 0116 269 3311

Fax: 0116 269 4422

Email: www.audit-commission.gov.uk

Detailed Report

Context

The locality

- 13 Newark and Sherwood District Council covers 65,000 hectares in north east Nottinghamshire. It is predominantly rural with a number of ex-coal mining villages. Its main towns are Newark-on-Trent, Southwell and Ollerton.
- 14 Its population is 106,700 forming 46,000 households. It has a black and minority ethnic population of 1.5 per cent. Around 25 per cent of the population are aged between 0 and 19 years and 17 per cent are aged over 65 years. The District's population is expected to grow by 13 per cent between 1991 and 2011.
- 15 The District's economy is characterised by the shift from manufacturing (engineering, brewing and food) to services. In less than 20 years, industrial (manufacturing and energy) employment has dropped by over 59 per cent. The district has lost many of its higher value jobs and, whilst unemployment has steadily declined since 2000, many of the replacement jobs in the District have been in the lower paid sectors of the economy. Unemployment within the District is now 1.2 per cent, which is below the national, regional and county averages.

The Council

- 16 The Council is controlled by a Conservative/Liberal Democrat alliance. It has 23 Conservative, 12 Labour, 7 independent and 4 Liberal Democrat councillors. The Council was assessed as 'fair' following the Audit Commission's 2003 comprehensive performance assessment.
- 17 Newark and Sherwood District Council has adopted a clear and simple vision:

'To work with the Community to make Newark and Sherwood a good place to live, work and visit'.
- 18 The vision is included in numerous corporate documents and in the Council's Performance Plan. The Council has established eight key ambitions which will guide the way in which it operates for the next five years. This includes an ambition of:

'Neighbourhood - a community with vibrant neighbourhoods – with all residents having a decent home in a safe and popular area'.
- 19 The Council were awarded Beacon Status for fuel poverty in 2002 and the Housing Service achieved a Chartermark award in 2000.
- 20 The Council owns around 5,500 properties, which accounts for 12 per cent of homes in the District. Almost 2,500 of the Council's homes are sheltered and are occupied mainly by elderly people. The Council has very few difficult to let homes and, due to extensive and continuing re-modelling of sheltered homes, is able to let its entire housing stock rapidly.

The service

- 21 Following an extensive stock options appraisal Newark and Sherwood District Council created an ALMO, Newark and Sherwood Homes Limited, to provide landlord services to its stock of 5,500 homes and to 130 leaseholders. This represented the most viable option to achieve the investment needed to bring the Council's homes up to the Decent Homes Standard (DHS) by 2010. A test of opinion brought an 82 per cent response from tenants with 84 per cent supporting the proposals.
- 22 The initial five-year agreement with the ALMO began on 1 November 2004 and is renewable for further terms of five years. The ALMO employs 190 staff and receives an annual management fee of £6.4 million.
- 23 The ALMO board consists of five tenants, five council nominees and five independent members. There are three committees covering finance and probity, service and performance and human resources.
- 24 Newark and Sherwood Homes has delegated responsibility for providing housing management and maintenance services. The functions delegated to the ALMO are set out in the section 27 application and can be summarised as:
- stock investment decisions and repairs ordering;
 - rent collection, dealing with arrears, debt counselling;
 - consulting and informing tenants on matters which are the ALMO's responsibility;
 - promoting tenant participation, including involving tenants in monitoring and reviewing service standards;
 - enforcement of tenancy conditions;
 - similar functions for leaseholders;
 - managing lettings, voids and under-occupation; and
 - estate management, caretaking and housing related support services under the Supporting People programme.
- 25 The functions retained by the Council include:
- overall housing strategy and enabling;
 - determining policies on lettings and anti-social behaviour (in consultation with the ALMO) and rents;
 - managing the Supporting People programme; and
 - homelessness and general housing advice.
- 26 In May 2003 the Audit Commission inspected the Council's housing services and published the report in July 2003. We considered the service to be a good, two star service with promising prospects of improvement.

- 27 If the standards of Newark and Sherwood Homes meet government criteria (a good or excellent service), the Council will receive supported borrowing of £15.5 million initially and be allowed to seek up to a further £33.9 million if the ALMO progresses well.

How good is the service?

- 28 The assessment is based on the Key Lines of Enquiry in Housing Management issued by the Audit Commission's Housing Inspectorate in July 2004. This focuses service inspection into seven main headings:
- stock investment and asset management;
 - housing income management;
 - resident involvement;
 - tenancy and estate management;
 - allocations and lettings;
 - supported housing; and
 - leasehold management and Right to Buy.
- 29 In addition to this core group of functions, we also consider the overarching issues of:
- access and customer care;
 - diversity; and
 - value for money.

Access and customer care

- 30 In our previous inspection, we found that Newark and Sherwood District Council provided good access to housing services. Offices were located close to where people live in a large geographical area and were pleasant and well maintained. There was a high degree of customer care based on agreed and publicised standards, which had been developed with tenants and residents. The level of written information available was excellent and comprehensive with a well publicised and effective website in operation. Tenants' satisfaction with offices was high and tenants were actively involved in carrying out surgeries in outlying districts. However, opening times were limited, particularly for rent payments.
- 31 In this inspection we found that Newark and Sherwood Homes is enabling customers to access its services in a range of ways which are appropriate to the dispersed nature of the homes it manages. Staff show a strong commitment to customer care. There are some areas of weakness including a lack of published and embedded service standards and a lack of detailed analysis of customers' actual and preferred access methods. There is also an inconsistent approach to seeking customer feedback across services.

- 32 The ALMO offers a range of access methods for its services. Customers can access services in person through the Ollerton and Hawtonville local offices, Newark Town Hall and at the ALMO's headquarters at Kelham Hall. Weekly or fortnightly surgeries for supported housing residents take place in 30 committee centres located across the district. Tenancy services staff also provide fortnightly generic surgeries at selected community centres across the district although these are not well used. Customers can report repairs in person or by a freephone number to the ALMO's repairs service. All letters to customers advertise the availability of home visits for those who cannot visit an office in person. This is positive given the high proportion of tenants who are elderly or who live in remote villages which are not well served by public transport.
- 33 Newark and Sherwood Home's local offices are well signed, clean, tidy and welcoming. Private interview rooms are available and there is a full range of customer information. Out-of-hours emergency numbers are clearly visible when the offices are closed although, at the time of inspection, this was not available at Kelham Hall. Our reality check of the main office telephone numbers out-of-hours showed that there was no ansaphone service and so no sign-posting to the out-of-hours repair number. The ALMO responded positively and promptly by installing ansaphones with appropriate messages while the inspection was still taking place.
- 34 The ALMO monitors customers' use of its offices and the reasons why they visit although this information is not yet being used to inform and shape future service delivery. The ALMO has recently consulted customers on office opening hours. Although this was mainly directed at customers who were already using that service rather than tenants as a whole there was a high level of satisfaction expressed with the present arrangements.
- 35 Front line staff are committed to providing a high quality service and this has been externally recognised through the ALMO's recent re-accreditation for Chartermark. Staff are friendly, welcoming and knowledgeable and wear uniforms and name badges. All staff have been trained in customer care. A STATUS survey carried out in April 2004 showed that 91 per cent of customers thought that staff were helpful and 86.3 per cent were satisfied with the overall service.
- 36 The ALMO provides a range of information for its customers. This includes a comprehensive tenant handbook and a range of service leaflets. A good quality tenants' newsletter, 'Home from Homes', includes performance information and is produced quarterly. The ALMO's website offers a comprehensive range of information and allows customers to report repairs, bid for homes under the EasyLet scheme and make rent payments. The 2004 STATUS survey showed high levels of tenant satisfaction with information provided by their landlord with 90.3 per cent rating it as very or fairly good.

- 37 The ALMO has a comprehensive, overarching customer promise which sets out the level of service that customers can expect when accessing any of the ALMO's services. This is publicised through an information leaflet and posters displayed in customer reception areas. Performance on the specified targets is monitored including response times to letters and the time taken to answer the telephone. Monitoring has shown that around 10 per cent of calls received either a 'busy' tone or were lost in March 2005. The ALMO is now trying to obtain reports which distinguish between busy and lost calls so that additional lines can be created or staff resources redirected at peak times.
- 38 Newark and Sherwood Homes actively seeks feedback from its customers. Satisfaction surveys currently take place for a number of service areas and these include a pre-paid reply facility to encourage customers to respond. Additional telephone surveys to 50 response repair customers per week have also been recently introduced in order to maximise feedback on this service area. The ALMO carries out annual satisfaction surveys for the whole of the service to supplement the STATUS survey which takes place every three years. The ALMO has also recently introduced 'Housing Matters' which encourages customer comments, compliments and suggestions. Surveys have shown high levels of satisfaction with response repairs, aids and adaptations and the allocations and letting services.
- 39 The ALMO has a clear, publicised complaints system in place. This is supported by a recently established complaints database to track progress and identify trends although this is not yet fully populated. Customer comments and complaints are reviewed by the ALMO's senior management team. The ALMO board receives information on the number of complaints received but not on any improvements or actions which were taken as a result. We checked ten randomly selected complaints and found that they had all been dealt with within the published target times and that all but one had received well-written, appropriate and customer focused replies.
- 40 Newark and Sherwood Homes has a repairs guarantee scheme which offers compensation to customers where repairs have not been completed on time. This is in addition to tenants' statutory right to compensation under the Right to Repair provisions. This is proactively advertised on repair receipts and in the tenants' handbook. Thirty payments totalling £270 were made in 2004/05.
- 41 There are a number of weaknesses in relation to access and customer care. While Newark and Sherwood Homes has a generic customer promise there are currently no service specific standards in place. Although consultation on draft standards is due to begin, in the meantime there is no information for customers on the level of service and response they can expect from individual service areas.

- 42 Although the 2003 housing inspection report made a recommendation that Newark and Sherwood District Council should consider the use of an out-of-hours freephone number for reporting both emergencies and routine repairs, neither the Council nor the ALMO have progressed this. While a freephone number is in place during office hours, the number for reporting repairs out-of-hours is charged at the normal rate and only an emergency service is provided. In response to our on-site feedback the ALMO has taken steps to provide a freephone number for out-of-hours emergencies although ansaphone messages and the website had not been up-dated to reflect this and it had not yet been publicised to tenants as a whole.
- 43 There is limited availability of appointments for response repairs with only 29 per cent done by appointment. Where appointments are made 97.3 per cent are kept and attempts are made to accommodate customers' needs such as avoiding school-run times. The effectiveness of repairs scheduling is hampered by its largely manual nature. While the ALMO has plans to increase the availability of appointments linked to the implementation of scheduling software, this has taken two years to achieve and little has been done to improve the situation in the meantime. As a result, this aspect of service delivery currently lacks customer focus.
- 44 Take-up of surgeries provided by tenancy and estate staff is not high in all cases. Although attendance is being monitored, surgeries are continuing even if they are not well used without consideration of alternative use of resources to ensure improved access for customers. During our inspection we also identified that some surgeries were being run jointly with local councillors. We indicated that this was potentially compromising the arms-length nature of the ALMO. Newark and Sherwood Homes has responded with an assurance that joint surgeries have ceased with immediate effect.
- 45 The ALMO's approach to seeking customer feedback is not comprehensive. There are some service areas such as gas servicing and income management which are not surveyed although a gas survey has just been introduced. Not all customers who have had investment work completed on their homes are surveyed and this is a missed opportunity to learn from and adjust investment plans and to improve customer care. While surveys are pre-paid to encourage response there has been limited use of other incentives to encourage feedback in areas where response rates are low. While it is positive that there is a 'star letter' prize in the tenants' newsletter and that a prize draw was used for the 2004 STATUS survey and is used for repairs telephone surveys, the ALMO is not applying this approach across the board. Overall this is limiting Newark and Sherwood Home's opportunities for learning and improvement.

Diversity

- 46 In our previous inspection, we found that Newark and Sherwood District Council had an effective approach to diversity issues in the delivery of housing services.

- 47 In this inspection of Newark and Sherwood Homes we found a number of areas of strength including an appreciation of the needs of a diverse customer base which is matched by the way in which services are delivered on the ground. Weaknesses include a lack of targets in relation to equalities and diversity, a lack of comprehensive information on the profile of tenants and a lack of guidance to staff on appropriate responses to customers experiencing domestic violence.
- 48 Newark and Sherwood Homes has a comprehensive policy setting out its approach to equal opportunities in service delivery and employment. It clearly sets out the responsibilities of ALMO board directors and staff at all levels and includes guidance on access, producing information for customers with a sight impairment and harassment in the workplace. The ALMO is self-assessed as meeting level one of the race equality standard for social housing and has set a target to reach level two by March 2006.
- 49 The ALMO is ensuring that front line staff and contractors are equipped to deliver services to a diverse community. Equalities and diversity is a core training requirement for all board directors and staff. The ALMO subscribes to an interpretation service and staff are aware of this and make use of it. A number of staff have been trained to use sign language. We found that front-line staff and trades people demonstrated a clear awareness of the needs of elderly residents, who make up a very high proportion of customers, and delivered services in a caring and sensitive way.
- 50 The ALMO is ensuring that customers with disabilities are able to access its services. Its reception areas and 30 community centres which are attached to supported housing schemes all comply with the requirements of the Disability Discrimination Act 1995. This includes wheelchair accessible WC facilities and induction loops with minicom and text-talk in all offices.
- 51 Newark and Sherwood Homes is ensuring that published information is accessible to customers with diverse needs. It has an established an 'easy reading panel' of tenants who quality check information and ensure that it reads clearly. Key documents, such as the housing application form, have been assessed as meeting the Plain English Commission's 'clear English standard'. The majority of printed information carries straplines in Gujarati, Mandarin and Portuguese and advertises large print, Braille and audio formats on request. It has also translated its tenancy agreement and arrears letters into Portuguese which is the first language of an increasing number of customers. The ALMO's website complies with guidance on meeting the needs of customers with sight impairment.
- 52 Newark and Sherwood Homes has shown its willingness to make changes or tailor services to meet individual needs. In consultation with residents it has introduced colour coding at Vale View, its high dependency supported housing scheme, to enable potentially confused residents to find their way around the building. Customer profile information, where available, is being used to inform service delivery to individual tenants with, for example, repair job tickets detailing entry arrangements for customers with hearing impairments.

- 53 The ALMO is making a conscious effort to target 'hard to reach' groups. There is a significant travelling community in the district and literacy is not high among this group of service users. An information stand was used to raise awareness of housing at a travellers' event which was organised by the Council in summer 2004.
- 54 Newark and Sherwood Homes is participating in common monitoring arrangements for racial harassment reporting at county level to ensure any trends or instances can be mapped. The ALMO has a clear racial harassment policy in place although it is not clear if all staff have had training in its use or if they are clear about reporting procedures.
- 55 There are some weaknesses in relation to diversity. While Newark and Sherwood District Council is self-assessed as complying with the Commission for Racial Equalities Code of Practice for Rented Housing we identified that the ALMO is not publicising harassment reporting points which is a requirement of the Code. While the ALMO has rectified this in the light of our feedback it was nevertheless not in place at the time of our inspection.
- 56 The ALMO lacks comprehensive information on the profile of its tenants. It does hold detailed information on its supported housing residents which make up around 45 per cent of all tenants. It is also monitoring and reporting on the ethnic origin of new tenants which includes a category for travellers. A report is going to the June 2005 meeting of the ALMO's committee setting out proposals for annual reporting on Newark and Sherwood Homes' performance on equalities. However, it still lacks information on the vast majority of its tenants and lacks clear and robust plans to ensure that this is captured and used to inform and tailor service delivery.
- 57 The ALMO is not ensuring an appropriate response to customers experiencing domestic violence. Although the ALMO has issued guidance to staff on domestic violence, staff we met were not familiar with this and there is no specific training provided on this area. If customers approach ALMO staff for advice they are referred to the Council's homelessness team or to the police. This does not reflect accepted practice in this area which is to ensure that appropriate advice, help and support is given at the first point of contact as there is a danger that, by referring the customer elsewhere, they may return home rather than approach another agency. In addition, where there is a joint tenancy, customers are advised to seek legal advice rather than the ALMO taking action on grounds of the other party's breach of tenancy conditions. Overall this does not represent a strong response to domestic violence.
- 58 Newark and Sherwood Homes has not set any targets in relation to equalities and diversity. While it is monitoring actual performance compared to the most recent Census data, for example on lettings, it has not set any specific targets for achieving increased take-up of services by diverse communities.

- 59 The ALMO has not consistently assessed commitment to equalities and diversity as part of contract tender evaluation. While this took place as part of the investment partner selection process, the ALMO is working with a range of contractors to deliver other services including gas servicing and response repairs where this has not happened.
- 60 Newark and Sherwood Homes does not routinely assess the impact of its work to meet the needs of diverse communities. It is therefore not clear if it is achieving the desired outcomes in all cases and is therefore not capturing all possible learning points from its activities.
- 61 While the ALMO is advertising the availability of information in other formats and languages, take up is not routinely monitored in order to ensure that resources are targeted effectively. There is also no systematic method to ensure that all printed material includes strapline information. For example, this information was missing from the customer promise leaflet and poster although it was rectified following our feedback.

Stock investment and asset management

- 62 The Council has legal responsibilities as a landlord which include keeping in good repair the structure and exterior of dwellings and any installations provided for heating, sanitation and supply of services (Section 11, Landlord and Tenant Act 1985) and contributing to the Home Energy Conservation Act Strategy (HECA). The governments 'Decent Homes' target also requires local authority landlords to bring their stock up to a defined standard by 2010. The ALMO is responsible for ensuring the day-to-day delivery of services to meet these requirements and for procuring all refurbishment work, acting as an agent on behalf of the Council.

Capital improvement, planned and cyclical maintenance and major repair works

- 63 In our previous inspection, we found that the Council had good up-to-date information on the condition of its housing stock and plans were in place to achieve the Decent Homes Standard (DHS) by 2006/07. It spent a high proportion of available expenditure on effective planned programmes, which were well managed using external contractors. Properties had high SAP ratings and the Council had shown a commitment to energy efficiency measures for a number of years. It had an asbestos removal programme in place. The Council should have made more effective use of its Housing Management IT system to ensure that staff could use the system more effectively although this was included in the housing service performance plan.
- 64 In this inspection, we found that there were a number of strengths including positive steps taken to increase the sustainability of homes and estates, the development of a 'decent homes plus' standard in consultation with tenants and a wide choice of fittings and finishes. Weaknesses include delays in completing some improvement schemes and limited support and information for tenants whose homes are being improved.

- 65 The Council had originally set a target of achieving the DHS by 2006/07. However, the stock options appraisal process revealed that the cost of bringing homes up to the DHS was far greater than originally anticipated because of the impact of a large part of the stock having components which were nearing the end of a 30 year lifespan. The Council therefore opted to establish an ALMO as a means to deliver the level of investment needed to reach the DHS by 2010.
- 66 Newark and Sherwood Homes has developed clear plans setting out how it will deliver the DHS by 2010. This is based on stock condition information and priorities expressed by tenants through consultation. The ALMO has made effective use of the Office of the Deputy Prime Minister's (ODPM) ALMO building costs model to model the impact of investment plans on the homes it manages and to inform its decisions.
- 67 The ALMO has also costed plans to deliver 'decent homes plus'. This includes environmental works and safety measures which include 'secure by design' features reflecting preferences expressed by tenants. A short term contingency plan is in place should ALMO funding not be secured at the first attempt. This will mean that planned environmental improvements will be deferred to allow resources to be directed towards DHS work. However, funding to achieve the DHS by 2010 will still be required.
- 68 Investment plans are based on robust and comprehensive stock condition information which the ALMO is adding to on an ongoing basis. A 10 per cent, independently validated, stock condition survey was completed in December 2001. This has since been added to with infill surveys using hand held computers. Details of completed investment work are also uploaded to ensure that stock condition information is accurate and up-to-date.
- 69 Newark and Sherwood Homes and the Council before it have developed a sound approach to asbestos. Following a specialist asbestos survey the Council has an annual replacement programme in place which is due to be completed in 2007/08 at a total cost of £1.38 million. While the Council holds the asbestos register the ALMO has full access to this information. It has a detailed managing asbestos policy which includes working method statements and the housing management database has flags to highlight where asbestos is present. However, there is no information or guidance for customers whose homes are affected by asbestos.
- 70 The ALMO is building environmental considerations into its investment plans. It is promoting energy efficiency through the installation of grade A condensing boilers for a number of years and has completed a solid fuel heating system replacement programme. Efficiency savings achieved through a partnering arrangement with two boiler suppliers are being invested in a loft insulation programme. The use of sustainable materials is included in contract requirements.

- 71 Both the Council and the ALMO have taken positive steps to tackle unsustainable homes. This has been aided by effective use of a sustainability index which includes data on turnover, refusal rates, numbers registered on the housing register, transport, rents and existing and potential employment opportunities. This was used to inform decisions to transfer some homes to housing association partners for demolition and redevelopment, to inform investment to remodel sheltered bedsits and to tackle environmental issues at Retford Road estate. This means that there are no homes managed by the ALMO which are considered to be low demand.
- 72 Newark and Sherwood Homes is maximising choice for tenants in its delivery of improvement work. Tenants are given a wide choice of high quality fittings and finishes for replacement kitchens and bathrooms. Kitchen planning software is being used to allow tenants to design their own kitchen layout which includes lower wall units for elderly tenants where needed. There is a high level of satisfaction with the quality of completed work.
- 73 Newark and Sherwood Homes has taken positive action to maximise expenditure against capital budgets following the establishment of the ALMO. The out turn figure for 2004/05 showed an under-spend of 70 per cent on a £6.4 million budget. This was partly due to two vacant quantity surveyor posts and also to inefficient arrangements for letting contracts. However, ALMO staff took prompt action to address this and between 1 November 2004 and 31 March 2005 delivered 69 per cent of the total capital spend for the year. This was assisted by contractors carrying out surveys for kitchen replacements in place of a quantity surveyor.
- 74 Newark and Sherwood Homes has strengthened its capacity to achieve the DHS by jointly procuring two strategic investment partners with a neighbouring ALMO. The partners were selected as part of a rigorous process and have a strong track record of partnering to deliver housing capital investment programmes. Both have a strong commitment to and a track record of providing a high degree of customer care and support in programme delivery.
- 75 The ALMO has an established programme of planned and cyclical works. This includes a regular programme for servicing communal heating systems, play equipment and lifts. Electrical systems are to be included in this programme in the light of recent legislation.
- 76 External painting takes place on a six-yearly cycle and we observed that timber was well cared for with no signs of peeling paint or bare wood during our inspection. The housing management database is regularly up-dated to show when cyclical work last took place.
- 77 There are some key weaknesses in this area of service. While there is a high degree of choice and consultation, the level of customer care in the delivery of improvement work is limited. Tenants are given limited information or notice of works planned and no indication of the likely levels of disruption entailed. This is a concern given the high proportion of elderly tenants affected.

- 78 There has been a lack of robust project management to ensure that recent improvement programmes are delivered on time. Examples include kitchen replacement work at Burton Close which took five weeks instead of the ten days customers had been informed of and delays in completing similar work at Bilsthorpe. The ALMO attributes this to the allocation of a large amount of work to a single contractor which, although it had an established record of carrying out work for the Council, proved to lack the capacity or expertise to manage that volume of work. This has resulted in inconvenience for the tenants affected.
- 79 Newark and Sherwood Homes lacks a single, integrated source of information on stock condition, attributes and the surrounding environment. Data is located on a stand alone stock condition database and the main housing management database which do not interface. This was highlighted in the 2003 housing inspection report and the CPA decent homes diagnostic report. At that time the Council was exploring the best way to address this with the aim of reaching a decision by December 2003. While a means to address this has been identified it had not been implemented at the time of our inspection.
- 80 The average SAP rating of homes has fallen from 64 in 2003/04 to 63 in 2004/05. The ALMO has not yet undertaken any detailed work to understand this decline apart from attributing it to the sale of homes which had higher SAP ratings.

Responsive repairs

- 81 In our previous inspection, we found that the responsive repairs service was the weakest element of the whole landlord service provided by the Council. Whilst effectively controlled and not expensive the service took a longer time to complete responsive repairs than other Councils and it had a backlog of repair work outside the time commitments given to tenants. However, tenant satisfaction was high, there was a mixed economy of service provision and the housing service performance plan contained targets and actions to improve the time taken to complete repairs.
- 82 In this inspection, we found that the Council and the ALMO have worked hard to deliver improvements in the responsive repairs service and, overall, performance has improved substantially. There are some weaknesses including an unacceptably high level of emergency and urgent repairs and a high level of pre- and post-inspections of repairs which are not strategically targeted. There is also a lack of routine monitoring of some areas such as jobs completed first time and a lack of pro-active monitoring of cancelled jobs with a view to reducing these.
- 83 Newark and Sherwood Homes has a mixed economy of provision for its response repairs service. A number of local contractors deliver 12 per cent of the 17,000 response repairs issued each year with an in-house team carrying out the remaining 88 per cent. This approach was taken as a conscious effort to expose more of the service to the market as well as to increase capacity to complete work more quickly.

- 84 The ALMO has recently reviewed its repairs categories in consultation with tenants. This included a consultation questionnaire sent to all tenants with the quarterly tenants' newsletter. This provided the ALMO with an opportunity to re-categorise some types of repair in order to begin to reduce the high proportion of emergency and urgent orders.
- 85 Newark and Sherwood Homes has strengthened its approach to performance monitoring in this area. It monitors jobs issued, completed and outstanding on a weekly basis and takes action to target resources towards areas where monitoring shows that there is pressure. In March 2003 there were a total of 2,084 overdue repairs outstanding. At the end of April 2005 there were 481 jobs outstanding of which 228 were out-of-date. More than half of the out-of-date jobs were works issued to external contractors.
- 86 The ALMO has improved its monitoring of through-put of work by trades. This is enabling better prediction of peaks and troughs in workload and the ALMO is able to target resources more effectively as a result. Contractors are being used effectively to increase capacity in peak periods.
- 87 Performance on the time taken to complete repairs is steadily improving with challenging targets set for further improvement as shown in the table below.

Newark and Sherwood Homes repairs performance

	2002/03	2003/04	2004/05	2005/06 target
Percentage of emergency repairs completed within 24 hours	N/A	96.1%	96.2%	98%
Urgent repairs completed in government timescales	93%	96%	99.1%	99%
Average time taken to complete non-urgent repairs	37 days	26 days	18.7 days	12 days
Overall percentage of repairs completed on time	72.7%	82%	85%	90%

- 88** Newark and Sherwood Homes is taking steps to improve its performance through more efficient working practices. Trades people have imprest van stocks which are matched to estate property types. They have flexibility in terms of starting from home and collecting materials the night before and at varied times to avoid delays. Work is carried out on a 'fixed price' basis which removes the need for variation orders. Trades people have flexibility to deal with repairs at the first visit. Where the repair ordered by the tenant differs significantly from those actually required operatives will check with supervisors and will be given confirmation to go ahead where appropriate.
- 89** Staff handling response repair requests are professional and experienced. They have access to technical knowledge and advice from repairs co-ordinators who are located nearby and this helps with repairs diagnosis. Staff have had diagnostic training and have access to a diagnostic manual although it is not clear if full use is made of this. The recently reviewed tenants' handbook includes information and diagrams to help customers when reporting repairs.

- 90 The emergency out-of-hours service is provided by the Council's CCTV team under a service level agreement and offers a good quality and cost effective service. Operators use scripts to correctly diagnose repairs and to establish whether repairs are a genuine emergency. A list of properties is available to identify which homes are managed by the ALMO so that work is not carried out to non-council owned homes. Operators have access to up-to-date risk registers to ensure they are able to appropriately advise operatives working out-of-hours of any potential dangers.
- 91 There are high-levels of tenant satisfaction with the repairs service. Tenants we met were highly satisfied with the attitude of staff and trades people, the tidiness and cleanliness with which work was carried out and with the quality of the completed repair. We observed a positive approach to customer care among staff and trades people. Customer satisfaction with the service increased from 95.9 per cent in 2003/04 to 97.7 per cent in 2004/05.
- 92 There are some areas of weakness. Too high a proportion of response repair work is done on an emergency or urgent basis. In 2004/05 this accounted for around 78 per cent of all response repairs compared to the recommended 30 per cent. It is also recommended that emergencies should not make up more than 10 per cent of all response repair work. In 2004/05 these accounted for 26 per cent of all work issued. While the ALMO has reviewed repair categories this has had limited impact on this area.
- 93 The level of pre- and post- inspections of repairs is high and is not targeted in a strategic way. While the proportion of pre-inspections has reduced from 21 per cent in 2002/03 to 18.8 per cent in 2003/04 this is still high. Post-inspections have reduced from 28.2 per cent in 2002/03 to 17.6 per cent. However, post-inspections are not currently being targeted in a strategic way. Around 60 per cent of post-inspections visits are done on a 'cold-call' basis which is ineffective given the wide geographical area which the ALMO covers. Overall the ALMO cannot demonstrate effective use of resources in this area.
- 94 While monitoring of outstanding work has improved there are some areas of the responsive repairs service which are not proactively monitored. The number of jobs completed on the first visit is estimated to be around 77 per cent although this is not routinely monitored. The ALMO therefore cannot be sure that its working methods are maximising output, value for money or customer service.
- 95 The number of cancelled repair jobs are not being effectively monitored or managed to achieve a reduction. In 2004/05 1,700 jobs were cancelled out of a total of 16753 which is around 10 per cent. Forty per cent of these cancellations were due to the tenant not responding to a visit. While this may be partly attributed to the limited availability of appointments it is an inefficient use of resources and is not currently being effectively managed.
- 96 Multi-skilling of trades people is not yet well developed. A skills audit has been carried out to map trades people's primary, secondary and tertiary skills and some are carrying out work outside of their main trade. However, overall this is not yet fully embedded and the benefits in terms of flexibility and efficiency are not yet being fully realised.

- 97 While the performance of the in-house team is being proactively monitored, external contractors are not being monitored to the same degree. There is limited checking of appointments made and kept and completion dates of work carried out. While they are required to submit weekly and monthly performance returns not all contractors are submitting returns promptly. While more rigorous quality checks are carried out for new contractors, quality checks for established contractors do not take place until invoices are received which can be several months after work is completed.
- 98 The repairs database does not flag when improvement work is planned at the point that response repairs are logged. Although staff have a manual list of programmed works to refer to there is still potential for repairs to be ordered on components which are scheduled for replacement. The ALMO is working to address this but this was not in place at the time of inspection.

Void repairs

- 99 In our previous inspection, we found that the Council had a set minimum lettable standard for void properties. Voids inspected were of a satisfactory but basic standard, and clean.
- 100 In this inspection we found that Newark and Sherwood Homes is managing vacant homes effectively and is re-letting them quickly. There are some weaknesses such as a lack of service user involvement in quality checking vacant homes and the lack of a customer focused lettable standard.
- 101 There is a mixed economy of void repair delivery with a dedicated, multi-skilled, in-house team covering the east of the district and an external contractor covering the west. At the beginning of May 2005 the ALMO had a total of 33 vacant homes four of which were ready to let. There was one long term void which had been vacant for 19 weeks due to work required following a fire.
- 102 Vacant homes are being re-let quickly. In 2003/04 the average re-let time was 13.3 days. This had fallen to 11.6 days in 2004/05. The actual time taken to complete repairs was seven days for the in-house team and five days for the external contractor. There is close and effective liaison between housing choice staff and repair co-ordinators in order to track the progress of voids. This enables timely lettings appointments to be made which is helping to reduce the overall re-let time.
- 103 The amount spent on void repairs is reducing. In 2003/04 a total of £640,803 was spent on void repairs to 433 homes. The average cost per void was £1,335 for the in-house team and £1,667 for the external contractor. In 2004/05 390 homes were repaired at a cost of £302,423. Voids completed by the in-house team cost an average of £660 while those done by the external contractor cost £1,012 although it is not clear if this comparison takes account of the contractors' overheads and profit margin. The ability to capitalise works contributing to the DHS will have helped to reduce the overall cost but it is nevertheless positive to see that spending in this area is not increasing.

- 104** Newark and Sherwood Homes is ensuring that vacant homes meet required standards. There is a lettable standard in place to guide contractors in carrying out repairs. Gas and electricity checks are carried out as a matter of course. The majority of homes are returned for letting without any work outstanding which means that new tenants do not face disruption once they have moved in. Cleaning allowances worth up to eight weeks rent are payable depending on the state of decoration. This can be credited to rent accounts or raised as a cheque for tenants on housing benefit. Vacant homes we saw were in very good condition and new tenants we spoke to were generally happy with the condition of their homes.
- 105** Newark and Sherwood Homes is taking the opportunity to bring vacant homes up to the DHS. Although this means that the incoming tenant may not be given a choice of fittings and finishes the ALMO is installing the most frequently chosen style of kitchen units.
- 106** There are some areas for improvement. While there is a lettable standard in place it is very legalistic and not aimed at tenants. A leaflet for customers is being devised but was not in place at the point of inspection. In the meantime there is nothing to inform customers of the standards they can expect when moving into a home managed by Newark and Sherwood Homes.
- 107** Post-lettings surveys show declining customer satisfaction with the condition of homes offered. Surveys carried out during April to December 2004 showed that only 77.5 per cent of those responding were satisfied with the state of the property. During January and March 2005 this had declined further to 55.2 per cent. The ALMO is not able to explain the reason for this decline.
- 108** While the repairs monitoring group, which includes tenants, received information on void performance, there is no role for service users in quality checking vacant homes. The ALMO is therefore not maximising user input into all parts of the service.
- 109** On average the in-house team is taking two days longer than the external provider to complete void repairs. The arrangements for issuing work are not as stream-lined as those for contractors and the in-house team 'follow-on' rather than working simultaneously. The ALMO is not maximising learning opportunities with a view to further improving its performance in this area.

Gas servicing

- 110** In our previous inspection, we found that the Council had an effective and well organised gas servicing regime delivered competitively by external local contractors. Servicing was up-to-date and a robust monitoring and quality control system was in place. Appointments were given to tenants and servicing was carried out during early evenings or on Saturdays where requested.
- 111** In this inspection we found that this continues to be a well managed area of service. There are some weaknesses including a lack of customer satisfaction monitoring.

- 112 Newark and Sherwood Homes gas servicing procedures are detailed and robust. This includes clear procedures where there is no access and in instances where tenants are found to be sleeping in rooms with open-flued appliances.
- 113 The ALMO is making good progress in ensuring that all homes receive an annual gas safety check and service carried out by an external contractor. This is aided by offering appointments which include weekends. Only 17 homes were not serviced in 2004/05 and there are no homes without a service for 12 months or more. Gas certificates are located next to the gas meter in plastic folders and these are checked at sign-up and at post-tenancy visits. Performance on gas servicing is reported to the ALMO board.
- 114 Newark and Sherwood Homes responded positively when we pointed out a lack of flags on the housing database to alert staff to overdue gas checks when they are contacted by tenants affected on other matters. This was put in place during the inspection and will help the ALMO to further maximise its success in this area.
- 115 Smoke detectors are serviced annually with a 95 per cent completion rate for 2004/05. Carbon monoxide tests are carried out every two years.
- 116 There are some areas for improvement. Customer satisfaction with gas servicing is not currently measured although, in response to our feedback, the ALMO has devised a survey to be considered by the repairs monitoring group. This is an important action to follow through as some customers we spoke to expressed some dissatisfaction with the quality of work carried out.
- 117 Currently gas and smoke detector servicing is not co-ordinated and so access has to be gained twice. While the ALMO believes that there is limited gain due to the premium demand of plumbers who deliver the gas servicing compared to a labourer at a lower cost and increased availability for the delivery of smoke detector servicing it has agreed to consider this.

Aids and adaptations

- 118 There are a number of strengths in this area including support to tenants undergoing work and good relationships with occupational therapists. Weaknesses lie in the time taken to carry out major adaptations and in a lack of robust and comprehensive performance monitoring.
- 119 Newark and Sherwood Homes has responded positively to address a back log of adaptation work. The budget of £250,000 was fully committed in 2004/05 with around £200,000 in work outstanding. The ALMO has therefore significantly increased the 2005/06 budget to £400,000 and has redirected staffing resources towards this area of work. The ALMO is currently processing referrals made in September 2004.
- 120 There are good relationships between Nottinghamshire County Council occupational therapists and the ALMO in relation to disabled adaptations. Joint visits take place to draw up specifications and explain the process to customers. ALMO staff are seen as willing to help and work together. Minor works referrals are carried out quickly and this is helping to ensure that there are no delayed hospital discharges.

- 121 Support for tenants undergoing adaptation work is good with contractors showing a good appreciation of the needs of the client group. The quality of specification and completed work is also of a high standard. Customer satisfaction levels are high with a high response rate to surveys.
- 122 The ALMO is working proactively to make the best use of available resources. It is recycling stair lifts and hoists by storing units less than five years old for re-use. By agreement, the nominated lift contractor can install these units in private homes and credit the ALMO with the unit's value.
- 123 Newark and Sherwood Homes has also identified that a number of referrals for disabled adaptations require costly extensions which cannot always be accommodated within the footprint of the building. It has therefore made provision for a £1,500 disturbance allowance to be paid for tenants to move to more appropriate accommodation if this is what they want although this has not been taken up yet.
- 124 Although the ALMO does not yet have an adapted property register in place to enable systematic matching of homes to applicants, there are flags on the IT system to identify adapted homes. Choice based lettings adverts also identify the suitability of homes for applicants with disabilities and this is helping to make best use of resources.
- 125 A key weakness lies in the time taken to complete major adaptation work following referral from social services. The ALMO is currently carrying out work on referrals received in September 2004. This exceeds the recommended time targets set out in guidance from the Office of the Deputy Prime Minister.
- 126 There is a lack of performance monitoring or reporting in this area. While there are delays in the ALMO processing referrals there are also delays in OTs making referrals in the first instance. Social Services has a time target of four months for carrying out routine assessments but it is currently taking longer than this. Customers with disabilities are therefore potentially waiting at least 13 months for work to take place although this is unclear as there is currently no measurement of the whole process in order to assess the full impact on customers. The ALMO has agreed to look at this in the light of our feedback.

Housing income management

- 127 In our previous inspection, we found that the Council was an excellent performer in the collection of rent. A high percentage of rent was consistently collected, arrears were low and former tenant arrears well controlled. The Council performed in the top 25 per cent of councils in these areas and staff were experienced and committed to maintaining a high performance. Good sources of advice were available in the District supported by the Council and systems worked well. Housing benefit processed claims promptly.
- 128 However, we recommended that the Council formalised a corporate debt policy for tenants in multiple debt to the Council to ensure a consistent and co-ordinated cross departmental approach. The Council also needed to consider the extension of payment methods by the use of swipe cards and the impact of limited opening hours on the ability of tenants to pay their rent at convenient times.

- 129 In this inspection, we found that this remained an area of strength. Newark and Sherwood Homes has an established track record of collecting a high proportion of rent due and has achieved performance which is among the top 25 per cent of district councils for a number of years. It takes a proactive approach to addressing arrears at a very early stage. There are some areas for improvement. Limited progress has been made in evaluating alternative rent payment methods and reviewing office opening hours despite these being recommendations in our previous inspection report. The ALMO does not currently have an overarching income management strategy in place.
- 130 Newark and Sherwood Homes offers a wide range of rent payment methods. This includes payment at ALMO and council offices, fortnightly door to door rent collection, debit cards, standing order, Post Office giro payments and payments by internet. However, direct debit is not available. Housing benefit forms are included in lettings packs and an income assessment is done as part of the support planning process for supported housing residents. This is helping the ALMO to maximise its rental income.
- 131 Newark and Sherwood Homes has achieved consistently high performance in collecting rent due. While it has been declining slightly in recent years this reflects national trends. In 2002/03 it collected 99.1 per cent of rent due, 99 per cent in 2003/04 and 98.1 per cent in 2004/05. The recent decline is partly due to a nine week delay in processing housing benefit applications, although this service is normally one of the best performers in the country. The amount of rent lost due to vacant homes has remained low at 0.77 per cent for the past two years.
- 132 Newark and Sherwood Homes has clear and comprehensive rent recovery procedures in place. These are regularly reviewed and up-dated. Staff are experienced and can clearly explain how they deal with customers with rent arrears. Rent recovery staff have a good relationship with the Council's housing benefit service and can view claim screens to check progress. Staff receive weekly up-dates of their performance against team targets.
- 133 The ALMO takes a proactive approach to addressing arrears at an early stage. Initial contact is made when one week's rent is outstanding and regular contact is made from then on. This ensures that debts do not become unmanageable. Arrears letters are clearly worded and remind customers that home visits are available if they cannot call into the office in person. A useful guide to rent arrears signposts customers to a wide range of providers of independent money advice across the district.
- 134 Staff balance the need to reduce arrears with the need to ensure that customers do not make unrealistically high offers of repayment and will negotiate reduced amounts if that seems more appropriate. Staff have monthly meetings with their line manager to review cases which are over £200 in arrears and those which are subject to legal action. Rent recovery staff also have fortnightly meetings with tenancy enforcement colleagues to co-ordinate activities and ensure a co-ordinated response to ASB and rent arrears.

- 135 While the level of current arrears has increased in the last year it remains low. At week one of 2003/04 there was £127,000 outstanding which had risen to £153,000 at week one of 2004/05. The proportion of tenants owing more than 13 week's rent is low at 10 per cent.
- 136 Newark and Sherwood Homes took action to ensure that it would not have problems in accessing the courts following the establishment of the ALMO. It learned from the experience of other ALMOs and wrote to the courts in advance of the ALMO being created to ensure that this was not an issue. There are good working relationships with the local courts with block bookings in place to speed up access. The ALMO has also been able to achieve some efficiency savings through training staff to carry out legal representation for rent arrears and ASB. Specialist legal assistance is only employed in complex cases.
- 137 The ALMO is actively working to recover former tenant arrears. It is using tracing software to find former tenants and in the past has used a debt recovery agency. While former tenant arrears rose from £126,000 at week one of 2003/04 to £172,000 at week one in 2005/06 the ALMO is having some success in recovering debts outstanding. A number of former tenants are making payments with around £9,800 collected during 2004/05. There is appropriate provision for writing off former tenant arrears with £35,000 was written off in 2004/05 and £34,000 authorised for 2004/05.
- 138 There are some weaknesses in relation to housing income management. Newark and Sherwood Homes lacks an overarching income management strategy covering all sources of income including rent, former tenant arrears, service charges and rechargeable repairs. This would provide strategic direction and focus in maximising all sources of income to enable improved service delivery.
- 139 The 2003 inspection report made recommendations in relation to reviewing office opening hours to increase opportunities for customers to pay rent. Some work has been done to consult tenants on opening hours but it has not yet delivered any outcomes. Also, only limited work has been done to review the accessibility and cost effectiveness of current rent payment methods.
- 140 While some staff are clear about their role in verifying income for housing benefit purposes some key front line staff were under the impression that they could not do this. This means that opportunities to achieve timely housing benefit assessments and credits to rent accounts are not being maximised.
- 141 The ALMO is not able to accurately distinguish between 'real' rent arrears and technical arrears. While the rents team are aware of the total number of housing benefit applications outstanding, assumptions have to be made about the level of technical arrears.

Resident involvement

- 142 In our previous inspection, we found that the Council's approach to tenant participation was highly effective. Tenants were fully involved in shaping service delivery, were supported by staff and resources and had a number of innovative approaches, which included holding tenants' surgeries, estate walkabouts and direct involvement in the BVR process.

- 143 In this inspection, we found that there were a number of strengths in this area including a genuine commitment to resident involvement and a range of ways for tenants to be involved. However, there is currently no up-to-date overarching strategy for resident involvement, tenants were not involved in the selection of procurement partners and involvement is tending to be of a traditional nature and in some cases limited to considering proposals produced by officers.
- 144 Newark and Sherwood Homes has a genuine commitment to resident involvement. The 2004 STATUS survey showed that 67 per cent of tenants were satisfied with opportunities for involvement. Tenants are able to get involved in a range of ways including:
- a network of tenants' and residents' groups;
 - area and district panels;
 - monitoring groups for repairs and housing management;
 - monitoring groups at district and county level focusing on cleansing and transport;
 - a tenant consultation register;
 - tenants' conferences; and
 - one-off and ongoing surveys.
- 145 Tenants were integral to the stock options appraisal process. A tenant empowerment strategy and a communication and consultation strategy were put in place for this purpose and were seen as examples of good practice by the Government Office for the East Midlands and the Community Housing Task Force. The overall approach to consultation resulted in an 82 per cent response rate in the expressions of support with 84 per cent of those responding supporting the proposal to set up an ALMO.
- 146 Newark and Sherwood Homes is providing resources to encourage resident involvement. This includes dedicated staffing resources, an annual grant of £18,000 and provision of offices for the tenants' federation. Expenses are paid and crèche facilities are provided to enable involvement. A tenant training plan is in place developed with tenants' and residents' associations and the tenants' federation. A community investment fund of £100,000 has been set up for 2005/06 although criteria and guidelines for accessing funding are still being developed. The tenant compact for the district is currently under review.
- 147 The ALMO is actively working to engage with harder to reach groups including tenants in remote areas, young people and travellers. It has enabled the development of a rural tenants' and residents' association and has mechanisms in place for consulting young people. The ALMO is also continuing to encourage the formation of new tenants' and residents' groups. For example, it has used residents' concerns about the surrounding environment at Tithe Barn Close as an opportunity to form an association.

- 148 There are a number of examples of improvements to services as a result of service user input. This includes revised repair categories, an improved specification of components such as replacement doors and a wider choice of good quality fittings and finishes for replacement kitchens.
- 149 There are some weaknesses in relation to resident involvement. There is no current, up-to-date, overarching strategy in place to provide strategic direction and focus for resident involvement. A draft document has been produced but it has not yet been finalised.
- 150 There is a tendency towards information giving rather than meaningful consultation and involvement. Tenant input is often confined to commenting on near finalised proposals, such as service standards and the tenant compact, produced by officers rather than shaping plans at a much earlier stage. Similarly tenants have no editorial involvement in the tenants' newsletter beyond submitting letters or articles for inclusion.
- 151 Newark and Sherwood Homes did not involve tenants in the recent selection of investment partners. While a tenant board member was involved there was no other tenant representation in the process. Although a role for tenants in monitoring investment partners is planned a valuable opportunity to include a customer perspective in this key development has been missed.
- 152 While there are a range of opportunities for resident involvement there has been a limited focus on developing capacity to meet current and future challenges. For example, there is an over reliance on the in-put of a few key tenant activists without growing and developing a larger body of tenants. This would increase capacity for greater involvement in a wider range of areas and would also provide some fresh perspectives on current ways of doing things.
- 153 There are limited mechanisms for involvement and feedback to the wider tenant body. While estate walkabouts take place there is no open invitation for non-active tenants to take part and there is no feedback on the outcomes to tenants as a whole. Following our feedback the ALMO is now planning to advertise walkabouts. There is also no feedback to the wider tenant audience on the outcomes of the repairs and housing management monitoring groups. The housing management monitoring group has limited impact as a consultation and involvement method as only two tenant representatives attend.

Tenancy and estate management

- 154 In our previous inspection, we found that the Council had policies and procedures in place to provide an effective estate management and tenancy enforcement service. We considered that the 'traffic light' system of serving notices on tenants warning of the consequences of continuing breaches of tenancy agreements worked well and were positive about the role of estate walkabouts and contact with tenants generally. Anti-social behaviour cases were seen quickly and good reporting took place, involving external agencies. Estate walkabouts were used effectively involving tenants and residents, councillors and staff.

Tenancy management

- 155 Overall Newark and Sherwood Homes has an effective approach to tenancy management and the management of anti-social behaviour (ASB).
- 156 The ALMO is using introductory tenancies effectively. A system is in place to ensure appropriate checks are carried out before making tenancies secure which includes a home visit. There is a right of appeal in the event of a full tenancy not being granted. There have been two cases where introductory tenants have not been made secure. An information leaflet on introductory tenancies was developed and put in place during our inspection.
- 157 As well as a comprehensive sign-up appointment, all new tenants receive a post-tenancy visit within six weeks of moving into their home. These follow a structured format using a check list which ensures that rent is paid, that there are no repairs outstanding and that the tenant has actually moved in. Visits are done by appointment and staff are flexible to accommodate working tenants. We observed a post-letting visit and found that a very high level of customer care was shown.
- 158 The scale of ASB in the Newark and Sherwood area is not as widespread or as severe as in other parts of the country and the issues in the main tend to be low level nuisance and neighbour disputes regarding noise and parking. However, the ALMO is dealing effectively with ASB where it does occur and is using measures which are in proportion to the nature of the problem. Newark and Sherwood Homes has developed an ASB policy which all tenants were consulted on through the tenants' newsletter.
- 159 The ALMO is sending out clear messages to staff and tenants that ASB will not be tolerated. This includes detailed coverage of tenancy conditions at letting which is reinforced by the tenants' handbook and the post-letting visit. A discussion group on ASB at the annual tenants' conference agreed that the ALMO was seen as very responsive to ASB. There has also been publicity in the local press on successful partnership working in tackling ASB in the Stoke Avenue area of Newark.
- 160 Newark and Sherwood Homes is making effective use of a range of measures to deal with ASB. This includes a traffic light warning system to highlight concerns at an early stage, successful use of mediation and, in one instance, an injunction. The Council and the police have issued acceptable behaviour contracts with the ALMO present at the signing. The ALMO is currently considering a demotion order for an existing secure tenant.
- 161 Tenancy and estate management staff have regular team meetings to share practice, advice and support and to ensure that there is consistency of approach. Performance on ASB is reported to the ALMO board and to tenants through the housing management monitoring group. Our checks of ASB files showed that wide ranging action had been taken and that comprehensive notes were maintained.

- 162** The ALMO is actively working with other agencies to tackle ASB. There is close working with the Council and the police. The Council has an officer based with the police who works on out-of-hours projects to enable sharing of information. High crime task group meetings include a range of partners including the youth offending team and local housing associations to allow a joined up approach to tackling ASB. Information is shared to track different types of ASB and trends to allow action to be targeted at identified hot-spots. This has included the ALMO, police, the Council and local shopkeepers working together to deal with instances of underage drinking.
- 163** The ASB policy includes target timescales for the removal of graffiti. Racist graffiti will be removed within 24 hours although there have been no instances of this. Other kinds of graffiti will be removed within three days although it is not clear how this target is monitored.
- 164** The ALMO uses a range of measures to collect evidence. This includes witness statements, CCTV, police reports and diary sheets. Dictaphones are available as an alternative to written diary recording.
- 165** Newark and Sherwood Homes offers support to victims of ASB. This includes support from tenancy and estate staff, referral to Victim Support and a useful leaflet on coping with ASB which includes contact details of agencies which can offer support.
- 166** The ALMO is making effective use of diversionary activities to prevent youth ASB. On the Retford Road estate this has included providing a youth shelter and a kick wall. Street wardens also provide a visible presence on the estate and disperse gatherings of young people.
- 167** There are some areas of weakness. Service standards for ASB are not currently in place. Although there are targets contained within the ASB policy these have not yet been reported on. It is therefore not clear how quickly or to what standard of service ASB complaints will be dealt with. Performance reports do not include information on response times.
- 168** Newark and Sherwood Homes is not currently measuring the effectiveness of the traffic light warning system. While the number of notices issued is measured, it is not clear what effect these have had. The system also includes very long timescales for retention of notices on files and these are not reviewed or removed at any point during the one to three year period as a result of improvements having occurred.
- 169** There is no guidance for staff dealing with ASB cases as to when and how to keep complainants updated on progress. Our reality checks of files found no evidence of formal feedback to complainants, although an interim progress letter has recently been introduced to address this.

Estate management

- 170** Estate management is an area of strength. The overall appearance of estates is of a very high standard, well maintained and well cared for. While there are a few small pockets of relatively poor appearance, the ALMO is working with local residents to tackle these issues.
- 171** Newark and Sherwood Homes is proactive in ensuring that the estates it manages remain clean and tidy. Estate officers are regularly out on estates dealing with tenancy and estate matters rather than being office based. This enables them to quickly pick up and respond to estate management issues and queries.
- 172** Action days are held with free transport provided to remove unwanted bulky rubbish when this is normally a service that has to be paid for. When untidy gardens are noted tenants are contacted and provided with forms for removal of bulky rubbish. While this costs £10.00 for six items tenants are encouraged to get together with neighbours to pool items and share the cost.
- 173** Estate walkabouts are held annually in each area with progress and updates reported to the housing monitoring group. These provide an opportunity to resolve issues with other agencies present with, in one instance, the county council providing additional parking in one area as a result of feedback.
- 174** A street warden service is provided on the Retford Road estate in partnership with Ollerton and Boughton Town Council and Notts Community Housing Association. The wardens have contributed real benefits for tenants on the estates including co-ordinating the removal of abandoned vehicles through arrangements with local scrap dealers and the police. Following feedback from tenants the service was adjusted to ensure wardens were more visible on dedicated routes.
- 175** Both the ALMO and the Council before it are successfully tackling estate management and sustainability issues on the Retford Road estate. A multi-agency partnership of residents and stakeholders was formed to address issues of low demand, high turnover and nuisance. Environmental works have provided tenants with defensible space by providing gardens and off-street parking. This, together with a local lettings policy to reduce child density and the street warden service, has had a positive impact on the estate. While the second phase of improvements is still underway there is already a marked increase in demand for homes on the estate and greatly reduced turnover.
- 176** There is one weakness in this area. While estate walkabouts take place there is no open invitation for non-active tenants to take part and there is no feedback on the outcomes to tenants as a whole. Following our feedback the ALMO has made arrangements to publicise tenant walkabouts and findings to the wider tenant audience.

Allocations and lettings

- 177 In our previous inspection, we found that the Council let properties quickly and in good basic condition, according to set standards and practices. The allocation system was well managed by experienced and caring staff, using effective systems which were monitored. The Council monitored reasons for refusals and was proactive and responsive in ensuring that tenancies were sustained through regular contact and visits.
- 178 In this inspection, we found that this was an area of real strength. The ALMO has successfully implemented a choice based lettings scheme which is effectively operated by enthusiastic, knowledgeable and committed staff who have a strong customer focus. A number of improvements have been made as a result of customer feedback.
- 179 Newark and Sherwood Homes successfully implemented the Easy Let choice based lettings scheme in January 2005. This reflects the Office of the Deputy Prime Minister's priority that all housing authorities should be operating some form of choice based lettings scheme by 2010. All homes advertised under the scheme have received bids including homes which previously may have been more difficult to let. While the Easy Let scheme is still in its infancy there are indications that the number of refusals is reducing.
- 180 The Easy Let scheme is operated by the ALMO's housing choice team. We found that staff were enthusiastic, knowledgeable and strongly committed to delivering a high quality service to customers. The team is organised into three areas which is enabling staff to develop a comprehensive local knowledge and to provide a better service to customers as a result.
- 181 Customer information is clear and easy to understand. The housing allocations policy was reviewed in October 2004 and clearly explains how applications are prioritised. The registration letter is clearly worded and, following customer feedback, the housing application form has been improved. This was done in liaison with the ALMO's easy reading panel and the final form has been recognised as meeting the Clear English Standard. A list of the type and location of homes managed by the ALMO is available to help customers to make informed decisions. This is updated annually to reflect changes in the stock.
- 182 No one is excluded from the housing register although applicants are made aware that they may not be able to bid if there are issues with ASB. Being in arrears is not necessarily a barrier as long as there is a commitment to repay the debt and a repayment history of at least three months. Applicants are told at the point of application if rent arrears or ASB is likely to prevent them from receiving offers. The letter telling them this includes details of how to appeal against the decision.

- 183** Vacant homes are widely advertised and this is kept under review to ensure that the service is reaching all potential customers. Available homes are advertised in a range of ways. Posters and lists of current vacancies are displayed in ALMO offices and are sent to a wide range of contact agencies, parish councils and community centres. Vacancies are advertised in either the Mansfield Chad or the Newark Advertiser on alternate weeks.
- 184** Newark and Sherwood Homes has made improvements following customer feedback. Customers in some villages reported difficulties in accessing local papers to view Easy Let adverts. Posters are now displayed on the parish notice board in Lowdham and in community centres in Blidworth, Rainworth and Edwinstowe. Adverts have also been made clearer to show where sheltered homes are also available to younger, disabled customers.
- 185** The housing choice service is mindful of the need to ensure that vulnerable people have equal access to Easy Let. The team is in contact with agencies such as the Race Forum, social services and mental health teams as potential referral agencies and advocates. They make sure that customers are aware of the advocacy service and a number have relatives or support workers acting on their behalf.
- 186** The housing choice team is aware of the diverse needs of its customers and is taking steps to ensure that those needs are met. One team member has sign language skills and use is made of Language Line and document translation services with, for example, a tenancy agreement being translated into Portuguese for one customer.
- 187** Customers are able to bid for homes under Easy Let in a range of ways. This includes internet bidding, visiting local offices who can log bids on their behalf, speaking directly to housing choice staff, by leaving a message on two 24-hour Easy Let phone lines or by writing in. The ALMO is monitoring customers preferred bidding methods and this is showing that an increasing number of customers are choosing to access the Easy Let scheme via internet bidding. The number of hits has increased from 203 in December to around 1,700 in March. Details of the bands successful applicants were in are published to ensure the process is transparent.
- 188** It is a positive feature of the Easy Let scheme that homeless households are given the same degree of choice as other customers. Once accepted as homeless customers are placed in the highest band and, like other Easy Let customers, can bid for up to two homes per week. Homeless officers ensure that homeless applicants are actively bidding and vacancies are advertised in hostel communal areas.
- 189** All customers receive an accompanied viewing. Staff offer appointments as early as 8am in the morning and until 6pm in the summer to meet customers' needs. We observed staff doing this and found that they offered a high level of customer care. They were knowledgeable and were able to give customers useful information to enable them to make informed decisions.

- 190** The openness and transparency of the Easy Let scheme is enabling housing choice staff to have a more positive relationship with customers than may have been possible under the old scheme. Customers are more committed to staying in the homes they have bid for and this is having a positive and stabilising effect on communities. Surveys of housing applicants in 2004/05 showed an average satisfaction rating of 95.3 per cent.
- 191** The housing choice team has a 15 day target for processing new application forms. When the Easy Let scheme was launched the volume of applications was such that the team was not able to achieve this target. However, proactive performance monitoring enabled resources to be targeted towards this area through staff working overtime for a three week period. Applications are now being processed within the stated target.
- 192** The ALMO has been carrying out a rolling review of the housing register. It initially anticipated that this would no longer be necessary following the introduction of Easy Let. However, it has now recognised that it will need to carry out some form of annual review for applicants who are not actively bidding under the scheme.

Supported housing

- 193** In our previous inspection, we found that the Council provided effective services to sheltered housing tenants. Properties were in good condition and the Council had taken measures, including the re-modelling of unpopular schemes to ensure that the housing stock remained lettable. However, we had concerns about the Council's current charging and funding arrangements for this service.
- 194** In this inspection, we found that overall this was an area of strength. The Council and the ALMO have taken proactive steps to ensure the future sustainability and continued demand for supported housing in the district. Making effective use of its sustainability index, it has reviewed its supported housing provision and has made changes including converting bedsits into two bedroom flats and reviewing the allocations criteria in some schemes. As a result it has none of the difficulties associated with low demand sheltered homes experienced by many social landlords. This is a positive achievement given that 44 per cent of the homes managed by the ALMO are designated as supported housing.
- 195** The Council and the ALMO have formed an effective multi-agency partnership to provide what they describe as a 'high dependency' supported housing scheme. This involved the conversion of existing unpopular general needs maisonettes to create the Vale View scheme. Vale View is jointly owned by the Council and Notts Community Housing Association (NCHA), is jointly managed by the ALMO, NCHA and Nottinghamshire County Council and has care provided by Acorn. We found that this imaginative scheme offered a welcoming and supportive environment with caring and professional staff.

- 196 Supported housing residents receive support from a team of response wardens and through the ALMO's community alarm service. This is providing a responsive and caring service with, for example, support staff visiting older people on their discharge from hospital to assess their short term support needs. Response wardens also provide weekly surgeries in the community centres attached to 30 supported housing schemes. A satisfaction survey of surgery users has recently been carried out. While the results have not yet been fully analysed customers have expressed high levels of satisfaction with the service. Floating support services for other vulnerable tenants are also provided by Framework and Step Forward.
- 197 The community alarm service is providing a responsive service to customers. In March 2005 98.7 per cent of calls received were answered within 30 seconds and 99.1 per cent was achieved in April 2005. While the target of five minutes is unchallenging, this has been reviewed and has been set at 30 seconds for 2005/06 although staff we met were not aware of this. There are sound arrangements in place to ensure that alarm equipment is working correctly. The out-of-hours service is provided through a contract with Tunstall Telecom following a decision in 1999 that this was a more cost effective and efficient option than directly providing 24-hour cover.
- 198 The community alarm service is being effectively used to meet a range of needs. Lifelines are used by people experiencing domestic violence, disabled people, disabled teenagers with parents at work and lone workers.
- 199 The ALMO has comprehensive customer profile information for supported housing tenants and this is used to ensure that identified needs are met. Support plans are being drawn up for all sheltered housing tenants with around 25 per cent completed. New tenants are being visited at a six-week post tenancy visit and support plans are developed there.
- 200 There are a number of networks and good working relationships in place with statutory and voluntary sector agencies to ensure that comprehensive services are offered to older people. For example, there is a falls prevention protocol in place with the district nursing team in Ollerton. This involves identifying people who fall but who do not go to hospital. With service users' permission supported housing staff will refer to the falls prevention team for weekly support and advice to prevent future falls.
- 201 Our July 2003 inspection report raised concerns about the Council's charging and funding arrangements for supported housing following the implementation of Supporting People in April 2003. The Council's housing revenue account was providing £260,000 in 'transitional relief' as the housing related support elements of the service had not been transferred to the Supporting People pot as part of the County's calculations of legacy funded schemes. The County Supporting People team subsequently confirmed that the £1 per week support charge shown on rent cards was included in the return to the ODPM and as such could not be separately claimed as transitional housing benefit. The Council has since reviewed its transitional relief policy and this will be fully phased out by April 2006.

202 Newark and Sherwood Homes also manages two homeless hostels on behalf of the Council. This is made up of ten self-contained units at one site and 29 at another. We found that the hostels were clean and well maintained when we visited. The Chartermark inspection report highlighted residents' concerns about standards at the Seven Hills hostel. The Council and the ALMO have responded by working together to devise a void standard. However, this has not been published and covers contents rather than cleanliness or maintenance. Exit surveys are now being carried out as residents leave although there are no results available as yet.

Leasehold management and Right to Buy

203 There are some strengths in this area including an active leaseholder association and effective administration of the Right to Buy scheme which means that statutory targets are being met. However, overall leasehold management is underdeveloped with a number of weaknesses including a lack of service standards or leaseholders' handbook, delays in issuing invoices to leaseholders and a lack of awareness of leasehold issues among front line staff.

204 There is an active leaseholders' association in place. The ALMO has used this grouping to ensure that leaseholders are informed about changes to legislation and key issues affecting them including community safety issues and information on rights and responsibilities in relation to leases.

205 Newark and Sherwood Homes provides some useful information to leaseholders. There is a comprehensive range of information on the ALMO's website and they also receive the 'Home from Homes' newsletter. The ALMO has also produced a leaflet covering frequently asked questions for leaseholders.

206 Leaseholders have a range of options for paying for repairs, works and service charges. This includes payment by debit card during office hours, cheques and standing orders.

207 The ALMO is complying with legislative requirements in the way that it consults leaseholders prior to major works. The ALMO has kept leaseholders informed of its plans to enter into a strategic partnering arrangement and of which partners have been selected.

208 Newark and Sherwood Homes' has effective arrangements in place for administering the Right to Buy (RTB) scheme. There is a detailed RTB procedure in place which is regularly updated and statutory timescales are being met. Useful information, frequently asked questions and a diagram explaining the RTB process are available and published on the website. Joint visits to flat purchasers are done by RTB and leasehold staff to answer queries and give advice. A satisfaction survey for RTB customers has recently been introduced although no returns have been received yet.

209 There are a number of weaknesses in relation to the ALMO's approach to leasehold management. There are currently no service standards or handbook in place for leaseholders. While the ALMO has plans to address this, leaseholders are not clear about the level of service they can expect to receive from Newark and Sherwood Homes.

- 210** While the ALMO is complying with legal requirements it is not exceeding them. For example, leaseholders receive only annual statements and detailed information on which homes will be subject to investment work is not provided in case leaseholders claim that they are improvements rather than necessary works in which case they cannot be charged under the terms of the Council's current lease. This does not represent a transparent approach to service delivery.
- 211** Day to day responsibility for leasehold management is located with one member of staff and frontline housing management staff have not been trained in leasehold issues. This may result in poor customer service if front line staff are not able to answer queries and the officer responsible is not available.
- 212** Service charge invoices are not being raised in a timely manner and collection performance is poor. Invoices for 2002/03 which should have been raised by the end of September 2003 were not raised until May 2004. Of £18,736 invoiced in 2004/05 for the year 2003/04, £12,814 had been collected at 13 April 2005. This means that nearly 32 per cent of the service charge debit was still outstanding. A further £2,662 is outstanding in arrears from previous years. The ALMO is therefore not effectively maximising its income from this area.
- 213** There is a lack of a comprehensive approach to signposting leaseholders in financial difficulties to money advice services. There are also no opportunities for leaseholders to contribute to a sinking fund for major improvement works as the Council's current standard lease does not allow for this.
- 214** Some aspects of service delivery are fragmented. While the ALMO issues statements and collects service charges, the Council collects building insurance and ground rent. There is therefore scope to streamline and amalgamate activities in this area in order to achieve efficiencies.

Value for money

- 215** In our previous inspection, we found a number of areas where the Council was unable to demonstrate value for money and where potential savings could be made, particularly in rent collection and the repair service.
- 216** In this inspection, we found that Newark and Sherwood Homes has made progress in this area. Efficiency savings are being achieved in a number of areas. Partnering and the use of flexible 'drop-down' contracts is delivering improved value for money. However, there is still work to do to embed a strategic approach to value for money across all service areas.
- 217** Newark and Sherwood Homes is beginning to develop a strategic approach to value for money. It has recently developed and implemented an 'efficiency delivery vehicle' which is a mechanism for examining efficiency and delivering efficiency gain. Under the management agreement the ALMO will receive a guaranteed payment from the Council equal to any efficiency savings made. The mechanism will help the ALMO to measure its progress in this and its overall contribution to the Council's annual 2.5 per cent efficiency target. While this is a positive approach and will provide direction and focus in achieving value for money, it has not yet fully embedded and has not yet delivered any outcomes.

- 218** The ALMO has developed a procurement strategy which was approved by the ALMO board in April 2005. It makes appropriate links to the ALMO's core values and reflects modern procurement methods and the efficiency agenda. The strategy is supported by detailed contract procedures and financial regulations. A more detailed procurement framework to guide staff engaging in procurement activity is currently in draft form. The impact of the strategy will be monitored and reported to the ALMO board annually.
- 219** Newark and Sherwood Homes is committed to modern procurement methods. It has recently completed an innovative joint procurement exercise with a neighbouring ALMO to select two strategic investment partners. The partners, which were selected on the basis of 70 per cent quality and service delivery and 30 per cent cost, have a strong track-record of delivery and customer care. The partnering arrangement includes added value in the form of training, apprenticeships and growing the local market in associated field such as flooring. This combined approach increased the buying power of both ALMOs and delivered savings of £19,000 for each as a result of shared advertising.
- 220** The ALMO has also made effective use of partnering in other areas. Partnering with two large gas boiler suppliers has brought efficiencies while maintaining quality. There have been savings on replacement parts and as a result of low levels of component failure. Efficiency savings from this area have been used to fund a loft insulation programme.
- 221** Newark and Sherwood Homes is making good progress in increasing the proportion of revenue planned compared to responsive work. The recommended split between planned and responsive repairs is 60 per cent planned to 40 per cent responsive as planned repairs provide better value for money than responsive as works can be carried out in bulk with reduced overheads. Planning work enables spending to fit with the housing business plan, whereas responsive spending is comparatively uncontrolled. The ALMO achieved a split of 54 per cent planned to 46 per cent response repairs in 2004/05 with a target of 60:40 set for 2005/06.
- 222** Newark and Sherwood Homes has made effective use of drop-down contracts to enable packaging of response repairs into planned. This offers some flexibility while maintaining consistency of specification and quality. For example, if 50 heating systems are to be replaced the contract is planned for that number but can later be extended to include additional work. This is enabling the ALMO to package response repairs into existing contracts with an estimated annual saving of £167,000.

- 223** The ALMO has achieved further efficiency savings and reduced overall costs in a number of areas. This includes as follows:
- a reduction in the average weekly cost of repairs from £11.24 per home in 2002/03 to £9.86 in 2004/05;
 - savings have been negotiated on repair parts and materials for three consecutive years;
 - cleaning and other materials have been secured more cheaply through the same supplier since the ALMO was established;
 - a 30 per cent cost reduction on Easy Let adverts and savings achieved on job vacancy advertising;
 - staff have been trained to present cases in court which has led to savings on legal service costs of £35 per hour; and
 - £1,300 saved by jointly advertising for external audit services with a neighbouring ALMO.
- 224** Efficiencies have also been achieved by reviewing working practices without reducing the quality of service to customers. This includes using email to communicate with Easy Let customers, reducing the number of staff attending tenant and resident association meetings and changing the rent collector contract from fixed term to variable with a saving of £4,550.
- 225** Newark and Sherwood Homes is aware of what the market can offer in relation to stock investment and repairs and maintenance. It has tested the market for strategic investment partners. It has a mixed economy of delivery with external contractors carrying out 12 per cent of response repair work and, following a re-tendering in 2004, void repairs for half of the district.
- 226** The ALMO is engaging in benchmarking activity although this is better developed in some areas than others. It is benchmarking with neighbouring councils and ALMOs, through the Association of Public Service Excellence and through a national benchmarking service provider. Benchmarking of the in-house repairs team with external contractors shows that the ALMO is performing better on time, cost and quality on voids, gas repairs, joinery and brick-laying. However, benchmarking on leasehold management and resident involvement has had limited impact.
- 227** Budgets have been reviewed to ensure that costs such as grounds maintenance and cashiering services are correctly apportioned between the Council's general fund and the housing revenue account. During our inspection we identified that some costs relating to homelessness were being incorrectly charged to the housing revenue account and that the ALMO was meeting the costs of running the Council's homeless hostels. The Council responded promptly to our feedback and has made the necessary reconciliation back-dated to November 2004.
- 228** Newark and Sherwood Homes has a clear timetable for reviewing support services provided by Newark and Sherwood District Council under 15 service level agreements. The order of reviews, which will take place between June 2005 and March 2006, has been prioritised based on a detailed risk assessment.

- 229** There are a number of weaknesses in relation to value for money. While the ALMO has some awareness of what the market can offer in relation to stock investment and maintenance, this has not been developed across all areas of the business. Although the ALMO has information on the costs of individual services and has been comparing itself to others through its benchmarking work, there has been no actual market testing to date. Also, while the ALMO has information that shows that the in-house repairs team compares very favourably to external providers, it has not used this to make informed choices about the future in relation to value for money.
- 230** There has been no fundamental challenge of the current methods of rent collection to ensure that value for money is being delivered. While the ALMO has done some work to establish the cost per transaction, there has been no fundamental review, with tenants, of whether resources are being appropriately targeted. For example, 20 per cent of rent is collected by door to door rent collection at £1.48 per transaction compared to 4p for a standing order. Tenants have not been given the opportunity to consider whether this is how they would want to see resources used. Customers are also not encouraged to transfer to the most cost-effective means of payment and incentives such as prize draws have not been considered. The ALMO has plans to revisit this as part of its 2005/06 work plan.
- 231** The ALMO is not maximising income from rechargeable repairs. Some staff expressed the view that they did not think that rechargeable repairs due to tenant damage or neglect would be pursued and they therefore were not as proactive as they might be. The Council is collecting re-chargeables under a service level agreement with the ALMO and is having limited success with a round a 30 per cent recovery rate being achieved. While this will be considered as part of the review of the service level agreement in the meantime it means that the ALMO is not maximising resources for investment in services to customers.
- 232** Adaptation work for disabled people is not being procured in the timeliest or most cost effective way. Work is currently tendered on a case by case basis rather than having a pre-determined list of contractors who are selected on a rotated basis to undertake work.
- 233** While the in-house team undertakes work on a fixed price basis, a schedule of rates is used for external contractors. While this was reviewed in 2003 and some items removed it still contains around 800 items which is too high. In 2004/05 there was £25,259 in variations for response repair work carried out by external contractors. Although this represents only 0.7 per cent of the total response repair budget it is not clear if variations are being regularly monitored.

Summary

- 234 Overall, Newark and Sherwood Homes is providing a good, two-star service.
- 235 Customers can access services in a range of ways which reflect the dispersed nature of homes in the district. Staff show a strong commitment to customer care. The ALMO and its staff understand the diverse needs of its customers and service delivery reflects this. There is a genuine commitment to resident involvement and a range of ways for tenants to be involved.
- 236 Both the Council and the ALMO have been proactive in ensuring that homes are sustainable and a local decent homes plus standard has been developed with tenants. The appearance of estates is of a high standard, well maintained and well cared for. Performance on completing repairs, re-letting homes and gas servicing is improving. The ALMO has successfully implemented a choice based lettings scheme. Progress has been made in developing a strategic approach to value for money with cost efficiencies achieved in a number of ways.
- 237 There are a number of weaknesses. There are no published and embedded services standards. There has been no detailed analysis of customers' actual and preferred access methods. Information and support to customers undergoing improvement work is currently limited. There is limited availability of appointments for response repairs.
- 238 No equality and diversity targets have been set and the ALMO lacks a comprehensive profile for the majority of its tenants. There is no up-to-date resident involvement strategy and involvement tends to be of a traditional nature.
- 239 There is a lack of routine monitoring of some areas of performance such as repairs cancelled and completed first time. There has been limited progress on evaluating office opening hours or the convenience and cost effectiveness of rent payment methods. There is still work to do to embed a strategic approach to value for money across all service areas.

What are the prospects for improvement to the service?

What is the evidence of service improvement?

- 240 In our previous inspection, we found that the Council had involved tenants in shaping the delivery of services and had a good track record of listening to tenants and agreeing mutual ways of delivering more effective housing services.
- 241 In this inspection we found that Newark and Sherwood Homes has made progress in improving its services since the inspection of housing services in May 2003. It has paid particular attention to areas which directly impact on customers. While progress against some housing inspection report recommendations has been slow, the ALMO has taken important steps to deliver benefits, improvements and efficiencies in the longer-term, for example, by appointing strategic partners for the capital investment programme.

242 The Council and the ALMO has achieved a great deal in a relatively short space of time. This includes as follows:

- completing a robust stock options appraisal within six months;
- developing an ALMO bid and creating the company within 11 months;
- developing a framework of corporate policies;
- establishing its own human resources function and completing the job evaluation process;
- moving the technical directorate to new premises; and
- selecting strategic investment partners.

243 Newark and Sherwood Homes has made slow progress against some recommendations contained in the July 2003 housing inspection report. Out of eight recommendations two have been completed, substantial progress has been made on one and some progress has been made on the remaining five. This is shown in the table below.

July 2003 Housing Services Inspection report recommendations	Audit Commission assessment
Review its charging policy for sheltered housing tenants to ensure that it meets the legal requirements of the Supporting People financial framework.	Complete.
Work with tenants to determine the effectiveness of existing office opening times.	Some progress.
Consider extending the range of rent payment methods by the use of SWIPE cards.	Some progress.
Analyse the high number of emergency and urgent repair requests to determine the effectiveness of current diagnostic arrangements.	Some progress.
Consider the use of a free phone number for emergency reporting and being able to report routine repairs out-of-hours.	Some progress.
Focus on eliminating the backlog of responsive repair work.	Substantial progress.
Maximise use of IT systems in managing voids, the planned programme and responsive repairs data.	Some progress.
Ensure that opportunities to build the capacity of contractors through 'partnering' arrangements are included in the Housing Service Performance Plan.	Complete.

- 244 The ALMO maintains that it has addressed all the recommendations above. However, in the case of rent payment methods, the approach has not been sufficiently robust, the repairs freephone number recommendation has been only partly addressed and work done on emergency and urgent repairs has not delivered any outcomes as the level remains unacceptably high. While this should be set against a back-drop of delivering major organisational change, it is disappointing that greater progress has not been made.
- 245 However, Newark and Sherwood Homes has delivered a range of improvements, on time and in line with other improvement plans. Its thorough approach to service planning has helped it to maintain focus at the same time as delivering huge change. Improvements include introducing a successful choice based lettings scheme, tackling the back-log of outstanding repairs and improved performance on annual gas safety checks and re-let times.
- 246 Performance has improved across a range of local performance indicators including those relating to the time taken to complete repairs. However, unaudited performance against the current national best value performance indicators (BVPIs) declined slightly in 2004/05. Performance on individual BVPIs is included in Appendix 1.
- 247 Newark and Sherwood Homes has made a number of customer-facing improvements, in liaison with service users, since the 2003 inspection. These include:
- repairs completed more quickly;
 - an improved specification for kitchens with an increased choice of fittings and finishes;
 - use of a kitchen design software to enable customers to plan their kitchens;
 - introduction of 'secure by design' external doors in response to customer feedback;
 - a freephone number for day-time repairs reporting;
 - a revised tenants' handbook;
 - rent payments, repairs reporting and Easy Let bidding via the internet;
 - 'Home from Homes' quarterly tenants' newsletter;
 - environmental improvements to the Retford Road estate;
 - Easy Let choice based lettings scheme introduced with improved choice for homeless households;
 - improved approach to dealing with ASB including dictaphone diaries; and
 - a tenants' 'easy reading panel' has been set up to quality check printed information.
- 248 Newark and Sherwood Homes has made a number of improvements as a result of learning from others' experiences and from feedback from service users.

However, the lack of a comprehensive approach to capturing customer feedback is limiting learning opportunities in some cases.

- 249** The ALMO has shown that it is actively learning from others. The ALMO opted for adverts for the Easy Let scheme as a more cost effective option than direct mailing to customers having learned from the experience of a housing association partner. It also approached the local courts to ensure that access would not be refused to ALMO officers presenting cases having learned from the experience of another ALMO.
- 250** Newark and Sherwood Homes has made changes and improvements in response to customer feedback. This includes reviewing the role of the street warden service on Retford Road estate and improving the specification for replacement kitchens. Although the Easy Let has only recently been introduced improvements have already been made in response to customer feedback including an improved application form, clearer adverts and targeted advertising. Feedback from customer consultation shaped the ALMO's plans for achieving the DHS and the local 'decent homes plus' standard.
- 251** The ALMO's approach to capturing customer feedback is not comprehensive. Customer satisfaction surveys have not been carried out for gas servicing although a draft version has been prepared for discussion with the repairs monitoring group. There is also no comprehensive surveying of capital improvement work customers once schemes are completed. The ALMO is therefore limiting its opportunities for learning and improvement.
- 252** The ALMO does not routinely tell customers what it has done as a result of their comments or feedback. There is also no feedback to the wider tenant audience following estate walkabouts or on the work of the repairs and housing management monitoring groups. Tenants therefore do not know if their input has made any difference.
- 253** The ALMO responded very positively to our on-site feedback and immediately implemented a number of changes in response to issues raised. This included:
- displaying the out-of-hours emergency number so that it can be seen when offices are closed;
 - setting up ansaphones with out-of-hours contact details in local offices;
 - producing a leaflet on introductory tenancies;
 - amending a number of forms and leaflets to include straplines in community languages and about other formats; and
 - setting up an overdue gas servicing alert on the IT system.

How good are the current improvement plans?

- 254** In our previous inspection, we found that the work done through members' panels and the best value review had produced an effective and challenging action plan which built on an already competent service. It showed that the Service had not relied on previous good performance in key areas, but had shown a commitment towards continuous improvement. The housing services plan was clear and

challenging. It referred to best practice from elsewhere, made comparison with top quartile performers and showed responsibility for objectives.

- 255** In this inspection we found that Newark and Sherwood Homes has a strong and genuine commitment to continuous improvement. This is demonstrated by the range of customer facing improvements achieved, work done to improve repair response times, the drive to reduce already low re-let times even further and the challenging targets set for further improvements across a range of services.
- 256** However, while best value principles have generally been effectively applied to the development of improvement plans and are enshrined in the ALMO's efficiency delivery vehicle, there has been a lack of recent, fundamental challenge to existing service delivery methods.
- 257** The ALMO is committed to competition and modern procurement methods. This is demonstrated by the mixed economy of delivery for response repairs and void repairs, the external gas contract and the recent selection of investment partners. Competition will also be part of the review of service level agreements with the Council for support services.
- 258** Newark and Sherwood Homes is actively comparing itself to the best performers, neighbouring organisations and other ALMOs. It is also benchmarking the in-house delivery of void and response repairs against external contractors delivering the same work. Performance reports compare the ALMO's performance against the top 25 per cent and the 2004/05 year-end report provided extensive benchmark comparison's with other ALMOs on key performance indicators. This is helping to provide a focus on continuous improvement.
- 259** The ALMO has well developed methods for consulting service users and key stakeholders. Its approach to consultation as part of the stock options appraisal process was thorough and robust. It has recently consulted all tenants on changes to response repair categories and, following consultation with local residents, it made changes to the street warden service on the Retford Road estate.
- 260** The ALMO's approach to challenging current ways of delivering services is less well developed. Its review of rent payment methods was superficial and did not fundamentally challenge whether current methods were providing full value for money. The ALMO is managing leasehold homes and administering the Right to Buy service on behalf of the Council but these services have never had a best value review. The ALMO is therefore unable to demonstrate that it is delivering value for money in all its activities.
- 261** Newark and Sherwood Homes has developed a comprehensive business plan. While it only covers the year 2005/06 it includes income projections for the first five years of the ALMO's existence and identifies future key tasks. The plan identifies short and long term priorities for action which reflect national, local and tenants' and leaseholders' priorities. It also identifies potential strategic risks to the company and sets out options to reduce and manage those risks.

- 262** The business plan is supported by a thorough directorate and service work plan. This identifies key tasks which are each supported by a detailed project plan. Project plans identify the corporate objectives and values supported by the tasks, responsibilities, milestones, timescales and resource implications. We identified some expected outputs which were not specific or measurable such as 'a high level of customer satisfaction with access to housing services'. However, the ALMO responded positively by revisiting these.
- 263** The directorate and service work plan addresses key weaknesses. It includes undertaking a review of income management, demonstrating value for money of payment methods, reviewing access to services to deliver improvements and efficiency, and increasing the number of response repair appointments offered. There is a strong focus on things that directly impact on service users.
- 264** Work currently taking place but not yet complete will deliver improved outcomes for customers. This includes:
- the implementation of repair scheduling software which will increase the availability of appointments for customers;
 - investment partners have a strong customer focus and have a well developed tenant liaison function to support tenants through improvement work; and
 - the implementation of a lettable standard so that potential new tenants will know what to expect in their new homes.
- 265** Although Newark and Sherwood Homes has only been in existence since November 2004, it has moved quickly to develop its own framework of policies and strategies. This includes the efficiency delivery vehicle, risk management and procurement strategies, a performance framework, and policies for equality and diversity and health and safety. As well as equipping the ALMO to function as an effective company and deliver improvement, this work has also served to establish the ALMO's separation from the Council.

Will improvements be delivered?

- 266** In our previous inspection, we found that the Council had a clear vision for the future. There was a shared and common understanding of the issues facing the Council and a shared commitment to achieving continuous improvement.
- 267** In this inspection we found that Newark and Sherwood Homes has a clear vision and ambitions for the future. The vision is:
- 'To deliver excellent housing services'.*
- 268** This is supported by five core values:
- to focus on the customer at the core of our actions;
 - to value the contribution of everyone;
 - to ensure we deliver excellence in everything we do;
 - to make a positive difference to customers' lives; and
 - to share knowledge, information and understanding through communication.

- 269 The ALMO has three objectives:
- to achieve a three star inspection rating from the Audit Commission;
 - to deliver the Decent Homes Standard in accordance with the annual profile and for all NSDC stock by the end of March 2010; and
 - to achieve top quartile performance in all the performance indicators measured by the Audit Commission.
- 270 Newark and Sherwood Homes is ambitious in its plans for this future. Together with tenants it has developed a local 'decent homes plus' standard which exceeds the government's DHS. It has set challenging but realistic improvement targets and is aiming for further improvement in areas in which it is already performing well such as re-letting vacant homes.
- 271 There is a clear basis for the ALMO's priorities. They reflect national priorities such as achieving the DHS, local priorities such as ensuring the sustainability of the Council's homes and tenants' and leaseholders' priorities such as environmental improvements, safety and security.
- 272 Newark and Sherwood Homes is directing resources and attention towards areas which need improvement. This includes creating a performance manager post to drive forward improvement in the response repairs service, the work undertaken to appoint strategic investment partners and the ongoing work to address issues on the Retford Road estate.
- 273 In relation to capacity our previous inspection found that the Council faced difficult decisions to ensure that it can deliver services within the resources available in the HRA and needed to fully explore all potential cost and efficiency savings. It needed to ensure that competitive procurement methods were included in the performance plan, including partnering, to demonstrate that value for money was being achieved.
- 274 In this inspection, we found that both the Council and Newark and Sherwood Homes have made substantial progress in increasing capacity to deliver improvement. This includes establishing the ALMO to lever in the funding needed to achieve the DHS by 2010.
- 275 The joint procurement of strategic investment partners with a neighbouring ALMO has increased capacity in a number of ways:
- it has increased the buying power of both organisations;
 - it has delivered savings on advertising;
 - it has achieved efficiencies in the selection process for both the ALMOs and the organisations tendering; and
 - overall it will increase the organisation's capacity to bring all homes up to the DHS.

This is an innovative approach which has allowed a relatively small organisation to achieve more than it could have acting alone.

- 276** The ALMO is investing in repairs scheduling software which will lead to more efficient working practices and will increase the availability of appointments for repairs for customers. Staff resources freed up by this will be directed towards programming of capital investment work which in turn will increase capacity there.
- 277** Newark and Sherwood Homes has taken steps to develop its organisational capacity. It has created its own human resources (HR) function rather than buying those services from the Council under a service level agreement. It has developed a set of HR policies which includes a comprehensive induction guide for new staff.
- 278** There is a positive relationship between the ALMO and trade unions. There has been genuine and thorough consultation with trade unions as part of the preparations for the ALMO and on an ongoing basis since through the joint consultative group. The process was not rushed and the ALMO showed a clear willingness to listen.
- 279** The ALMO has recommenced the job evaluation process which had been started by the Council. The evaluation process is complete and moderation is taking place in consultation with the unions. The aim is to create a pay structure which reflects the market place, motivates staff to deliver what is needed and is transparent and fair. A report is due to go to the 30 June HR committee with a target implementation of 1 October 2005.
- 280** Sickness absence is now being proactively monitored and managed. There is regular contact with long term absentees and managers have had training and ongoing support to manage sickness effectively. Back to work interviews are carried out with information provided to highlight patterns of absence. The average days lost due to sickness was high at 13.5 days in 2004/05 with a target reduction to 11.5 days in 2005/06.
- 281** The ALMO is working to reduce staff turnover. In 2004/05, 4.8 per cent of staff left and a target of 3 per cent has been set for 2005/06. Work is also taking place to analyse the staff profile. This shows that a number of staff are aged 55 or over and this has highlighted a need to examine the company's succession needs.
- 282** While the ALMO is taking steps to tackle sickness and turnover we identified that there were capacity issues in some service areas due to vacancies, workload and long term sickness. While the ALMO had re-directed staff resources and used agency staff where appropriate there has been an impact on rent recovery performance and on the delivery of the capital programme where two quantity surveyor posts were vacant. We also identified a perception among some staff that salary levels were low compared to the market and that this would affect retention. However, the ALMO's work on job evaluation may go some way towards addressing this.

- 283 There is a framework for staff development and review in place. The process has been reviewed and forms simplified for implementation in May 2005. Returns will be monitored to ensure that the process is completed for all staff. Front line staff we met had all had a review in 2004. However, a number of middle managers had not had a review for 12 months or more. A core training programme includes equalities and diversity, customer care, trade skills, violence in the workplace, recruitment and selection and absence management.
- 284 Staff we met were hard working and committed. Although they had demanding workloads they were enthusiastic about carrying out their duties to best meet the needs of all customers. Overall staff said that they felt well informed about what was happening in the company. There are regular staff newsletters which include information on performance. Staff we met were clear about team goals and targets.
- 285 Overall, the relationship between Newark and Sherwood Homes and the Council is positive and constructive. The transition to the ALMO has been handled smoothly by both organisations and with no discernable disruption to services or performance. The ALMO has the necessary level of authority to discharge its functions and achieve its objectives.
- 286 The relationship between the Council and the ALMO is captured by the management agreement, the delivery plan and 15 service level agreements (SLAs) covering support services provided by the Council to the ALMO. The service level agreements address key issues and are monitored through regular meetings. This ensures that there is clarity about roles and responsibilities and the level of performance that can be expected.
- 287 Newark and Sherwood Homes has developed its own corporate branding which is reinforcing its identity as a separate and independent body. While it shares the Council's headquarters at Kelham Hall this is not compromising its arms length status. Although alternative accommodation options were considered, Kelham Hall was a more cost effective and practical option at the time although this will be kept under review. The ALMO has also appointed its own external auditors.
- 288 There is a positive and non-confrontational working relationship between the ALMO and the Council. Some difficult issues have been tackled in a mature way. This included negotiations on office accommodation which have allowed all ALMO staff to be located together in one part of the building. The creation of a dedicated HR function has had a substantial impact on the Council's own HR resources with a loss of 25 per cent of its business. There is recognition and acceptance on both sides that the review of SLAs raises the potential for conflict should the ALMO opt for a different, more competitive service provider.
- 289 There is an established and effective framework for monitoring and liaison between the ALMO and the Council. The board chair and the portfolio holder meet monthly and the chair and ALMO chief executive meet the Council chief executive and leader quarterly. There are regular operational meetings between the ALMO and the Council's housing strategy manager. Monitoring and liaison is proportionate and ALMO performance information is provided in a timely way to identify any delivery issues at an early stage.

- 290** The Council has taken steps to strengthen the strategic housing function following the creation of the ALMO. The structure has been developed in close consultation with the Government Office for the East Midlands (GOEM) and East Midlands Local Government Association and the arrangements in other Councils with ALMOs have been looked at. The Council's housing strategy is being amended to reflect the changes following the creation of the ALMO and is due to be submitted to GOEM for consideration. The HRA business plan will be developed by the Council with considerable input from the ALMO.
- 291** The Council is reviewing its overview and scrutiny arrangements and this will provide an increased focus on the ALMO's activity and performance. The May 2005 meeting of the Council was due to consider proposals to establish a partnership overview and scrutiny committee which would include ALMO performance. Council nominees to the ALMO board will not sit on the committee in order to avoid any potential conflict of roles and interests.
- 292** Newark and Sherwood Homes governance arrangements are working well. Board members we met were enthusiastic and committed and we found a sense of common purpose and mutual respect.
- 293** The ALMO has put appropriate measures in place to govern the running of the organisation. This includes a comprehensive governance guide, a code of conduct, a register of interests and clear terms of reference for the board and three committees. This is all contributing to sound governance of the ALMO.
- 294** There is a strong awareness of the potential for conflicts of interest. Although there is no constituent part quorum requirement, monitoring of attendance and decision making is taking place to ensure that one constituent part does not predominate. There has also been detailed training provided on this issue.
- 295** Board members have a good mix of skills and experience. Tenant members include more experienced tenant activists and newly involved tenants. Independent board members have brought a wide range of experience which is proving beneficial to the running and development of the board.
- 296** The ALMO is equipping its board members to carry out their duties effectively. It has provided a comprehensive initial training programme and the effectiveness of this has been assessed. Board members have all had an annual appraisal and a further assessment of their training needs. Mentoring has been introduced for board members where those with housing experience are paired up with non-housing members to discuss reports. This has helped to build members' confidence.
- 297** Board meetings are effectively and professionally run. The meeting we observed was well chaired and was inclusive with all board members participating in debate and discussion. Board papers were well presented and clearly but concisely written. Three committees have been established to allow a more detailed focus on service and performance, finance and probity and human resource issues.

298 There are some areas of weakness. While efforts have been made to ensure that the board reflects the wider community there has been limited progress to date. Succession planning for tenant board members has not yet been developed although it is in the 2005/06 work plan. Although board meetings are advertised in the tenants' newsletter, in posters and on the internet, there has been no take up of this to date.

Performance and risk management

299 In our previous inspection, we found that the corporate objectives for housing were well managed and monitored. Service plans were in place with which staff were familiar and understood. Regular reporting of performance took place and was an integral part of the culture of the Service.

300 In this inspection we found that Newark and Sherwood Homes' approach to performance management is strong although there are some areas which need attention.

301 The ALMO has an established framework for performance management. Performance information is clearly presented and shows performance against targets and comparisons with the best performers broken down on a monthly basis. Performance reports to board include performance against local PIs and BVPIs, the ALMO work plan and benchmarking results.

302 Performance is reported to a range of stakeholders. Quarterly reports go to the ALMO's service and performance committee, the board and the Council's overview and scrutiny committee. Performance is also reported to service users through the repairs and housing management monitoring groups and in the quarterly tenants' newsletter.

303 Budgets are well managed. Service heads receive timely information and are able to draw off information themselves. Commitment accounting is used. The finance and probity committee receives clearly presented financial information with explanations of any variations from the planned budget. The Council holds weekly capital programme meetings to monitor progress which the ALMO attends.

304 There are some areas which are not being sufficiently performance managed. This includes:

- a lack of routine monitoring of repairs completed on the first visit, cancelled orders and external contractors' variations;
- a lack of monitoring of or reporting on the performance of the aids and adaptations service;
- no reporting of performance of Right to Buy administration;
- no reporting on performance on leaseholder service charges; and
- no reporting to the board on customer satisfaction levels beyond BVPIs on overall satisfaction with the service and opportunities for participation.

- 305** Newark and Sherwood Homes is risk aware. The risk management strategy was approved by the board in April 2005. The board and the senior management team have identified and prioritised strategic risks to the company and have established a risk register. The ALMO's approach to risk management is evident in its prioritisation of the service level agreement review.
- 306** While the ALMO is alert to the risk posed by a decline in stock levels and income as a result of sales under the Right to Buy scheme, the early indications are that this may not pose the level of risk that was originally thought. There were 114 sales in 2003/04 but this fell to 49 in 2004/05 and the levels of interest have fallen by around half.
- 307** The ALMO is considering ways in which it can grow the business and ensure its future financial viability. One possibility being considered is to provide housing management services to housing associations which have dispersed stock in the area covered by the ALMO or who do not have a local base.

Summary

- 308** Overall, Newark and Sherwood Homes has promising prospects for improvement.
- 309** The ALMO has a strong and genuine commitment to continuous improvement. A number of customer-facing improvements have been achieved since the last inspection. Performance has improved across a range of local performance indicators. A comprehensive work plan has been developed which addresses key weaknesses.
- 310** The ALMO has increased its capacity to achieve the Decent Homes Standard by appointing strategic investment partners. The relationship between the ALMO and the Council is positive and constructive with an effective framework for liaison in place. Board members have a good mix of skills and experience and governance arrangements are working well.
- 311** However, slow progress has been made on some recommendations in the 2003 housing services inspection report. Performance has declined on best value performance indicators in 2004/05. Customer feedback is not being comprehensively captured and so learning opportunities are being lost.
- 312** The ALMO's approach to challenging current ways of delivering services is under-developed. Leasehold management and Right to Buy services have not been subject to a best value review. While the overall approach to performance management is strong there are some areas which are not being performance managed such as the time taken to complete disabled adaptations.

Appendix 1 – Performance indicators

Performance indicator	Newark and Sherwood 2002/03	Newark and Sherwood 2003/04	DC top quartile 2003/04	Newark and Sherwood 2004/05 (not audited)
BVPI 63 Average SAP rating	63	64	65	63
BVPI 66a Percentage rent collected	99.1	99	98.6	98.1
BV184a LA homes which were non-decent at start of year	16.8	17	15	47
BV184b Change in proportion of non-decent homes	2.2	-176%	26.55	0
BV185 Percentage repairs appointments made and kept	14.7	98*	83.15	29%

*This BVPI was qualified

Appendix 2 – Documents reviewed

313 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included the following.

- The ALMO's self-assessment.
- Section 27 submission.
- The ALMO's delivery plan.
- The ALMO's business plan and directorate and service work plan for 2005/06.
- Tenant participation compact.
- Customer information leaflets.
- 'Home from Homes' newsletters.
- Tenants' handbook.
- Performance reports.
- Procurement strategy.
- Risk management strategy.
- Equal opportunity and diversity policy.
- Rent recovery procedures.
- Board papers and minutes.
- Governance guide.
- Housing allocations policy.
- Lettable standard.

Appendix 3 – Reality checks undertaken

314 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 how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included the following.

- Inspection of ready-to-let homes.
- Visits to supported housing schemes including two homeless hotels managed by the ALMO.
- Job shadowing a trades person, a repairs co-ordinator, repairs clerks, a response warden, community alarm operators, an accompanied viewing and a post-letting visit.
- File checks.
- Visits to and observation in local housing offices and Kelham Hall.
- Telephone calls to local offices, the published repair reporting number and the emergency out-of-hours repairs service.
- Telephone interviews with new tenants, tenants who had received improvement works to their homes and response repair customers.
- Review of the Newark and Sherwood Homes website.
- Focus groups with tenants, board members, front line staff, trades people and trade union representatives.
- Interviews with a wide range of Council and ALMO staff.
- Interviews with Newark and Sherwood District councillors and the chair of the ALMO board.

Appendix 4 – Positive practice

- 315 *‘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)*

Tenants' 'easy reading panel'

- 316 Newark and Sherwood Homes is ensuring that published information is accessible to customers. It has established an 'easy reading panel' of tenants who quality check information and ensure that it reads clearly. Documents which have been approved have a 'tenant checked' logo.

Joint procurement of investment partners and external auditors

- 317 Newark and Sherwood Homes has increased its capacity and purchasing power by jointly procuring investment partners and an external auditor with a neighbouring ALMO. It has realised savings of around £20,000 on advertising and tendering and has achieved efficiencies in the selection process for both ALMOs and the organisations tendering.

Sustainability index

- 318 Newark and Sherwood Homes has made effective use of a sustainability index to inform asset management and investment decisions. The index includes data on turnover, refusal rates, numbers registered on the housing register, transport, rents and existing and potential employment opportunities. This was used to inform decisions to transfer some homes to housing association partners for demolition and redevelopment, to inform investment to remodel sheltered bedsits and to tackle environmental issues at Retford Road estate.